鷹君集團有限公司
Great Eagle Holdings Limited

Incorporated in Bermuda with limited liability
(Stock Code: 41)



ANNUAL REPORT 2025

CORPORATE PROFILE

The Great Eagle Group is one of Hong Kong's leading property companies. The Group also owns and manages an extensive international hotel portfolio branded under The Langham and its affiliate brands. Headquartered in Hong Kong, the Group develops, invests in and manages high quality residential, office, retail and hotel properties in Asia, North America, Australasia and Europe.

The Group's principal holdings include a 70.63% interest (as at 31 December 2025) in Champion Real Estate Investment Trust ("Champion REIT"), and a 70.26% interest (as at 31 December 2025) in Langham Hospitality Investments and Langham Hospitality Investments Limited ("LHI"). Champion REIT owns a Grade-A commercial office space in Three Garden Road as well as the office tower and shopping mall of Langham Place. Besides, Champion REIT also holds 27% interest in an office property located in 66 Shoe Lane of Central London. As for LHI, it holds three high quality hotels in the heart of Kowloon, including The Langham, Hong Kong, Cordis, Hong Kong and Eaton HK.

The Group's development projects include two luxury residential development projects, as well as shareholding interests in three joint venture development projects in Hong Kong, two development projects in San Francisco, U.S., a development project in Seattle, U.S., and two hotel development projects in Tokyo, Japan and Venice, Italy respectively. The Group is also active in property management and maintenance services as well as building materials trading.

The Group's extensive international hotel portfolio currently comprises of 34 properties with more than 11,000 rooms, including 26 luxury hotels branded under The Langham and Cordis brands in Hong Kong, London, New York, Chicago, Boston, Los Angeles, Sydney, Melbourne, Gold Coast, Auckland, Jakarta, Shanghai, Beijing, Shenzhen, Guangzhou, Foshan, Haikou, Ningbo, Xiamen, Hefei, Changsha, Xuzhou and Baoshan; two Eaton hotels in Washington D.C. and Hong Kong; five Ying'nFlo in Hong Kong and Mainland China; and the Chelsea hotel in Toronto.

The Group was founded by the late Mr. Lo Ying Shek in 1963 with The Great Eagle Company, Limited as its holding company, shares of which were listed on the Hong Kong Stock Exchange in 1972. The Group underwent a re-organisation in 1990 and Great Eagle Holdings Limited, a Bermuda registered company, became the listed holding company of the Group in place of The Great Eagle Company, Limited.

The Group had a core profit after tax attributable to equity holders of approximately HK$2,077 million in the financial year 2025 and a net asset value (based on share of net assets of Champion REIT and LHI) of approximately HK$61.02 billion as of 31 December 2025.



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CORPORATE INFORMATION

DIRECTORS
LO Ka Shui (*Chairman and Managing Director)*
LO TO Lee Kwan#
WONG Yue Chim, Richard*
LEE Pui Ling, Angelina*
ZHU Qi*
HO Shut Kan*
Diana Ferreira CESAR*
LO Hong Sui, Antony
LAW Wai Duen
LO Hong Sui, Vincent#
LO Ying Sui#
LO Chun Him, Alexander
KAN Tak Kwong *(General Manager)*
CHU Shik Pui
POON Ka Yeung, Larry

\# Non-executive Directors
* Independent Non-executive Directors

AUDIT COMMITTEE
ZHU Qi *(Chairman)*
WONG Yue Chim, Richard
LEE Pui Ling, Angelina
HO Shut Kan

REMUNERATION COMMITTEE
LEE Pui Ling, Angelina *(Chairwoman)*
WONG Yue Chim, Richard
ZHU Qi
HO Shut Kan

NOMINATION COMMITTEE
WONG Yue Chim, Richard *(Chairman)*
LEE Pui Ling, Angelina
ZHU Qi
HO Shut Kan

FINANCE COMMITTEE
LO Ka Shui (*Chairman)*
KAN Tak Kwong
LO Chun Him, Alexander
CHU Shik Pui

COMPANY SECRETARY
WONG Mei Ling, Marina

AUDITOR
Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISORS
Appleby
Clayton Utz
Clifford Chance
Dentons
Goodmans LLP
Johnson Stokes & Master
Jones Day
Pillsbury Winthrop Shaw Pittman LLP
Reed Smith Richards Butler LLP
Shartsis Friese LLP

PRINCIPAL BANKERS
Bank of China (Hong Kong) Limited
Citibank, N.A.
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
Mizuho Bank, Limited
Oversea-Chinese Banking Corporation Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE
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Bermuda

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Hong Kong
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Fax: (852) 2827 5799

PRINCIPAL SHARE REGISTRAR
Appleby Global Corporate Services (Bermuda) Limited
Canon's Court, 22 Victoria Street
PO Box HM 1179, Hamilton HM EX
Bermuda

BRANCH SHARE REGISTRAR IN HONG KONG
Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

WEBSITE
greateagle.com.hk

STOCK CODE
41

INFORMATION FOR SHAREHOLDERS

FINAL DIVIDEND

The Board of Directors recommends the payment of a final dividend in the form of cash in the amount of HK70 cents per share (2024: HK50 cents per share) for the year ended 31 December 2025 to the Shareholders whose names appear on the Registers of Members of the Company on Thursday, 21 May 2026 subject to the approval of the Shareholders at the forthcoming 2026 Annual General Meeting.

Taken together with the interim dividend of HK41 cents per share paid on 15 October 2025, the total dividend for the year 2025 is HK$1.11 per share (2024 total dividend: HK87 cents per share, comprising an interim dividend of HK37 cents and a final dividend of HK50 cents).

In addition, a special dividend was distributed on 7 November 2025 in the form of distribution in specie of share stapled unit(s) ("SSU(s)") of LHI to qualifying Shareholders on the basis of 1 SSU for every 15 Shares held (2024: NIL)

Dividend warrants in respect of the proposed 2025 final dividend are expected to be despatched to the Shareholders on 12 June 2026.

CLOSURE OF REGISTERS OF MEMBERS

The Registers of Members of the Company will be closed during the following periods and during these periods, no transfer of shares will be registered:

(i) To attend and vote at the 2026 Annual General Meeting

For the purpose of ascertaining the Shareholders' entitlement to attend and vote at the 2026 Annual General Meeting, the Registers of Members of the Company will be closed from Thursday, 7 May 2026 to Tuesday, 12 May 2026, both days inclusive.

In order to be eligible to attend and vote at the 2026 Annual General Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong ("Branch Share Registrar") for registration not later than 4:30 p.m. on Wednesday, 6 May 2026.

(ii) To qualify for the proposed 2025 Final Dividend

For the purpose of ascertaining the Shareholders' entitlement to the proposed 2025 final dividend, the Registers of Members of the Company will be closed from Monday, 18 May 2026 to Thursday, 21 May 2026, both days inclusive.

In order to qualify for the proposed 2025 final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Branch Share Registrar for registration not later than 4:30 p.m. on Friday, 15 May 2026.

FINANCIAL CALENDAR

2025 Interim Results Announcement	:	26 August 2025
Payment of 2025 Interim Dividend	:	15 October 2025
Payment of 2025 Special Dividend in the form of distribution in specie	:	7 November 2025
2025 Annual Results Announcement	:	3 March 2026
Closure of Registers for ascertaining the entitlement to attend and vote at the 2026 Annual General Meeting	:	7 May 2026 to 12 May 2026 (both days inclusive)
2026 Annual General Meeting	:	12 May 2026
Ex-dividend Date	:	14 May 2026
Closure of Registers for ascertaining the entitlement to proposed 2025 Final Dividend	:	18 May 2026 to 21 May 2026 (both days inclusive)
Record Date for the proposed 2025 Final Dividend	:	21 May 2026
Payment of the proposed 2025 Final Dividend	:	12 June 2026

Our Website

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2025 HK$ million	2024 HK$ million	Change
Key Financials on Income Statement			
Based on core business [1]			
Revenue based on core business	**16,808.1**	7,833.1	**+114.6%**
Core profit after tax attributable to equity holders	**2,076.7**	1,553.0	**+33.7%**
Core profit after tax attributable to equity holders (per share)	**HK$2.77**	HK$2.08	
Based on statutory accounting principles [2]			
Revenue based on statutory accounting principles	**19,658.1**	10,878.5	**+80.7%**
Statutory loss attributable to equity holders	**(1,654.3)**	(1,734.2)	**-4.6%**
Interim dividend (per share)	**HK$0.41**	HK$0.37	
Special dividend (per share) [3]	**1 SSU of LHI for every 15 shares**	–	
Final dividend (per share)	**HK$0.70**	HK$0.50	
Total dividend (per share)	**HK$1.11**	HK$0.87	

1 On the basis of core business, figures excluded fair value changes relating to the Group's investment properties and financial assets, and were based on attributable distribution income from Champion REIT and Langham Hospitality Investments and Langham Hospitality Investments Limited ("**LHI**"), as well as realised gains and losses on financial assets. The management's discussion and analysis focuses on the core profit of the Group.

2 Financial figures prepared under the statutory accounting principles were based on applicable accounting standards, which included fair value changes and consolidated financial figures of Champion REIT and LHI.

3 A special dividend was distributed on 7 November 2025 in the form of distribution in specie of share stapled units ("**SSU(s)**") of LHI (Stock Code: 1270) to qualifying Shareholders on the basis of 1 SSU for every 15 shares of the Company ("**Shares**") held.

	As at the end of	
	December 2025	June 2025
Key Financial Figures From Balance Sheet		
Based on share of Net Assets of Champion REIT and LHI (core balance sheet) [1]		
Net gearing	**2.9%**	8.0%
Book value (per share)	**HK$81.6**	HK$83.1
Based on statutory accounting principles [2]		
Net gearing [3, 4, 5]	**30.0%**	35.5%
Book value (per share) [3, 4]	**HK$69.7**	HK$71.2

1 The Group's core balance sheet is derived from our share of net assets in Champion REIT and LHI. As the hotels owned by LHI are classified as investment properties, the values of these three Hong Kong hotels were marked to market in our core balance sheet. As the U.S. Real Estate Fund ("U.S. Fund") became inactive in 2025, it is no longer separately shown in the reportable and operating segment. More details about the balance sheet derived from our share of net assets in Champion REIT and LHI are on page 10.

2 As for the Group's balance sheet prepared under the statutory accounting principles, the entire debts of Champion REIT and LHI were consolidated in aggregate. However, the Group only owned a 70.63% and 70.26% equity stakes in Champion REIT and LHI respectively as at the end of December 2025.

3 Net gearing based on statutory accounting principles is arrived at by dividing net debts attributable to Shareholders of the Group by equity attributable to Shareholders of the Group based on appraised value of investment properties and depreciated cost of hotel properties.

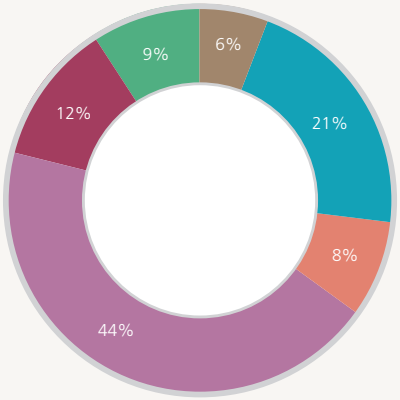
4 Since most of the Group's owned hotels were acquired years ago, their market values well exceed their depreciated costs. Should estimated market values instead of depreciated costs be recognised in the consolidated financial statements for these hotels, the net gearing ratio would be reduced from 30.0% to 22.0%, and the relevant book value per share will rise from HK$69.7 to HK$94.7.

5 The Group's debt to asset ratio (i.e. total attributable debts divided by attributable assets) is 21.1% and would be reduced to 16.2% when taking into account the estimated market value of the Group's owned hotels.

2025 Annual Results Presentation

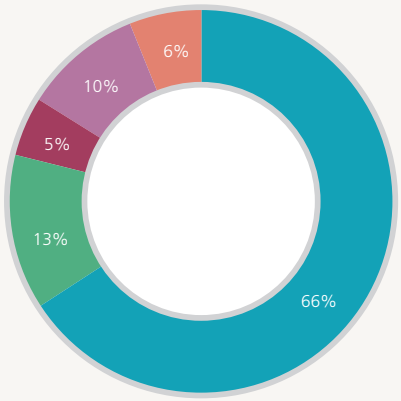
ASSETS EMPLOYED

Total Assets HK$92,033 million



- Property investment
- Hotel operation
- Property development
- Share of assets of Champion REIT
- Share of assets of LHI
- Other operations

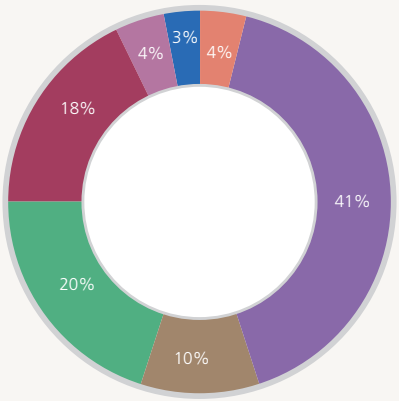
FINANCED BY



- Equity attributable to equity holders
- Share of liabilities of Champion REIT
- Share of liabilities of LHI
- Non-current liabilities
- Current liabilities

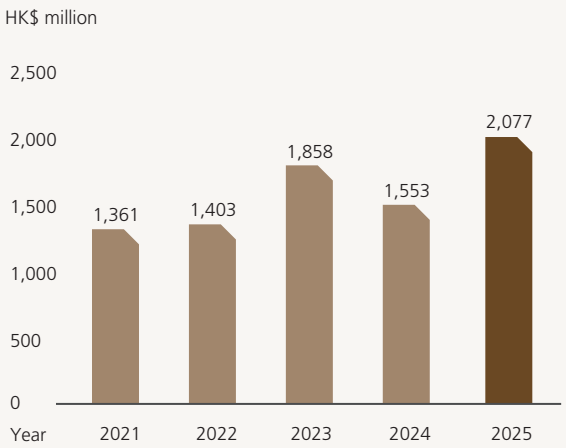
OPERATING INCOME FROM CORE BUSINESS

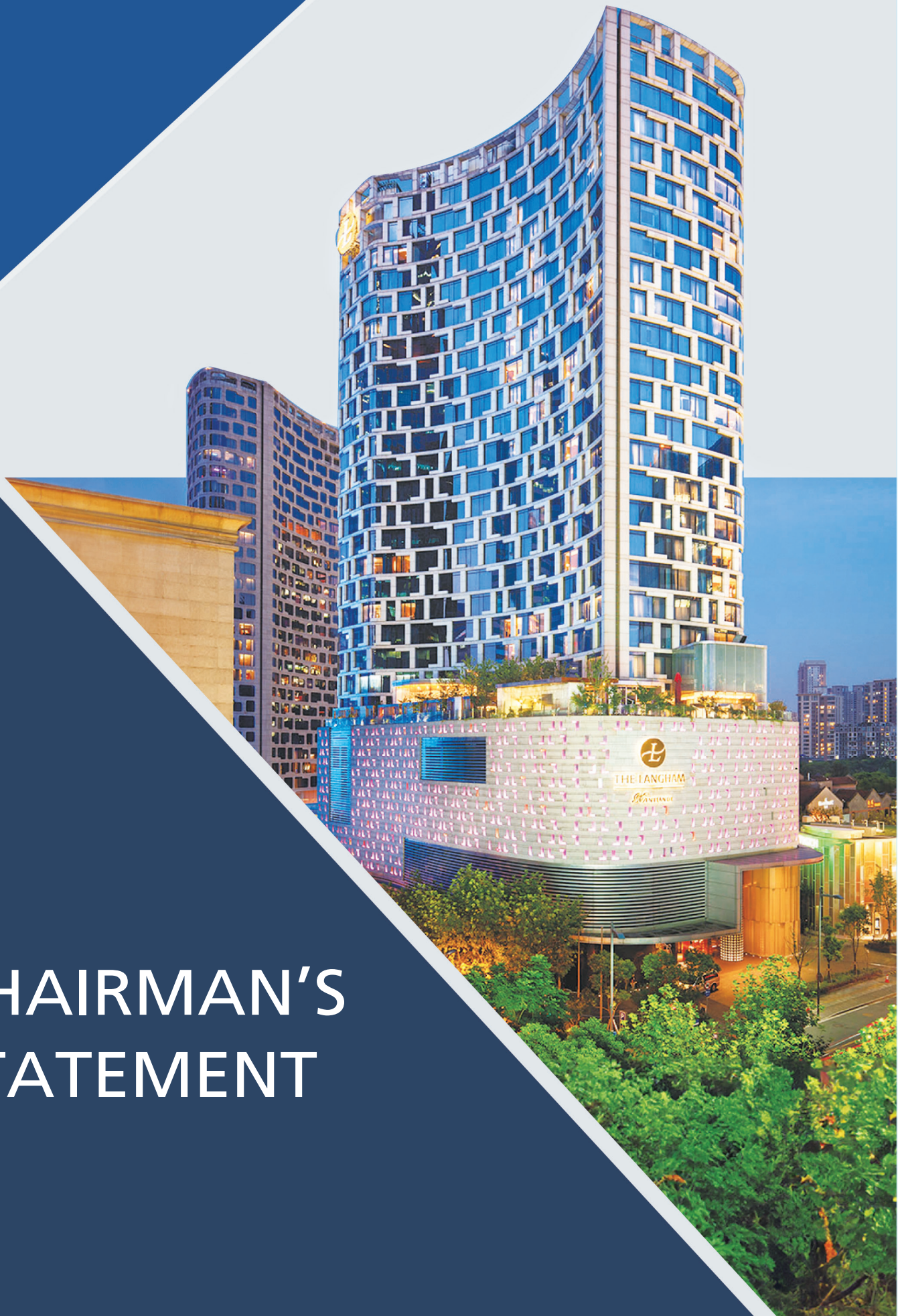
HK$2,799 million



- Net rental income
- Hotels EBITDA
- Management fee income from Champion REIT
- Distribution from Champion REIT
- Income from property sales
- Operating income from other operations
- Distribution from LHI

CORE PROFIT ATTRIBUTABLE TO EQUITY HOLDERS





CHAIRMAN'S STATEMENT

CORE PROFIT - FINANCIAL FIGURES BASED ON CORE BUSINESS

	Year ended 31 December		
	2025 HK$ million	2024 HK$ million	Change
Revenue from core business			
Revenue from property sales	**10,059.0**	1,340.5	**+650.4%**
Revenue from Hotels Division	**5,307.1**	5,085.2	**+4.4%**
Management fee income from Champion REIT	**277.8**	303.2	**-8.4%**
Distribution income from Champion REIT ^	**545.2**	603.2	**-9.6%**
Distribution income from LHI ^	**78.5**	39.1	**+100.8%**
Gross rental income	**174.6**	172.9	**+1.0%**
Revenue from other operations	**365.9**	289.0	**+26.6%**
Total revenue	**16,808.1**	7,833.1	**+114.6%**
Income from property sales	**513.6**	599.0	**-14.3%**
Hotels EBITDA	**1,152.2**	1,105.2	**+4.3%**
Management fee income from Champion REIT	**277.8**	303.2	**-8.4%**
Distribution income from Champion REIT ^	**545.2**	603.2	**-9.6%**
Distribution income from LHI ^	**78.5**	39.1	**+100.8%**
Net rental income	**107.5**	110.9	**-3.1%**
Operating income from other operations	**124.0**	125.0	**-0.8%**
Operating income from core business	**2,798.8**	2,885.6	**-3.0%**
Depreciation	**(379.2)**	(351.5)	**+7.9%**
Administrative, selling and other expenses	**(551.5)**	(535.2)	**+3.0%**
Write-off of costs for hotel projects under development	**(200.5)**	–	**n/a**
Other income	**50.6**	104.0	**-51.3%**
Interest income	**1,004.4**	172.6	**+481.9%**
Finance costs	**(427.4)**	(512.0)	**-16.5%**
Share of results of joint ventures	**(1.3)**	(0.2)	**+550.0%**
Share of results of associates	**(0.9)**	5.9	**n.m.**
Core profit before tax	**2,293.0**	1,769.2	**+29.6%**
Income taxes	**(205.3)**	(215.8)	**-4.9%**
Core profit after tax	**2,087.7**	1,553.4	**+34.4%**
Non-controlling interest	**(11.0)**	(0.4)	**n.m.**
Core profit attributable to equity holders	**2,076.7**	1,553.0	**+33.7%**

^ Under the Group's statutory profit, the annual results of Champion REIT and LHI are consolidated on the Group's income statement. By contrast, the Group's core profit is based on attributable distribution income from Champion REIT and LHI.

SEGMENT ASSETS AND LIABILITIES (BASED ON NET ASSETS OF CHAMPION REIT, LHI AND THE U.S. FUND)

The following is an analysis of the Group's assets and liabilities by reportable operating segments:

31 December 2025

	Assets HK$ million	Liabilities HK$ million	Net Assets HK$ million
Great Eagle operations	40,108	13,993	26,115
Champion REIT	40,470	12,260	28,210
LHI	11,455	4,760	6,695
	92,033	31,013	61,020

31 December 2024

	Assets HK$ million	Liabilities HK$ million	Net Assets HK$ million
Great Eagle operations	44,267	19,178	25,089
Champion REIT	43,131	12,252	30,879
LHI	11,565	4,797	6,768
U.S. Fund	441	151	290
	99,404	36,378	63,026

FINANCIAL FIGURES BASED ON STATUTORY ACCOUNTING PRINCIPLES

	Year ended 31 December		
	2025 HK$ million	2024 HK$ million	Change
Revenue based on statutory accounting principles			
Revenue from property sales	**10,059.0**	1,340.5	**+650.4%**
Revenue from Hotels Division	**6,878.8**	6,670.9	**+3.1%**
Gross rental income	**174.6**	172.9	**+1.0%**
Revenue from other operations (including management fee income from Champion REIT)	**643.8**	592.2	**+8.7%**
Gross rental income - Champion REIT	**2,254.6**	2,458.7	**-8.3%**
Gross rental income - LHI	**481.3**	481.2	**–**
Gross revenue - U.S. Fund	**–**	25.8	**n.m.**
Elimination on intragroup transactions	**(834.0)**	(863.7)	**-3.4%**
Consolidated total revenue	**19,658.1**	10,878.5	**+80.7%**
Income from property sales	**513.6**	599.0	**-14.3%**
Hotels EBITDA	**1,152.2**	1,105.2	**+4.3%**
Net rental income	**107.5**	110.9	**-3.1%**
Operating income from other operations (including management fee income from Champion REIT)	**401.8**	428.3	**-6.2%**
Net rental income - Champion REIT	**1,416.6**	1,598.4	**-11.4%**
Net rental income - LHI	**380.3**	381.0	**-0.2%**
Net operating income - U.S. Fund	**–**	0.2	**n.m.**
Elimination on intragroup transactions	**(13.1)**	(17.3)	**-24.3%**
Consolidated segment results	**3,958.9**	4,205.7	**-5.9%**
Depreciation	**(903.1)**	(883.8)	**+2.2%**
Fair value changes on investment properties	**(4,248.7)**	(3,239.8)	**+31.1%**
Fair value changes on derivative financial instruments	**(79.7)**	(210.3)	**-62.1%**
Fair value changes on financial assets at fair value through profit or loss ("**FVTPL**")	**174.4**	74.4	**+134.4%**
Impairment on hotel projects under development	**(522.9)**	–	**n/a**
Administrative, selling and other expenses	**(544.2)**	(540.1)	**+0.8%**
Other income (including interest income)	**1,069.0**	261.8	**+308.3%**
Finance costs	**(1,272.1)**	(1,513.2)	**-15.9%**
Share of results of joint ventures	**7.9**	24.9	**-68.3%**
Share of results of associates	**(0.9)**	5.9	**n.m.**
Statutory loss before tax	**(2,361.4)**	(1,814.5)	**+30.1%**
Income taxes	**(273.1)**	(582.2)	**-53.1%**
Statutory loss after tax	**(2,634.5)**	(2,396.7)	**+9.9%**
Non-controlling interest	**18.5**	36.5	**-49.3%**
Non-controlling unitholders of Champion REIT	**961.7**	626.0	**+53.6%**
Statutory loss attributable to equity holders	**(1,654.3)**	(1,734.2)	**-4.6%**

RECONCILIATION OF THE CORE PROFIT WITH FINANCIAL FIGURES BASED ON STATUTORY ACCOUNTING PRINCIPLES

	HK$ million
Statutory loss attributable to equity holders	(1,654.3)
Exclusion of Champion REIT and LHI attributable results:	
Attributable by Champion REIT	2,304.8
Attributable by LHI	73.1
Intragroup transactions	6.2
	729.8
Share of distribution from Champion REIT	545.2
Share of distribution from LHI	78.5
	1,353.5
Fair value adjustments:	
Negative fair value changes on investment properties net of related deferred tax	274.8
Impairment on land for hotel projects under development net of related deferred tax	257.6
Depreciation on hotel land and buildings	319.1
Negative fair value changes on derivative financial instruments	63.5
Positive fair value changes on financial assets at FVTPL	(174.4)
Write-off of equity instruments at fair value through other comprehensive income ("**FVTOCI**")	(33.3)
Gain on disposal of equity stock (financial assets at FVTPL and FVTOCI)	19.8
Unrealised translation gain	(3.9)
Core profit attributable to equity holders	2,076.7

Note: Core business figures exclude fair value changes from hotels, investment properties and financial instruments, focuses on attributable distribution income from Champion REIT and LHI and include realised gains or losses from financial instruments at FVTOCI. The core profit provides a clearer view of recurring operational performance by filtering out the effects of fair value adjustments, thereby offering a more consistent basis for evaluating the Group's underlying profitability and distribution capability over time.

OVERVIEW

In 2025, global geopolitical tensions stayed elevated, marked by persistent armed conflicts, intensified trade rivalries with new tariffs, and emerged challenges including various territorial disputes in different parts of the globe, all contributing to ongoing uncertainties and fragmented investor sentiment. Central banks continued easing efforts, although rate cuts in the United States remained cautious, delivering meaningful liquidity support that helped underpin recoveries in asset markets, including the property sector of Hong Kong.

On the other hand, the tourism sector of Hong Kong demonstrated a solid rebound bolstered by mega-events and targeted promotions, reinforcing the city's standing as a premier tourist destination. Hotels enjoyed improved occupancy from event-driven traffic, though pricing pressures lingered from more budget-conscious visitors. Persistent headwind prevailed along the surge in cross-border weekend spending by local residents to nearby Mainland cities, which noticeably diverted consumption and weighed on the local retail and food & beverage ("**F&B**") sectors.

The office market displayed early signs of stabilisation, with modest rent softening amid still-high vacancies but stronger leasing activity from financial services firms, particularly in prime areas favouring quality space. Confidence in the office investment market also saw signs of pickup, highlighted by a few landmark transactions recorded during the year. This is considered as a vote of confidence in the city's improving business environment. In residential, prices recorded the first annual increase in years, supported by lower interest rates, buoyant stock markets and the continued rollout of various talent admission schemes that drew newcomers and sustained underlying demand despite lingering inventory pressures.

During the reporting period, the Group completed the ONMANTIN project and obtained the Certificate of Compliance in May 2025. Subsequent handovers of pre-sold units to purchasers began in June 2025 and a total 704 units (out of 709 units sold) were delivered as at the end of 2025. The two joint venture projects at Kai Tak and Ma Tau Chung area are in progress. The Group also entered into another joint venture for a residential site located at Choi Hung area through government tender in January 2026. Separately, over 100 residential units were acquired in sought-after locations in both first and second-handed market ("**Residential Property Pool**") during the year. The Group also acquired an office floor in a prime building in Central prior to the balance sheet date, and another floor in a renowned office building in Admiralty in February 2026. The Group intends to hold all the above properties for long-term investment. On the hospitality side, our midscale brand, Ying'nFlo, opened three outlets during the year in Hangzhou, Wuhan and Nanjing respectively where market responded positively. The rollout of Ying'nFlo represented a significant milestone for the Group, marking our entry into the midscale segment of Mainland China's hotel market.

The Group's core profit attributable to equity holders for the year was HK$2,076.7 million representing a 33.7% growth compared to HK$1,553.0 million last year. Meanwhile, the Group's statutory results, which included fair value changes of investment properties and financial assets, reported a loss attributable to equity holders of HK$1,654.3 million (2024: loss of HK$1,734.2 million). The Management's discussion and analysis below focuses on the core profit of the Group.

During the reporting period, the Group recorded a 14.3% decline in income from property sales to HK$513.6 million (2024: HK$599.0 million) despite additional revenue recognised from the handover of pre-sold units of the ONMANTIN project. This is mainly due to the much lower gross profit margin yielded from ONMANTIN compared to ONTOLO. Further details on such will be covered in the subsequent sections.

The performance of Champion REIT was constrained by a persistently challenging office market of Hong Kong. The office segment remained under pressure from a competitive leasing landscape and elevated vacancy levels, which continued to weigh on occupancy and rental rates for Three Garden Road and Langham Place Office Tower. On retail front, whilst tenant sales showed gradual recovery, the rental growth of Langham Place Mall was still impeded by evolving consumer preferences including the structural shift in spending pattern of Mainland visitors, as well as the sustained trend of local residents pursuing leisure and retail consumption in alternative destinations like the Greater Bay Area ("**GBA**").

The overall performance of our Hotels Division was stable amid the rising operating expenses where EBITDA recorded a 4.3% increase to HK$1,152.2 million (2024: HK$1,105.2 million).

Performance of our three hotels in Hong Kong owned by LHI remained stable, supported by demand from Mainland China and the improving international markets. However, room rates came under pressure as visitors remained highly price-conscious, compounded by the slow recovery of long-haul travellers. Effective cost-control measures were in place during the year to reduce operating expenses and overheads. LHI declared distribution per Share Stapled Unit of HK3.2 cents for 2025 (2024: HK1.6 cents).

The net rental income from our investment portfolio, mainly comprised of Great Eagle Centre, serviced apartments and the Residential Property Pool, recorded a 3.1% decline to HK$107.5 million (2024: HK$110.9 million). The office portion of Great Eagle Centre still faced headwinds with declining occupancy and rental rates. While serviced apartments performed resiliently, the rental income of such was temporarily impacted by the strategic conversion of the Blue Pool Road property from serviced apartments to a long-lease model since mid-2025.

The Group's other business operations recorded a net income of HK$124.0 million (2024: HK$125.0 million) which comprised dividend income from investment in listed shares, property management income and results of other business operations. On the other hand, the Group recorded a write-off of certain pre-construction costs at HK$200.5 million for the two hotel projects under development in San Francisco.

The finance costs of the Group recorded a reduction of 16.5% to HK$427.4 million (2024: HK$512.0 million) and this was mainly attributed to the lower interest rate during the year. On the other hand, interest income recorded a substantial increase to HK$1,004.4 million (2024: HK$172.6 million) largely attributable to finance income earned from the Group's provision of additional funds for the development of ONMANTIN project.

Overall, the Group's performance remained stable despite the volatile market, underpinned by prudent financial management and a strong financial position. Our disciplined strategy focuses on a consistent and balanced return, as well as sustainable long-term growth.

BUSINESS REVIEW

Breakdown of Operating Income		Year ended 31 December 2025 HK$ million	2024 HK$ million	Change
1.	Income from property sales	**513.6**	599.0	**-14.3%**
2.	Hotels EBITDA	**1,152.2**	1,105.2	**+4.3%**
3.	Income from Champion REIT	**823.0**	906.4	**-9.2%**
4.	Distribution income from LHI	**78.5**	39.1	**+100.8%**
5.	Net rental income from investment properties	**107.5**	110.9	**-3.1%**
6.	Operating income from other operations	**124.0**	125.0	**-0.8%**
Operating income from core business		**2,798.8**	2,885.6	**-3.0%**

1. PROPERTY SALES





ONTOLO, Pak Shek Kok

The site, which is located in Pak Shek Kok, Tai Po and commands spectacularly unobstructed sea views over Tolo Harbour was acquired in May 2014. The development, with a total permissible gross floor area (**"GFA"**) of 730,870 sq. ft. or saleable area of 635,612 sq. ft., comprising 723 luxury residential units and 456 car parking spaces, was completed in Q4 2020.

The average sales price of residential units for 2025 was HK$19,843 per sq. ft. based on saleable area, while the average sales price for the sold car parking spaces was HK$1.77 million per unit. During the reporting period, two houses (including four car parking spaces), 23 residential units, 25 car parking spaces and one motorcycle space were handed over to purchasers resulted in the booking of revenue of HK$841.6 million (2024: HK$1,340.5 million) and gross profit of HK$401.3 million (2024: HK$599.0 million). By the end of 2025, accumulated sales reached 717 residential units which represented 99.2% of the total 723 residential units (or 97.9% of total saleable area). Among such, 694 units had been delivered to purchasers.

ONMANTIN, Ho Man Tin

This project comprises a GFA of approximately 742,000 sq. ft., or a saleable area of approximately 664,000 sq. ft., for the development of 990 apartments above Ho Man Tin MTR station under a Development Agreement with MTR Corporation Limited. Both Occupation Permit and Certificate of Compliance had been successfully obtained and handover commenced subsequently since mid-June 2025.

During the reporting period, no new sales were made whilst 704 out of 709 pre-sold units had been delivered to purchasers. Despite the project recorded a gross profit of HK$112.3 million (2024: NIL) for the year pursuant to applicable accounting standards, nevertheless, there was reported accumulated loss of HK$16.9 million after deducting relevant selling and marketing expenses and other related expenses.

In accordance with the agreement with the preceding developer of the project, the Group is entitled to charge and earn finance income in providing additional funds for the development of project. For the year ended 31 December 2025, finance income of HK$842.7 million was booked alongside delivery of 704 residential units previously pre-sold.

2. HOTELS DIVISION





Hotels Performance

	Average daily rooms available		Occupancy		Average room rate (local currency)		RevPAR (local currency)	
	2025	2024	2025	2024	2025	2024	2025	2024
Europe								
The Langham, London	380	380	79.6%	79.2%	509	529	405	419
North America								
The Langham, Boston	312	312	75.2%	72.4%	498	482	375	349
The Langham Huntington, Pasadena	379	379	63.0%	61.8%	367	324	231	200
The Langham, Chicago	316	316	71.6%	71.6%	551	505	394	361
The Langham, New York, Fifth Avenue	234	234	84.3%	79.9%	902	822	760	656
Eaton, Washington D.C.	209	209	65.9%	70.4%	243	265	160	187
Chelsea Hotel, Toronto	1,590	1,590	74.1%	70.4%	228	217	169	153
Australia/New Zealand								
The Langham, Melbourne	388	388	85.1%	78.5%	333	319	283	250
The Langham, Sydney	96	96	91.1%	80.2%	541	511	493	410
Cordis, Auckland	641	640	72.9%	71.5%	221	231	161	165
Mainland China								
The Langham, Shanghai, Xintiandi	355	356	86.1%	86.5%	1,553	1,432	1,338	1,238
Cordis, Shanghai, Hongqiao	392	391	84.1%	81.6%	812	829	683	676

	Year ended 31 December		
	2025 HK$ million	2024 HK$ million	Change
Hotels revenue			
Europe	**777.5**	807.0	**-3.7%**
North America	**3,001.0**	2,818.7	**+6.5%**
Australia/New Zealand	**766.6**	769.0	**-0.3%**
Mainland China	**434.2**	421.7	**+3.0%**
Others ^ #	**327.8**	268.8	**+21.9%**
Total hotels revenue	**5,307.1**	5,085.2	**+4.4%**
Hotels EBITDA			
Europe	**234.8**	243.7	**-3.7%**
North America	**588.2**	547.4	**+7.5%**
Australia/New Zealand	**74.4**	68.1	**+9.3%**
Mainland China	**133.5**	125.5	**+6.4%**
Others ^ #	**121.3**	120.5	**+0.7%**
Total hotels EBITDA	**1,152.2**	1,105.2	**+4.3%**

^ Including (i) hotel management fee income, (ii) surplus or shortfall as master lessee, (iii) income from Ying'nFlo, Wesley Admiralty and all outlets of Ying'nFlo in Mainland China.

Ying'nFlo outlets in Hangzhou, Wuhan and Nanjing commenced operation in July, August and late December 2025 respectively.

Hotels Division delivered a mixed performance across its global portfolio. Solid revenue growth was achieved in North America, Australia and Mainland China, supported by increased demand from the leisure and event segments. Nevertheless, operating conditions in London and New Zealand remained challenging, with economic pressures and heightened competition constraining overall profitability.

Total revenue for the Hotels Division recorded 4.4% year-on-year growth to HK$5,307.1 million (2024: HK$5,085.2 million).

Results of the Hotels Division also included hotel management fee income from managed hotels, any surplus or shortfall incurred by the Group as the master lessee of LHI's hotels, as well as the income from the Ying'nFlo operations in both Hong Kong and Mainland China, which are all included under the row "Others" in the above Hotels EBITDA table.

Overall, the Hotels Division reported a growth of 4.3% in EBITDA to HK$1,152.2 million in 2025 (2024: HK$1,105.2 million).

EUROPE

The Langham, London

Our London hotel performance was impacted by subdued consumer and business sentiment. An uplift was witnessed in 2H 2025 from event-driven demand and stronger international arrivals which had improved occupancy levels. Nonetheless, profitability was pressured by escalating operating costs, particularly in labour.

NORTH AMERICA

The Langham, Boston, The Langham, Chicago, The Langham, New York, Fifth Avenue, The Langham Huntington, Pasadena and Eaton, Washington DC

Most of our hotels posted positive room performance, supported by a blend of leisure, business travel, and major conference activity.

New York benefited from robust leisure demand, enabling high room rates, while Boston and Chicago saw rebounds in corporate and group segments from large conventions. Pasadena demonstrated resilience amid wildfire disruptions. Across the region, profitability was impacted by rising operating expenses, including property taxes.

Chelsea Hotel, Toronto

The Toronto hotel delivered a steady performance, with room rates elevated by large events and strong domestic demand, which helped mitigate weaker inbound tourism from the United States.

The ground floor lobby renovation was completed during the year which escalated the guest arrival experience. Following the renovation, the upgraded product had enhanced guest appeal, with strong market feedback confirming the positive reception of the new offerings.

AUSTRALIA/NEW ZEALAND

The Langham, Melbourne and The Langham, Sydney

Both hotels delivered strong results, sustained by citywide events in cultural, sporting, and entertainment sectors. These attractions drew international visitors and stimulated domestic tourism, driving growth in occupancy and revenue.

Cordis, Auckland

Market sentiment remained soft, with reduced large-scale events pressuring occupancy. Weaker international visitor numbers and subdued domestic corporate activity contributed to the challenges.

MAINLAND CHINA

The Langham, Shanghai, Xintiandi and Cordis, Shanghai, Hongqiao

Our Shanghai hotels exhibited mixed performance, capitalising on the recovery in international travel and major events such as the Auto Show. However, domestic consumer sentiment softened, particularly affecting F&B operations.

Ying'nFlo in Hangzhou, Wuhan and Nanjing

This pursues an asset-light operating model and is positioned as a lifestyle-driven, selected-service hotel brand targeting millennials and Gen Z with strong influencer and media collaborations. The brand officially entered Mainland China with three outlets opened in the core area of Hangzhou, Wuhan and Nanjing respectively during the year and positive market responses had been received.

HOTEL MANAGEMENT BUSINESS

As at the end of December 2025, there were 14 third-party hotels under management with approximately 4,200 rooms.

3. INCOME FROM CHAMPION REIT



The Group's core profit is based on the attributable distribution income and management fee income from Champion REIT in respect of the same financial period. On that basis, total income from Champion REIT in 2025 dropped 9.2% to HK$823.0 million. Distribution attributable to the Group decreased 9.6% to HK$545.2 million after taking account of the Group's increase in shareholding interest from 70.30% as at the end of December 2024 to 70.63% as at the end of December 2025, and that the REIT has declared a 11.2% decline in distribution per unit based on a 90.0% payout ratio (2024: 90.0%). The balance represented management fee income which also fell by 8.4% to HK$277.8 million in 2025 due to Champion REIT's lower net property income.

	Year ended 31 December		
	2025 HK$ million	2024 HK$ million	Change
Attributable distribution income	**545.2**	603.2	**-9.6%**
Management fee income	**277.8**	303.2	**-8.4%**
Total income from Champion REIT	**823.0**	906.4	**-9.2%**

The following text was extracted from the 2025 annual results announcement of Champion REIT relating to the performance of the REIT's properties.

Three Garden Road

Leasing activity at Three Garden Road strengthened in 2025. Site inspections in second half of 2025 increased by 61% year-on-year, resulting in several new tenants from the asset management and family office sectors. Occupancy remained stable at 81.6% (31 December 2024: 82.6%), with space vacated by departing occupants largely backfilled by new leases and expansions from existing tenants. Our proactive retention strategy continued to deliver results, securing renewals for over 75% of 2026 expiring leases, thereby enhancing stability and forward visibility.

The abundant supply in the Central office market continued to exert pressure on rents. At Three Garden Road, the passing rent declined to HK$73.7 per sq. ft. (based on lettable area) as at 31 December 2025 (31 December 2024: HK$87.0 per sq. ft.). This decrease was partly due to concentration of lease expiries during the year, which coincided with a competitive leasing environment. Consequently, the property's rental income fell by 10.1% to HK$1,017 million (2024: HK$1,132 million).

Langham Place Office Tower

The positioning of Langham Place Office as a premier wellness hub was reinforced by the launch of the "6D Wellness" digital channel along with the introduction of the new event space - Social Wellness Hall. As at 31 December 2025, lifestyle and wellness tenants accounted for 68% of the property's mix.

While medical and beauty operators form the core tenant base at Langham Place Office, the property has further diversified its mix by securing tenants in sectors such as sales services. It remains a premier choice for location-sensitive businesses, maintaining a stable occupancy rate of 86.9% (31 December 2024: 87.2%).

The property's performance continued to be weighed down by negative rental reversion. Rental income fell by 6.1% to HK$304 million (2024: HK$324 million). Market rents remained subdued due to ample supply of office space across the market. The passing rent declined to HK$42.4 per sq. ft. (based on gross floor area) as at 31 December 2025 (31 December 2024: HK$44.0 per sq. ft.).

Net property operating expenses rose to HK$49 million (2024: HK$45 million), primarily driven by higher rental commission from increased leasing activity, elevated other operating expenses and net building management expenses. Overall, net property income decreased by 8.6% to HK$255 million (2024: HK$280 million).

Langham Place Mall

Tenants' sales at Langham Place Mall were 5.0% lower year-on-year, proactive tenant-mix management generated double-digit sales growth in the lifestyle segment.

Occupancy maintained at high level of 99.3% as at 31 December 2025 (31 December 2024: 99.3%). Rental income of the mall decreased by 8.5% to HK$666 million (2024: HK$728 million). The base rent portion declined to HK$440 million (2024: HK$475 million) mainly due to negative rental reversion arising from the replacement of an anchor tenant which occupied 13.8% of lettable area. The turnover rent portion lowered to HK$171 million (2024: HK$196 million), owing to softer tenants' sales. Passing rent was HK$162.5 per sq. ft. as at 31 December 2025 (based on lettable area) (31 December 2024: HK$157.5 per sq. ft.).

4. DISTRIBUTION INCOME FROM LHI







Under statutory accounting principles, our investment in LHI is classified as a subsidiary, and its results are consolidated into the Group's statutory income statement. However, as LHI principally focuses on distributions, the Group's core profit is derived from the attributable distribution income. We believe this treatment will better reflect the financial return and economic interest attributable to our investment in LHI. This entry is also consistent with our practice in accounting for returns from our investment in Champion REIT, which also focuses on distributions.

During the reporting period, the challenging operating environment had impacted room rates despite improved occupancies. In addition, the overall profitability of LHI was impeded by the escalating operating and financing costs.

LHI declared distribution per Share Stapled Unit of HK3.2 cents for the year 2025 (2024: HK1.6 cents).

	Year ended 31 December		
	2025 HK$ million	2024 HK$ million	Change
Attributable distribution income	**78.5**	39.1	**+100.8%**

Performances of the Hong Kong hotels below were extracted from the 2025 annual results announcement of LHI relating to the performance of the trust group's properties.

	Average daily rooms available		Occupancy		Average room rate (in HK$)		RevPAR (in HK$)	
	2025	2024	2025	2024	2025	2024	2025	2024
The Langham, Hong Kong	**498**	498	**88.6%**	89.3%	**1,996**	1,957	**1,768**	1,748
Cordis, Hong Kong	**669**	667	**91.9%**	92.6%	**1,657**	1,619	**1,523**	1,500
Eaton HK	**465**	465	**92.1%**	90.0%	**1,145**	1,114	**1,055**	1,003

The three Hong Kong hotels delivered a stable performance in 2025, supported by the growth in inbound travel to Hong Kong. Large-scale entertainment and sporting events, conventions and festivals provided additional momentum and were supported by the growing success of the new Kai Tak Stadium and Sports Park.

In 2025, the three Hong Kong hotels recorded a moderate improvement in room performance, while the food and beverage segment experienced a slight downturn compared with the previous year. Despite these mixed trends, overall operating performance of the hotels showed a marginal year-on-year increase.

As at 31 December 2025, the three Hong Kong hotels in LHI's portfolio was valued at HK$15,895 million, broadly consistent with the prior year and reflecting continued market stabilisation. The hotels' strong operational performance in the final quarter of 2025 showed clear signs of momentum and recovery.

5. RENTAL INCOME FROM INVESTMENT PROPERTIES





	Year ended 31 December		
	2025 HK$ million	2024 HK$ million	Change
Gross rental income			
Great Eagle Centre	75.3	76.2	-1.2%
Serviced Apartments	54.0	56.6	-4.6%
Residential Property Pool ^	6.1	2.1	+190.5%
Others #	39.2	38.0	+3.2%
	174.6	172.9	+1.0%
Net rental income			
Great Eagle Centre	62.2	64.4	-3.4%
Serviced Apartments	27.7	30.8	-10.1%
Residential Property Pool ^	3.4	1.3	+161.5%
Others #	14.2	14.4	-1.4%
	107.5	110.9	-3.1%

^ Including residential units at Convention Plaza Apartments, Wan Chai.
# Including retail shops at Central.

Great Eagle Centre

	As at the end of		
	December 2025	December 2024	Change
Office (on lettable area)*			
Occupancy	**67.6%**	78.5%	**-10.9ppt**
Average passing rent	**HK$48.1**	HK$49.0	**-1.8%**
Retail (on lettable area)			
Occupancy	**100.0%**	92.6%	**+7.4ppt**
Average passing rent	**HK$89.1**	HK$95.9	**-7.1%**

* Lettable area excludes in-house occupied space. Should these areas be counted, the office occupancy would report at 78.8%.

The subdued conditions in the Hong Kong office market presented headwinds for Great Eagle Centre, constraining its operational performance during the year.

Occupancy of office portion reduced to 67.6%, whilst its average passing rents recorded a decline by 1.8% to HK$48.1 per sq. ft. as at the end of December 2025. The overall gross rental income for Great Eagle Centre decreased 1.2% year-on-year to HK$75.3 million (2024: HK$76.2 million), whilst net rental income reduced 3.4% to HK$62.2 million (2024: HK$64.4 million).

Serviced Apartments

	Year ended 31 December		
	2025	2024	Change
(on GFA)			
Occupancy	**82.3%**	83.0%	**-0.7ppt**
Average net passing rent	**HK$24.6**	HK$25.7	**-4.3%**

The Group's overall rental income from serviced apartments recorded a 4.6% decrease to HK$54.0 million (2024: HK$56.6 million). Whilst Wan Chai Gap Road recorded an improved performance, both Village Road and Blue Pool Road properties experienced a mild decline. The gradual shift of Blue Pool Road property to a long-lease model since mid-2025 temporarily impacted its performance, but both occupancy and rental rates had since rebounded alongside the growing residential demand.

During the reporting period, the occupancy of the portfolio slightly reduced to 82.3% (2024: 83.0%). The average net passing rent reduced by 4.3% to HK$24.6 per sq. ft. on gross floor area, as compared to HK$25.7 per sq. ft. in 2024.

Residential Property Pool

The Residential Property Pool mainly targets acquiring quality residential units (both first and second-handed) in sought-after neighborhoods and localities with strong transport connectivity, robust rental demand and solid market liquidity for long-term investment purpose.

As at 31 December 2025, 33 residential units at a total consideration of approximately HK$451.1 million were completed upon signing the respective assignments. 19 out of which had been leased and delivered a gross rental yield of approximately 3.1% per annum. 72 residential units with total consideration of approximately HK$907.8 million were committed in 2025 and pending for completion.

Subsequent to the balance sheet date, additionally 29 residential units were acquired for a total consideration of HK$259.9 million. In sum, a total of 134 residential units had been acquired up to date.

In addition to the above, five residential units of Convention Plaza Apartments, Wan Chai were reclassified into the Residential Property Pool which had produced a total net rental income of HK$3.4 million during the reporting period.

6. OPERATING INCOME FROM OTHER OPERATIONS

The Group's operating income from other business segments included dividend income and distribution from our invested securities, property management and maintenance income, trading income from our trading and procurement subsidiaries, asset management fee income and income from other business operations.

For the reporting period, operating income from other business segments slightly dropped 0.8% to HK$124.0 million (2024: HK$125.0 million).

DEVELOPMENT PROJECTS





Hong Kong

NKIL 6590 at Kai Tak, Kowloon Joint Venture Development Project

This is a joint venture project of which the Group had partnered with Sino Land Company Limited ("**Sino Land**"), China Overseas Land and Investment Limited and Chinese Estates Holdings Limited. Our Group holds a 20% equity interest and Sino Land is the project manager. The total land premium was HK$5,350 million (about HK$5,392 per sq. ft. based on permissible total GFA).

The site has an area of 145,302 sq. ft. and consists of two parcels, notably the eastern and western portion. It is situated within the Kai Tak area with direct access to Sung Wong Toi MTR station via the future underground shopping street. It is planned for a development comprising the majority of residential units, retail podium, underground shopping street, basement carpark and government accommodation with a total maximum GFA of approximately 992,270 sq. ft. (excluding government accommodation). Development of the project is underway and Occupation Permits for both parcels are expected to obtain in 1H 2029.

KIL 11290, Shing Tak Street/Ma Tau Chung Road, Kowloon City Joint Venture Development Project

This is a joint venture project of which the Group had partnered with Sino Land and China Merchants Land Limited under a development contract with Urban Renewal Authority. The Group holds a 15% shareholding and Sino Land is the project manager. The total land premium was HK$1,934 million (about HK$4,661 per sq. ft. based on permissible total GFA).

The site is situated at Shing Tak Street/Ma Tau Chung Road in Kowloon City with an area of 46,102 sq. ft. and is planned to develop into a composite building of residential units and some shops with a total maximum GFA of around 414,920 sq. ft. Development has been continuing with issuance of Occupation Permit targeted in Q1 2029.

NKIL 6674 at Choi Hing Road, Choi Hung, Kowloon Joint Venture Development Project

This is a joint venture project of which the Group had partnered with Sino Land. Our Group holds a 15% equity interest and Sino Land is the project manager. The total land premium was HK$1,610.0 million (about HK$4,339 per sq. ft. based on permissible total GFA). The site was obtained through government tender with result announced in January 2026.

The site is situated at the higher point of Choi Hung area where most of the units are expected to enjoy open or greenery views. It is planned to develop into a residential project with neighbourhood retail amenities and government accommodation. The maximum permissible GFA is around 371,000 sq. ft.

Japan

Tokyo Hotel Redevelopment Project

The Group acquired a hotel redevelopment site situated in close proximity to the landmark Roppongi Hills Midtown, Tokyo and subsequently made follow up acquisition of surrounding small adjoining parcels of land to support the application for an increase in plot ratio of the site. Based on a higher plot ratio, total GFA of the expanded site is approximately 380,000 sq. ft.

World renowned architect, Kengo Kuma & Associates had been commissioned to design this 270-key flagship hotel. Planning application was submitted to the local government, and a general contractor was previously appointed to conduct project feasibility and further value engineering for a better design efficiency and thus cost saving. Nevertheless, construction cost remained high despite continued efforts on value re-engineering.

In light of such, design optimisations aiming for greater construction efficiency and cost effectiveness were in continued progress. Also, a range of alternative development options including but not limited to a mixed-use hotel and luxury residential model were being evaluated. Alternative investment strategy has also been considered including but not limited to partnering with potential investors with local development expertise.

United States

San Francisco Hotel Development Project, 1125 Market Street
San Francisco Hotel Redevelopment Project, 555 Howard Street

The above projects were on hold due to uncertain market conditions and the severe escalation of construction costs in San Francisco which had significantly impacted on their profitability. Plans for alternative exit strategies were also being considered.

Seattle Development Project, 1931 Second Avenue

The Group acquired a site in downtown Seattle for US$18 million in December 2016. The site is located at one of the highest points of downtown Seattle and near the famous Pike Place market. Master Use Permit for this 553,000 sq. ft. mixed-use hotel condominium project had been obtained.

In view of the escalated development cost and market uncertainties, this project was on hold whilst alternative development schemes were also being explored.

Canada

Chelsea Hotel Redevelopment

In view of the resilient market for condominiums in Toronto, the Group recognised the possible market potential and continued to refine on the plan to redevelop the Chelsea Hotel site into a mixed-use project comprising condominium and hotel components, with a total planned GFA of approximately 1.7 million sq. ft. The Group stayed abreast of market data on construction costs and condominium sales market in Toronto.

Meanwhile, notwithstanding the abovementioned redevelopment plan for the longer term, the Chelsea Hotel operation continues with appropriate limited renovation to enhance its ongoing operating performance.

Europe

Venice Hotel Development Project, Island of Murano

The Group acquired a site on the island of Murano in Venice. The project is a combination of restoration of historic structures and new build construction that will consist of 133 keys with a total construction floor area of approximately 170,000 sq. ft. World-renowned architect Matteo Thun is designing the hotel. Building Permit approval was granted in 2022. Shell and core works had been commenced and scheduled to be completed in 2H 2027.

It is believed that upon completion this hotel will help to promote the Group's prestigious Langham brand in continental Europe.

FINANCIAL REVIEW

DEBT

As at 31 December 2025, the Group's consolidated net debt, prepared under statutory reporting principles and incorporating the financial results of Champion REIT and LHI, amounted to HK$21,413 million, representing a reduction of HK$3,684 million from HK$25,097 million as at 31 December 2024. The decrease was primarily due to sales proceeds from ONMANTIN pre-sale and positive cash flow from operations during the year.

Equity Attributable to Shareholders, based on a professional valuation of the Group's investment properties as at 31 December 2025 and the depreciated costs of the Group's hotel properties (including Hong Kong hotel properties held by LHI), amounted to HK$52,088 million, down HK$2,001 million from HK$54,089 million as at 31 December 2024. The decline was primarily due to fair value decrease in investment properties.

Under statutory accounting principles, the entire debts of Champion REIT and LHI were consolidated in aggregate. When applying the Group's attributable interest (i.e. 70.63% for Champion REIT and 70.26% for LHI), the gearing ratio of the Group as at 31 December 2025 was 30.0% (31 December 2024: 36.1%). As the borrowings of two subsidiary groups are non-recourse to the Group, we considered it was more meaningful to account for the Group's own net debts instead of attributable consolidated net debts against the Group's sharing of net assets of those subsidiaries, and the resulting net position is illustrated below.

Net debts at 31 December 2025	On consolidated basis HK$ million	On core balance sheet basis HK$ million
Great Eagle	1,746	1,746
Champion REIT	13,819	–
LHI	5,848	–
Net debts	21,413	1,746
Net debts attributable to Shareholders of the Group	**15,615**	**1,746**
Equity attributable to Shareholders of the Group	**52,088**	**61,020**
Net gearing ratio ^	**30.0%**	**2.9%**

^ Net debts attributable to Shareholders of the Group/Equity attributable to Shareholders of the Group

In order to enhance return to shareholders, the Group has been prudently investing in quality short-term bonds that are intended to be held to maturity, principal protected notes with reputable banks and financial institutions as counterparties and selected quality equities. As of 31 December 2025, the market value of these bonds and notes amounted to HK$84 million and invested securities amounted to HK$872 million which included LCID.US shares worth HK$111 million. Should the Group's short-term bond portfolio, principal-protected notes and equity investments be included, consolidated net debt would reduce to HK$14,659 million, lowering the gearing ratio to 28.1%. On core basis, net debt would decrease to HK$790 million with a corresponding gearing at 1.3%.

As mentioned in the above second paragraph of this "Debt" section, applicable statutory accounting standards require the Group's consolidated accounts to book its operating hotels at depreciated cost basis instead of by reference to their market value. Since most of Group's owned hotels were acquired years ago, their market value well exceeds their depreciated cost. Consequently, should the estimated market value instead of depreciated cost be recognised in the consolidated financial statements for these relevant hotels, the net gearing ratio on consolidated basis would be reduced from 30.0% to 22.0%.

The following analysis is based on the statutory consolidated financial statements:

INDEBTEDNESS

As at 31 December 2025, the Group's consolidated gross debts (including medium term notes) amounted to HK$30,439 million (31 December 2024: HK$31,978 million). Bank borrowings amounting to HK$10,494 million (31 December 2024: HK$12,098 million) were secured by way of legal charges over a number of the Group's assets and business undertakings.

Outstanding gross debts [1][2][5]	Floating rate debts HK$ million	Fixed rate debts HK$ million	Utilised facilities HK$ million
Bank borrowings	20,424	7,405[4]	27,829[3]
Medium term notes	–	2,610[4]	2,610[3]
Total	20,424	10,015	30,439
%	67.1%	32.9%	100%

(1) All amounts are stated at face value.

(2) All debt facilities were denominated in Hong Kong Dollars except for (3) below.

(3) Equivalence of HK$5,355 million bank borrowings and HK$2,335 million medium term notes were originally denominated in other currencies.

(4) Included floating rate debts which had been swapped to fixed rate debts. As at 31 December 2025, interest rate swaps with notional amount of HK$6,790 million and cross currency swaps equivalent to HK$600 million were in place to mitigate interest rate and currency exposures.

(5) Outstanding gross debts on a core balance sheet basis as of 31 December 2025 amounted to HK$9,793 million, of which 20.6% will be due within one year.

DEBT MATURITY PROFILE

The following is a profile of the maturity of our outstanding gross debts (including medium term notes) as of 31 December 2025:

Within 1 year	14.1%
More than 1 year but not exceeding 2 years	56.8%
More than 2 years but not exceeding 5 years	29.1%

LIQUIDITY POSITION

As of 31 December 2025, our cash, bank deposits and undrawn loan facilities amounted to a total of HK$15,857 million (31 December 2024: HK$16,013 million).

FINANCE COST

The Group's net consolidated finance cost for the year amounted to HK$277 million, inclusive of HK$41 million capitalised to property development projects. Overall net interest cover stood at 12.5 times at the reporting date.

PLEDGE OF ASSETS

As at 31 December 2025, properties of the Group with a total book carrying value of approximately HK$9,656 million (31 December 2024: HK$21,485 million) were mortgaged or pledged to secure credit facilities granted to its subsidiaries.

COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2025, the Group had authorised capital expenditure for investment properties and property, plant and equipment which was not provided for in these consolidated financial statements amounting to HK$3,388 million (31 December 2024: HK$7,563 million) of which HK$958 million (31 December 2024: HK$808 million) has been contracted for.

Other than the aforesaid, the Group did not have any significant commitments and contingent liabilities at the end of the reporting period.

OUTLOOK

Looking forward to 2026, persistent global uncertainties, including geopolitical tensions and ambiguous interest rate trajectories, will continue to impact economic growth and pressure asset prices worldwide. Despite these headwinds, we retain optimism for Hong Kong's economy which benefitted by its integral role within Mainland China and its reaffirmed position as a leading global financial hub. The revival in IPO activities and strategic development as a family office hub are poised to bolster demand for quality office space. Moreover, the talent admission schemes are drawing in more high net worth individuals and professionals, supporting residential sales and leasing with modest price growth expected in 2026. Strengthened tourism is expected to benefit the hospitality sector. Nevertheless, the retail sector will likely continue to face challenges from evolving consumption patterns and intense cross-border competition.

The Group will execute agile sales strategies for our remaining inventory at ONMANTIN and ONTOLO, while advancing our joint venture development projects in the Kai Tak, Ma Tau Chung and Choi Hung areas. We are very optimistic of the residential property sector in Hong Kong and will explore and acquire development projects. In addition, we target to purchase more quality residential units from both first and second-handed market in expanding the Residential Property Pool for long-term investment purpose.

While performance varied across our portfolio, the broader operating environment for our Hotels Division continues to face headwinds from ongoing macroeconomic and geopolitical uncertainties, which we anticipate will influence hospitality demand and overall results. At the same time, pressures from rising operational expenses remain. In light of these conditions, we shall focus on advancing targeted initiatives, including operational refinements, revenue enhancement and stringent cost discipline in order to strengthen performance resilience and hence maximise profitability. The Group is committed to expanding our presence within Mainland China's selected-service hotel sector through our Ying'nFlo brand. As part of this strategic entry, plans are in place to launch eight to ten new outlets in 2026.

The outlook for Hong Kong's hotel sector will be interacted by both emerging opportunities and ongoing challenges. While rising short-haul travellers from nearby regions helps offset slower long-haul recovery, nevertheless, sector headwinds persist from cost-conscious tourists from Mainland China and escalating operating expenses. Furthermore, a higher-for-longer rate environment is expected to pressure financing costs and the overall profitability of LHI.

We are however optimistic of the global hotel sector in the medium term.

While there are some positive signs emerging in the office tenancy market, elevated inventory levels continue to weigh on the performance of Hong Kong's office sector. Negative rental reversion for Three Garden Road and Langham Place Office Tower is expected to continue. In contrast, the performance of Langham Place Mall shall remain relatively resilient. As market expectations for further interest rate cuts in 2026 moderate, the linger of higher interest rate environment is anticipated to continue impacting the overall profitability of Champion REIT.

In sum, our sound liquidity and modest gearing levels permit the Group to maintain solid resilience against ongoing market volatilities. The Group will continue to closely monitor our local and international operations to optimise performance and maximise profitability. While upholding disciplined capital management, we will proactively seek strategic opportunities that support our long-term growth vision. This prudent yet forward-looking strategy positions the Group to navigate short-term challenges effectively while building sustainable value over the longer horizon.

Lo Ka Shui
Chairman and Managing Director

Hong Kong, 3 March 2026



SUSTAINABILITY

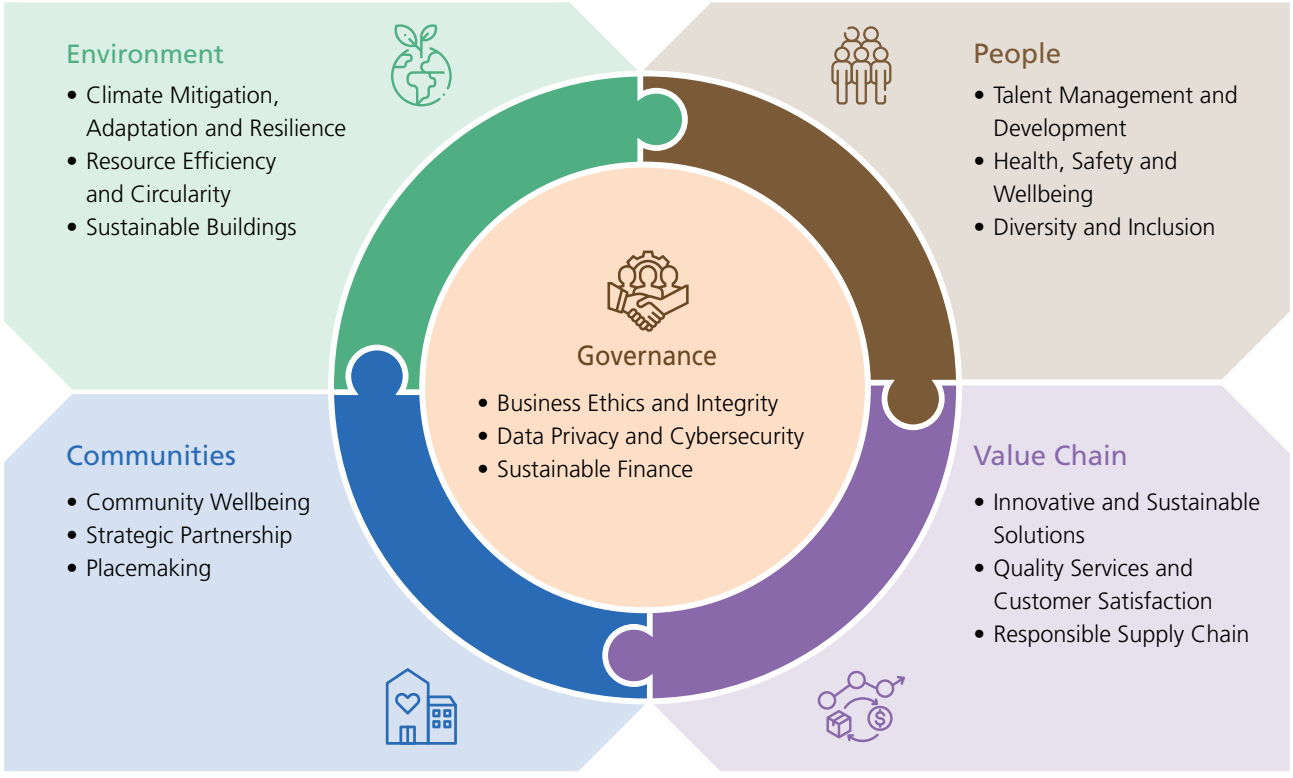
In 2025, the Great Eagle Group continued to advance our sustainability performance. This section presents key points from our 2025 Sustainability Report, discussing our achievements and the progress made towards our goals and targets.

INTRODUCTION

2025 was defined by progress and learning. While navigating market uncertainties, we strengthened our resilience, accelerated our decarbonisation measures, empowered our people, supported our communities, and fostered sustainable innovation – all while pursuing long-term, sustainable value creation.

In 2025, we continued to evolve and fine-tune the Sustainability Framework that we developed last year. The framework consists of five pillars: Governance, People, Environment, Communities, and Value Chain. These pillars cover various focus areas that are broadly aligned with our sustainability strategies and evolving business markets, as well as nine United Nations Sustainable Development Goals. We also established 19 goals and targets associated with these pillars, which are reviewed and updated or adjusted as necessary.

Sustainability Framework





GOVERNANCE

The Group has numerous sustainability-related policies that provide direction as we work to create positive environmental and social impacts for our business, the environment and the communities in which we operate. These policies commit the Group to:

- Minimising our significant impacts on nature, society, our stakeholders, and the environment.
- Identifying and mitigating climate-related issues.
- Continuously improving the environmental performance of our operations.



The Hong Kong Corporate Governance and ESG Excellence Awards 2025, presented by The Chamber of Hong Kong Listed Companies

In 2025, we added a new Workforce Diversity Policy which emphasises our commitment to diversity. We also commissioned an independent consultant to conduct an in-depth stakeholder engagement and develop a double materiality assessment that will accurately prioritise and evaluate the risks and opportunities of sustainability-related topics and their impacts on our enterprise value and value chain.

The results of this double materiality assessment will form the tools that will shape our sustainability priorities, long-term business strategies and strategic decision-making in the future. We are now working to integrate the results into our strategic planning, and they will be communicated to our stakeholders when they are finalised.

ENVIRONMENT

We continued our work to reduce our environmental impacts and build climate resilience across our properties in 2025.

We enhanced our climate disclosures, referencing the ISSB's IFRS S2 standards, and aligned our climate disclosures with local requirements under the latest HKEX ESG Reporting Code's "Comply or Explain" basis. We also launched a Group-wide ESG data management platform which tracks and analyses over 160 data points, many related to energy.



Three Group properties launched Hong Kong's largest, most efficient ultra-fast charging stations in 2025

The platform enables us to track and monitor energy consumption and carbon emissions as we work towards achieving our 2030 targets: Reducing our energy consumption by 30% and carbon emissions by 46% in our key Hong Kong portfolio[1] against a 2019 baseline. In 2025, we achieved a 13.8% reduction in energy consumption across our global portfolio and 17.4% in our key Hong Kong portfolio against a 2019 baseline.

1 Our key Hong Kong portfolio includes Great Eagle Centre; Langham Place Mall; Langham Place Office Tower; Three Garden Road; Cordis, Hong Kong; Eaton HK and The Langham, Hong Kong.

We also continued our many energy management initiatives – growing the number of solar PV panels, retrofitting and retro-commissioning equipment, using i2Cool paint around our properties to reduce air-conditioning energy consumption, installing new electric vehicle charging points, and improving climate resilience at our properties, particularly through flood control infrastructure and procedures.

A new pilot programme showed particular promise: Leveraging AI tools to optimise chiller plant operations across our Hong Kong portfolio, starting at Three Garden Road. We achieved immediate results – reducing energy consumption by 6.1%, equivalent to 435,000 kWh annually. This demonstrates how digital innovation can deliver tangible environmental impacts through high-performance, low-carbon operations.

In terms of waste management and circularity, we continued our work to establish waste data quality parameters, review our hotels' waste streams and conduct waste audits for our properties. At the same time, the high-profile success of our Oyster Shell Upcycling Programme brought our circularity initiatives to new heights – the programme received wide industry recognition, several awards and inspired other hotels and catering businesses to participate.

Other programmes involving upcycling food waste and smart recycling amplified our waste diversion effects and gave materials a second life. These were supported by our monthly collection programmes, which assist tenants at our three Hong Kong properties in recycling different materials. Our engagement events, both internal and external, grew awareness and participation across our environmental initiatives.

PEOPLE

We have policies and programmes in place to create a healthy, safe, human-centric, and equal opportunity-based working environment. Throughout 2025, initiatives across our properties improved the employee experience by providing opportunities for growth and development, connecting colleagues across departments and creating a better working environment for all. These included mental health workshops, group bonding events and wellness-related activities.

Our Property Management Department signed an Occupational Safety Charter with over 70 partners, setting a shared goal of working towards zero accidents at managed properties.



A fun outing for employees, filled with warmth and abundant laughter

Maintaining the mental health and physical fitness of our colleagues remained a key priority, and our Human Resources Department, Employee Engagement Committee and Hotels Division organised a variety of workshops, interest classes, recreational events, and "lunch and learn" sessions for colleagues. These fostered continued mental health, happiness and a sense of belonging, and strengthened bonds between colleagues.

We know that a diverse and inclusive workforce increases our creativity and our competitive advantage, and we continued to promote and support diversity and inclusion this year. Our Human Resources Department launched the DEI Series to build a workplace where everyone feels valued and respected. We partnered with various organisations and NGOs to raise awareness of and engage with different cultures, languages and traditions, and learn from people with different disabilities, improving our ability to interact, communicate and offer appropriate assistance to the disabled in both personal and professional settings.

COMMUNITIES

We continued to offer a wide variety of development and engagement initiatives to support individuals and groups in need, and sustain healthy, thriving and inclusive communities. These fell into our three community investment focus areas: art, youth education and environmental protection. The Group also encouraged staff involvement in community service through volunteering, leveraging partnerships and inter-community collaborations – using the strengths and competencies of our tenants, customers and partners in academia and other business sectors.

For the seventh consecutive year, we supported the Great Eagle Music Children Ensemble in partnership with Music Children Foundation, a charitable organisation which provides free-of-charge music education to underprivileged children. The ensemble continued to grow its reach and impact in 2025, holding regular practices, training sessions and seven performances throughout the year.

We organised and delivered numerous programmes to support today's youth and their aspirations for tomorrow. We held the third Great Eagle Group Scholarship Presentation, celebrating how this scholarship has grown into an exciting innovation pipeline that is sending ripples of positive change out into the world. We also organised several tours of our buildings to demonstrate their sustainable features to primary, secondary and tertiary students; provided skills training, job shadowing, trial work placement opportunities to students and young graduates; and intensified our commitment to youth empowerment at the Standard Chartered Hong Kong Marathon 2026. In addition, we provided venues for cultural, educational and community initiatives, such as exhibitions featuring emerging artists at selected hotels.

Our environmental initiatives helped engage people in all our communities in protecting our planet. Beehives at our hotels in Auckland, Boston, London, and Toronto continued our embrace of urban beekeeping as part of our sustainability strategy; our hotels organised and participated in community clean-up initiatives to clear and maintain public spaces and waterways around the world; and our annual Sustainable Christmas Decoration Competition 2025 was a big hit once again, with Chelsea Hotel, Toronto winning for their "Tree of Many Stories"– made from books gathered from lost and found donations and contributions from employees.



Volunteers and children explored the community, connecting through our shared history and culture

At our properties, our colleagues gave back to their communities, helping people in need by volunteering their time in all sorts of ways – from fundraising for vulnerable groups and caring for the less fortunate, to conducting festive visits with the elderly and sick children, to taking part in charity runs large and small. Together, colleagues contributed around 5,800 hours of volunteer time.

VALUE CHAIN

We firmly believe that operations and business practices across our value chain should be efficient, effective and environmentally friendly; and create positive, memorable experiences for our customers, guests, tenants, occupants, and other stakeholders. In 2025, we continued to provide superior quality services to our tenants, retail customers and hotel guests.



Over 100 participants joined the Hotels Division's Eco-Innovation Challenge

We put our commitments into practice through customer health, safety and wellbeing policies and procedures, particularly emphasising emergency preparedness, food safety and guest wellness at our hotels. In a fun development, we launched a dedicated dog-friendly programme at our 14 owned hotels, standardising our offerings to ensure a consistently high-quality and hygienic experience for guests traveling with their dogs.

The Group also deepened our tenant engagement efforts. Our EcoChampion Pledge, launched in late 2024, empowers tenants to embrace climate adaptation and mitigation measures, while receiving recognition for their contributions to advancing sustainable operations and environmental best practices.

The programme's 33 participating tenants, representing 19% of the lettable space in Great Eagle Centre, Langham Place and Three Garden Road, made significant progress in three main focus areas this year: energy reduction, waste reduction and increasing sustainable procurement. Together, they recorded a 3% reduction in electricity use intensity, a large increase in paper, plastic and metal recycling and a jump in total green expenditure.

The Group also continued to support local produce and farming initiatives, and purchase meat and seafood from sources with local and international sustainability certificates, when feasible and possible. Later in the year, our hotels around the world took part in a month of responsible sourcing action, holding diverse activities ranging from market visits and new supplier partnerships to new menus and colleague training.

To encourage innovative thinking, the Hotels Division launched the Eco-Innovation Challenge – inviting people to search for new ideas to reduce waste in the hospitality industry. Over 100 participants attended expert workshops and shadow activities at our hotels, learning to design innovative sustainability solutions. The Challenge produced 25 proposals, from which two of the most creative and promising solutions have been selected to explore potential application.

Sustainable development is a long-term investment that requires collective effort and dedication. Every action, no matter how small, contributes to the larger whole. We are proud of our achievements in 2025 and we look forward to building upon these successes in the years to come.



CORPORATE GOVERNANCE REPORT

CORPORATE CULTURE FRAMEWORK

Great Eagle is committed to upholding high standards of corporate governance practices that aimed at enhancing our corporate image, boosting Shareholders' confidence, and minimising the risk of fraudulent practices, ultimately serving the long-term interests of our stakeholders. The Board regularly monitors and reviews our corporate governance practices, ensuring regulatory compliance while supporting our corporate culture framework, contributing to the long-term success and sustainability of the Company's businesses.



Our Vision

Great Eagle's vision is not limited to the future of the Group, instead it is intertwined with the development of the society and the world. The vision Great Eagle sees, is Sustainable Growth.

Sustainable Growth	Information and knowledge flow freely without boundaries, making different parts of the world more interdependent in every aspect. New ideas can be hatched anytime. The world is not just changing, it is being reshaped every moment; being sustainable is perhaps the best way to achieve meaningful growth that benefits both the business and the society.

Our "GREAT" Mission

The Group actualises its Vision by taking practical and effective measures.

Globalisation	The Group is constantly expanding its boundaries, in terms of geographical location of its businesses, scope of services and the size of target audience. Through the process of globalisation, the Group creates value for individuals and the local community in different regions and of different levels.
Reliability	The Group maintains its financial strength in a prudent and steadfast manner. In the execution of work, the team at Great Eagle demonstrates its trustworthy attitude and delivers services of a consistent quality.
Excellence	The Great Eagle team never stops improving, it pursues perfection and achieves excellence.
Adaptability	While the business environment and customer needs evolve frequently, the team embraces the change and is able to rise to challenges by innovating the business and practices.
Teamwork	The people in Great Eagle connect with each other with their heart. They are concentric and in unity when working at any level within the Group and also externally with other stakeholders.

Our Values

While being GREAT, the actions of the Group manifest its Core Values.

Integrity	Honesty and truthfulness are what run through all of the Group's dealings and communications.
Social Good	Not only does the Group does well in its businesses, it also does good for the society and the world, turning its actions into direct, positive impact.

CORPORATE GOVERNANCE POLICIES AND PRACTICES

The Board plays a central and supervisory role in overseeing and enhancing the Company's corporate governance practices. This includes reviewing overall corporate governance arrangements, approving governance policies, and assessing the disclosures in corporate communications with Shareholders. Great Eagle's governance framework emphasises risk management and internal control systems, accountability to Shareholders, transparency in reporting, and compliance with relevant rules and regulations. It also provides Directors with guidance in fulfilling their roles and obligations.

While the strategic objectives, risk governance framework, corporate values, and corporate governance principles of the subsidiary should align with those of the Company, the subsidiary board is obligated to implement necessary adjustments where a group policy conflicts with local legal and regulatory requirements, or would be detrimental to the sound and prudent management of the subsidiary.

Highlights for the year 2025

Major activities during the year 2025 and up to the date of this report include:

Major Activities	
Corporate Governance Policies	**Strengthening Governance Framework** The Board regularly updates and assesses the corporate governance practices, aiming to achieve exemplary standards. During the year 2025, the Company has updated the Privacy Policy, Terms of Reference of the Nomination Committee, and established a Workforce Diversity Policy.
Share Schemes	**Grant of Share Awards and Share Options** To provide incentives and rewards to employees of the Group for their contributions and to attract suitable personnel to enhance the development of the Group, the Company granted 834,710 share awards to eligible employees of the Group (including four Executive Directors) under the 2024 Share Award Scheme and 800,000 share options to three Executive Directors under the 2024 Share Option Scheme during the year 2025, with formal announcements made on 20 March 2025 and 21 March 2025 respectively.
Bye-laws	**Amendments to the Bye-laws and Adoption of the New Bye-laws** The Board persistently reviews and updates the constitutional documents of the Company. During the year 2025, the Board obtained the approval of the Shareholders at the Special General Meeting held on 14 May 2025 to update the Bye-laws in order to bring it up to date and in line with the Listing Rules. Details of the amendments to the Bye-laws were set out in a circular to the Shareholders dated 28 March 2025.
General Mandates	**General Mandates to Buy-back and Issue Shares of the Company** After careful consideration and evaluation, the Company considered that seeking flexibility in granting a general mandate to issue 20% of shares (the maximum allowed under the Listing Rules) rather than a lower percentage is appropriate, as it allows the Company to capitalise on favourable market conditions and make timely decisions, and could positively influence the perception of Great Eagle's equity financing capability, which would ultimately maximise value for our Shareholders. At the Annual General Meeting of the Company held on 14 May 2025, general mandates to buy-back no more than 10% of the issued shares and issue no more than 20% of the issued shares of the Company were granted by Shareholders with 100% and 85.3% shares voted in favour of the respective resolutions. The Company will use the mandates sparingly and in the interest of the Shareholders. The Company did not buy-back or issue any shares in 2025.

Compliance with Corporate Governance Code

During the year, Great Eagle complied with most of the code provisions and, where appropriate, adopted some of the recommended best practices set out in the CG Code contained in Appendix C1 of the Listing Rules. Details of deviations from the code provisions are as follows:

Code Provision	Comply or Explain
B.2.2	**Every Director should be subject to retirement by rotation at least once every three years** Under the existing Bye-laws, the Executive Chairman and Managing Director of the Company are not subject to retirement by rotation. The same provision is contained in The Great Eagle Holdings Limited Company Act, 1990 of Bermuda. As such, Directors who hold the offices of either the Executive Chairman or the Managing Director of the Company are by statute not required to retire by rotation. After due consideration, in particular of the legal costs and procedures involved, the Board considers that it is not desirable to propose any amendment to The Great Eagle Holdings Limited Company Act, 1990 for the sole purpose of subjecting the Executive Chairman and Managing Director of the Company to retirement by rotation. Dr. Lo Ka Shui is the Executive Chairman and Managing Director of the Company. His interests in shares and underlying shares in the Company and its associated corporations are set out in the "Report of the Directors" contained in this Annual Report. There is no service contract between the Company and Dr. Lo, and he is not appointed for any specified length, or proposed length, of services with the Company. Notwithstanding that Dr. Lo is not subject to retirement by rotation, we have disclosed his biographical details in accordance with Rule 13.74 of the Listing Rules in the circular to the Shareholders in relation to, among other things, the re-election of retiring Directors, for Shareholders' information. A biography of Dr. Lo and details of his emoluments are also set out on page 85 of this Annual Report and in note 11 to the consolidated financial statements respectively.
C.1.4	**All Directors should participate in continuous professional development to develop and refresh their knowledge and skills** Madam Lo To Lee Kwan, a Non-executive Director of the Company, is the co-founder of the Group. She was involved in the early stages of development of the Group. She has been relatively inactive in the Group's business in recent years and has not participated in the 2025 Director Development Program provided by the Company. However, as a co-founder of the Group, Madam Lo has an irreplaceable status in the Company. The Board considers that it is fit and proper for Madam Lo to remain on the Board and she will be removed by natural attrition from departure and retirement. Except for Madam Lo, all of the Directors have participated in continuous professional development during the year 2025.

Code Provision	Comply or Explain
C.2.1	**The roles of Chairman and chief executive should be separate and should not be performed by the same individual** Dr. Lo Ka Shui is the Chairman of the Board and holds the office of Managing Director of the Company. While this is a deviation from CG Code Provision C.2.1, dual role leadership has been in practice by the Company for decades and has withstood the test of time. The Board considers this arrangement to be appropriate for the Company as it preserves the consistent leadership culture of the Company and allows efficient discharge of the executive functions of the chief executive. The Board believes that a balance of power and authority is adequately ensured by the operations of the Board, which comprises experienced and high caliber individuals including five Independent Non-executive Directors and three Non-executive Directors who offer advice and views from different perspectives. Meanwhile, the day-to-day management and operation of the Group are delegated to divisional management under the leadership and supervision of Dr. Lo in the role of Managing Director, who is supported by the Executive Directors and senior management.

Corporate Governance Policies and Procedures

Great Eagle has put in place a comprehensive set of governance policies and procedures which form the core of the Group's governance framework. The Board regularly reviews these policies and procedures, and enhancements will be made from time to time in light of the latest statutory and regulatory regimes and applicable international best practices. Copies of the principal governance policies are available on the Group's website at greateagle.com.hk.

Governance Policies and Procedures	
Corporate Governance and Board Oversight	• **Board Diversity Policy** This policy sets out the approach to achieve diversity on the Board with an aim to have a Board that comprises a diversity of perspectives that are relevant to the business and organisation needs of the Group. • **Director Independence Policy** This policy aims to ensure independent views are available to the Board, which strengthens its integrity and effectiveness. • **Schedule of Matters Reserved for the Board** A list of major issues that must be decided upon by the full Board, except when an appropriate board committee has been set up to address the matter pursuant to a resolution passed by the full Board.

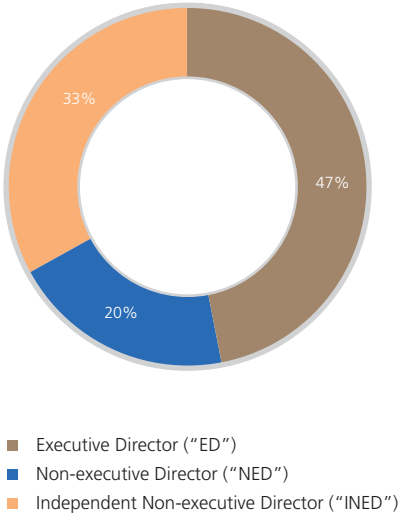
Governance Policies and Procedures	
Ethics, Conduct and Inclusion	• **Anti-Fraud, Bribery and Corruption Policy** The Group's employees must abide by the standards of conduct in this policy, which also provides guidance on accepting and offering business courtesies.
	• **Code of Conduct regarding Securities Transactions by Directors and Relevant Employees** Directors and relevant employees must abide by our Code of Conduct regarding transactions in the Company's securities or any listed entities in which the Company has 20% or above interest in share capital. The Code also applies to anyone possessing unpublished inside information about these entities.
	• **Employee Code of Conduct** Great Eagle's Employee Code of Conduct sets out the basic standards of behaviour expected of all our employees (including Executive Directors), as well as our policies on accepting advantages, declaring conflicts of interest and other matters.
	• **Whistleblowing Policy** This policy sets out guidelines regarding reporting channels and protection for whistleblowers, and details how reports of improprieties will be handled.
	• **Workforce Diversity Policy** This policy aims to build high-performing teams with diverse skills, experiences, and perspectives to attract and retain diverse talents, effectively execute business strategies, and maintain resilience in evolving markets.
Risk Management and Internal Control	• **Reporting and Monitoring Policy on Connected Transactions** This policy sets out Great Eagle's internal control systems and monitoring procedures in respect of executing, recording and reporting of all connected transactions and continuing connected transactions.
Data Protection and Inside Information	• **Policy on the Preservation and Prevention of Misuse of Inside Information** Our internal control systems and monitoring procedures are set out in this policy, which aims to protect inside information and prevent its misuse, and to ensure all persons to whom the policy applies understand their obligations to preserve the confidentiality of unpublished inside information.
	• **Privacy Policy** This policy sets out how the Group collect, use, retain, disclose, protect and process the information gathered from our websites, social media platforms and mobile applications, and any products and services provided by us during a contractual or investment relationship.

Governance Policies and Procedures	
Corporate Communication	• **Shareholder Communication Policy** It reflects the current practice of the Company in communications with Shareholders with an aim to promote effective engagement with Shareholders, both individual and institutional investors, and other stakeholders. • **Social Media Policy** It sets out the basic standards of behaviour expected of the Group's employees and the procedures they must follow regarding the use of social media, both personally as well as in their capacity as representatives of the Group.

BOARD OF DIRECTORS

Board Composition

As at the date of this report, the Board comprises a total of 15 directors, including seven Executive Directors, three Non-executive Directors and five Independent Non-executive Directors.



Name of Directors	Length of Tenure (Note 1) (Number of Years)	Current Period of Appointment (Number of Years)	
Executive Directors			
Dr. LO Ka Shui *(Chairman and Managing Director)*	36	—	(Note 2)
Mr. LO Hong Sui, Antony	36	1	
Madam LAW Wai Duen	36	2	(Note 3)
Mr. LO Chun Him, Alexander	10	2	
Mr. KAN Tak Kwong *(General Manager)*	36	1	
Mr. CHU Shik Pui	10	3	(Note 3)
Professor POON Ka Yeung, Larry	10	2	
Non-executive Directors			
Madam LO TO Lee Kwan	36	3	(Note 3)
Mr. LO Hong Sui, Vincent	36	1	
Dr. LO Ying Sui	32	2	
Independent Non-executive Directors			
Professor WONG Yue Chim, Richard	30	2	
Mrs. LEE Pui Ling, Angelina	23	1	
Mr. ZHU Qi	4	1	
Mr. HO Shut Kan	3	3	(Note 3)
Ms. Diana Ferreira CESAR	2	3	(Note 3)

Notes:

(1) Length of tenure of all the Directors since re-organisation of the Group.

(2) Director who holds the office of either the Executive Chairman or the Managing Director of the Company is by statute not required to retire by rotation.

(3) Director who will retire at the 2026 AGM and eligible for re-election.

Madam Lo To Lee Kwan is the mother of Dr. Lo Ka Shui, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui; and the grandmother of Mr. Lo Chun Him, Alexander. Aside from the disclosed relationships above, there are no family or other material relationships amongst members of the Board. Biographical details of the Directors are set out on pages 84 to 89 of this Annual Report, and maintained on the Group's website at greateagle.com.hk.

Appointment, Re-election and Rotation of Directors

Non-executive Directors are not appointed for a specific term, but are subject to retirement by rotation in accordance with the Bye-laws. According to the Bye-laws, no less than one-third of the Directors (other than the Executive Chairman and Managing Director) shall retire from office by rotation at least once every three years and any Director appointed either to fill in a causal vacancy or as an addition to the Board, shall hold office only until the next following annual general meeting and shall then be eligible for re-election. The re-election of each retiring Director is voted by poll on an individual basis.

Madam Lo To Lee Kwan, Mr. Chu Shik Pui, Mr. Ho Shut Kan and Ms. Diana Ferreira Cesar, being the longest in office, along with Madam Law Wai Duen, being determined by lot, will retire as the Directors at the forthcoming annual general meeting and are eligible for re-election.

Board Responsibilities

The Board assumes responsibility for the leadership and control of the Group and is collectively responsible for promoting the success of the Group. The Board oversees the Group's management and operations, providing insight based on Great Eagle's culture and values, and is ultimately accountable for the Group's activities, strategies and financial performance. Key matters that are required to be decided by the Board as a whole, in the interests of the Company, are set out below.

Summary of Key Matters Reserved for the Board	
Strategy	• Approval of the Group's long-term objectives and corporate strategy • Extension of the Group's activities into new business of material nature • Any decision to cease to operate all or any material part of the Group's business • Any change in the Company's domicile or listing status
Structure and Capital	• Recommendations to Shareholders regarding proposals relating to general mandates to buy-back existing shares and issue new shares • Changes relating to the Group's capital structure • Major changes to the Group's corporate structure, management and control structure
Financial and Corporate Governance	• Approval of the annual report, interim report and results announcements • Declaration of interim dividend and recommendation of final dividend • Approval of any significant changes in accounting policies or practices • Approval of substantial acquisition or disposal • Approval of material connected transactions • Approval of major capital projects • Approval of terms of reference of Board Committees • Review of the Group's overall corporate governance arrangements • Approval of the Group's governance policies • Approval of the sustainability report
Board Membership and Other Appointments	• Appointment of Director • Appointment of membership of Board Committees • Appointment or removal of the Company Secretary • Appointment, re-appointment or removal of the external auditor to be put to Shareholders for approval, if required

Director's Responsibilities for the Financial Statements

The Board, supported by the Accounts and Finance Department, is responsible for the preparation of the Group's accounts for the year ended 31 December 2025.

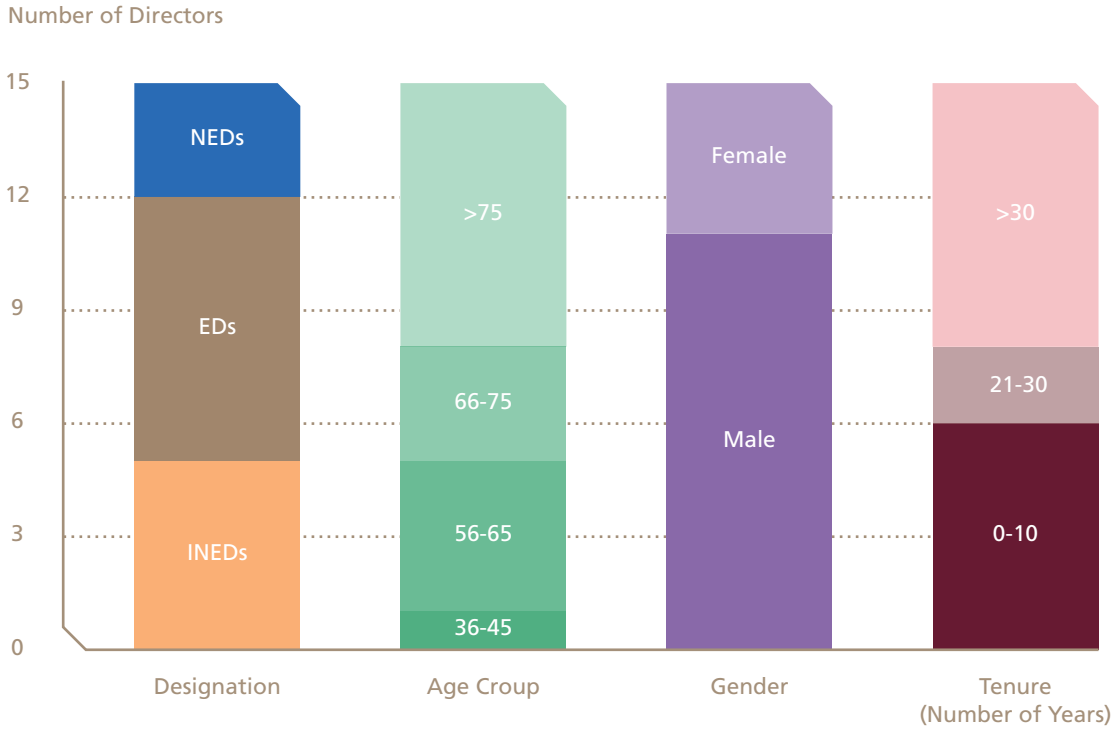
Board Diversity

Board Diversity Policy

The Nomination Committee adopted the Board Diversity Policy which sets out the approach to achieve diversity on the Board. The Company recognises and embraces the idea that increasing diversity at the Board level is an important part of achieving its strategic objectives and to attract and retain the best people. Appointments to the Board shall be made based on merit, in the context of the skills and experience the Board as a whole requires to be effective, and against objective criteria and with due regard for the benefits of diversity. There are many considerations that factor into the Nomination Committee's nomination process, including legal requirements, best practices, and skills required to complement the Board's skill set, as well as the number of Directors needed to discharge the duties of the Board and its Committees. The Nomination Committee will not set any restrictions regarding gender, age, cultural or educational background when short-listing candidates. The Company believes that a truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background and other qualities of Directors. The Nomination Committee shall review the diversity of the Board at least annually, taking into account the Group's business model and specific needs and shall monitor the implementation of the Board Diversity Policy and, if appropriate, make recommendations on the proposed changes to the Board to complement the Company's corporate strategy.

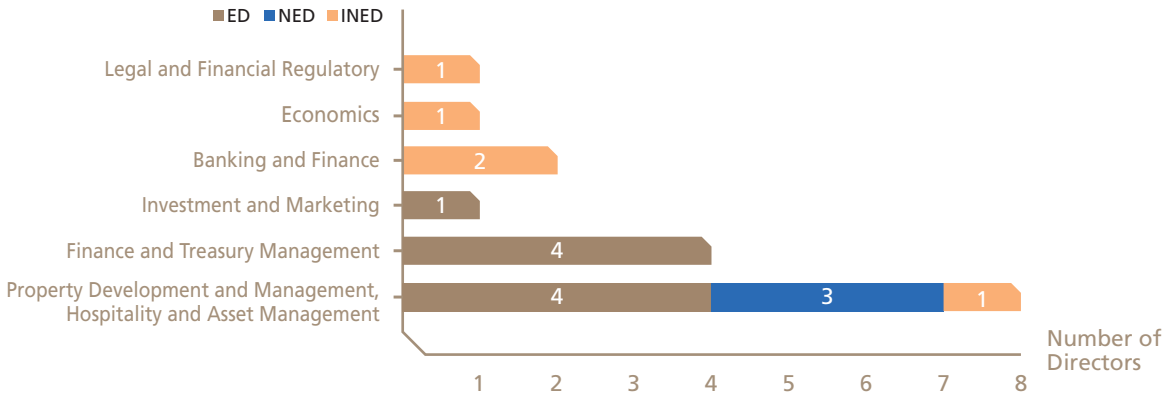
Diversity Mix

The Nomination Committee will regularly review the Board's composition and ensure the diversity of the Board. The Board consists of members from various age groups and of both genders. The following charts shows the diversity profile of the Board as at 31 December 2025:



Board Skills Matrix

The board composition is diverse, with a well-balanced mix of professional backgrounds, skills, experience, gender and age that are appropriate to Great Eagle's business nature, values, corporate strategy and culture, contributing to the Board's effectiveness. The Board comprises a range of expertise including property development and management, hospitality and asset management, finance and treasury management, investment and marketing, banking and finance, economics, and legal and financial regulatory as shown in the following chart.



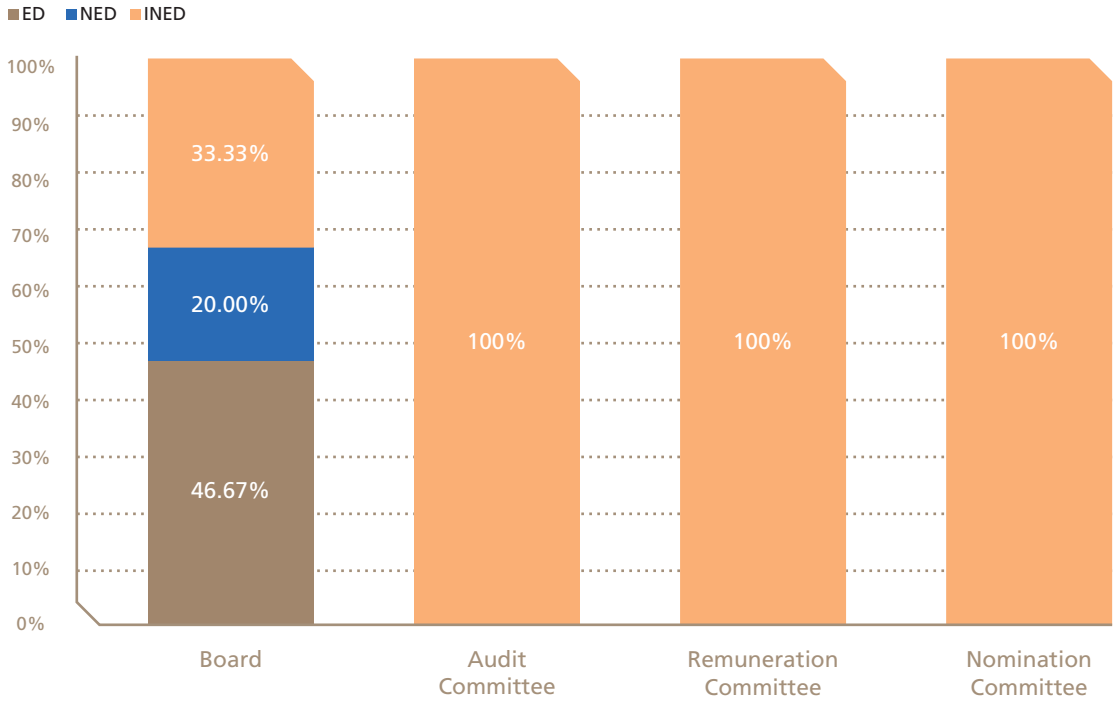
Note: The Board consist of 15 Directors and multiple skills and experience may apply to a Director.

The Board believes that the current mix of skills and experience provides the Board with a wider knowledge base and bring in new insights and perspectives, which improve decision-making and ability to adapt to new business challenges. The board skills matrix has also been reviewed the Nomination Committee to ensure that the Board continues to maintain a balanced mix of expertise, experience and perspectives in alignment with the Group's business needs and regulatory developments.

Board Independence

Great Eagle recognises that board independence is critical to good corporate governance and board effectiveness. The participation of Independent Non-executive Directors on the Board brings independent and objective judgment to the affairs of the Group, including but not limited to the issues relating to the Group's strategy, performance, conflicts of interest and management process, helping to ensure that the Group operates in the best interests of the Shareholders. The following chart shows the independence weighting of the Board and Board Committees as at 31 December 2025. Except for the Finance Committee which comprised of Executive Directors only, the other Board Committees comprised of Independent Non-executive Directors only.

Independence Weighting



To ensure independent views and input are available to the Board, a Director Independence Policy was adopted and the following mechanisms have been established by the Board, and the Board Committees follow the same processes, where applicable, as the Board.

Measures	Mechanisms to Ensure Independence
Independence Assessment	**Confirmation of Independence** All Independent Non-executive Directors have provided a written annual confirmation of independence to the Company on their fulfilment of the independence guidelines set out in Rule 3.13 of the Listing Rules. The Nomination Committee shall assess the independence of Independent Non-executive Directors upon appointment and annually to ensure they can continually exercise independent judgement. Interlocking directorships of the Board members shall be reviewed by the Nomination Committee annually. **Time Commitments** All Directors should attend all regular meetings of the Board and Board Committees on which they serve, as well as general meetings. Non-executive Directors (including Independent Non-executive Directors) are required to provide written annual confirmations of the time spent on the affairs of the Company. **Disclosure of Interest** All Directors have to disclose their interest and/or any actual or potential conflict of interests in the matters to be considered at the Board or Board Committee meetings. Directors shall abstain from voting in respect of any transaction, contract or arrangement in which he/she has material interests and they are required to confirm any material interests in businesses that compete with the Group. **Appointment Process** The Nomination Committee is delegated by the Board to shortlist candidates for appointment as Directors, in accordance with the selection criteria and evaluation procedures set out in the Nomination Policy.
Proceedings of the Board	The dates of the regular Board and Board Committee meetings for the year are determined in the fourth quarter of the previous year. At least 14 days' formal notice of regular Board and Board Committee meetings will be given to all Directors, and all Directors are invited to include any matters for discussion in the agenda. By at least 3 business days in advance of every regular Board and Board Committee meeting, Directors are provided with the meeting agenda and relevant board papers containing complete, adequate and timely information, which enables full deliberation on the issues to be considered at the respective meetings.

Measures	Mechanisms to Ensure Independence
Board Decision Making	During the Board and Board Committee meetings, all Directors are encouraged to freely express their independent views and input in an open and candid manner, provide open and objective challenges and informed insights and responses to the management, and contribute their knowledge of the businesses and markets in which the Group operates. Comments and concerns raised by the Directors are closely followed up by the management. The Company Secretary is required to prepare minutes that record not only the decisions reached, but any concerns raised or dissenting views expressed by Directors. A draft version of the minutes is circulated to all Directors for their comment and confirmation. The final version is also provided to the Directors for records. Minutes of all Board and Board Committee meetings are available for Directors' inspection.
Supply and Access to Information	Directors are provided with monthly reports covering highlights of the Group's major businesses, keeping them abreast of the Group's business performance and enabling them to reach informed decisions in the best interests of the Company and the Shareholders. More thorough and comprehensive management and financial updates are provided to all Board members on a quarterly basis to ensure each member is aware of the financial performance and position of the Company. Discussion sessions between the Board and senior management are held twice a year and business performance of the Group, risk management and internal control, information security matters and legal and compliance issues will be reported to the Board. Directors have full access to the senior management of the Company. Directors also have access to the advice and services of the Company Secretary who supports the Board, ensures proper information flow within the Board and Board policies and procedures are followed, advises the Board on governance matters, facilitates induction and monitors the training and continuous professional development of Directors. The Company Secretary is a fellow of The Hong Kong Chartered Governance Institute and undergoes not less than 15 hours of professional training each year to continuously update relevant knowledge and skills. The Company Secretary's biography is set out in the "Biographical Details of Directors and Senior Management" section of this Annual Report. To facilitate proper discharge of Directors' duties and responsibilities, all Directors are entitled to seek advice from the Company Secretary or in-house legal team, as well as from independent professional advisors at the expense of the Company, in which the Company Secretary is responsible for making all necessary arrangements.

Measures	Mechanisms to Ensure Independence
Induction and Continuing Development	The Company has established a Director Development Program that fosters the continuous development of the Board members. Self-reading materials with specific topics will be provided to each Director by the Company Secretary periodically. Further details on the Directors' training records are set out in sub-section headed "Directors' Orientation and Continuing Professional Development" of this Corporate Governance Report.
Remuneration of Independent Non-executive Directors	Independent Non-executive Directors receive only fixed fees for their roles as members of the Board and Board Committees. No profit-related pay is granted, as this may lead to bias in their decision-making and compromise their objectivity and independence.

The Board believes the above measures facilitate the Directors in making effective contributions, and ensure that independent views and input are available to the Board and Board Committees. The Board has reviewed the implementation and effectiveness of above mechanisms for the year 2025.

Board Evaluation

The Board believes that regular Board evaluation is an essential element to maintaining high standards of corporate governance and enhancing Board effectiveness. The objective of Board evaluation is for measuring the accountability, transparency and effectiveness of Board, and ultimately aiming to identify areas for improvement and promote the ongoing enhancement of governance procedures. An internal evaluation on the performance of the Board is scheduled to be conducted in 2026, with regular evaluations to follow at least every two years thereafter.

The scope of the evaluation will cover various aspects, including:

(i) Board Mix and Composition;

(ii) Relationship between the Board and the Management;

(iii) Quality of Information and Decision Making; and

(iv) Boardroom Activities.

Board Evaluation Process

1 Planning and Scoping	• The Nomination Committee determines the objectives, scope and methodology of evaluation. • The Nomination Committee proposes the evaluation framework, methodology and annual plan for the Board' approval. • The Board approves the evaluation plan for implementation.
2 Data Collection	• The Secretary of the Nomination Committee issues the questionnaires to the Directors with a clear submission deadline and coordinates the evaluation cycle. • Each Director completes the questionnaire to provide their ratings and/or comments covering a range of topics. • Responses are collected anonymously.
3 Analysis and Assessment	• The Secretary consolidates quantitative scores and qualitative comments. • The Secretary develops preliminary findings, identifying the key focus areas of the results and actions to be taken.
4 Reporting and Action Planning	• The Secretary compiles a report with key strengths, improvement areas and recommendations for review by the Nomination Committee. • The Nomination Committee presents the evaluation report and recommended action plan to the Board for consideration and approval. • The Nomination Committee may, when necessary, obtain external professional advice on Board evaluation.
5 Follow-up and Disclosure	• The Board reviews the results and effectiveness of the evaluation and approves action plan to address areas for improvement, if appropriate. • The Board will continue to conduct evaluations at least every two years and disclose the evaluation details in the Corporate Governance Report.

Board Meetings

The Board meets at least four times a year at approximately quarterly intervals to discuss and formulate the Group's overall business strategies, monitor financial performance and discuss its annual results, interim results and other significant matters as set out in the Schedule of Matters Reserved for the Board.

Attendance Record at Board Meetings, Board Committee Meetings and General Meetings

Four full physical Board meetings were held during the year ended 31 December 2025. Board meetings were conducted in a hybrid format, allowing Directors to attend in person or by means of audio or video conference. Proposed dates of the regular Board and Board Committee meetings for each new calendar year are set out in a schedule and notified to all Board members before the beginning of the year concerned with a view to facilitating their attendance.

The attendance of individual Directors at such Board meetings, Board Committee meetings and general meetings held during the year ended 31 December 2025 is as follows:

	Number of Meeting(s) Attended/Eligible to Attend for the year ended 31 December 2025					
Name of Directors	Board Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting	AGM	SGM
Executive Directors						
LO Ka Shui [Note 1]	4/4	–	–	–	1/1	1/1
LO Hong Sui, Antony	4/4	–	–	–	1/1	1/1
LAW Wai Duen	4/4	–	–	–	1/1	1/1
LO Chun Him, Alexander	4/4	–	–	–	1/1	1/1
KAN Tak Kwong [Note 2]	4/4	–	–	–	1/1	1/1
CHU Shik Pui	4/4	–	–	–	1/1	1/1
POON Ka Yeung, Larry	3/4	–	–	–	1/1	1/1
Non-executive Directors						
LO TO Lee Kwan	[Note 3]	–	–	–	[Note 3]	[Note 3]
LO Hong Sui, Vincent	4/4	–	–	–	1/1	1/1
LO Ying Sui	3/4	–	–	–	0/1	0/1
Independent Non-executive Directors						
WONG Yue Chim, Richard	4/4	2/2	1/1	1/1	1/1	1/1
LEE Pui Ling, Angelina	4/4	2/2	0/1	0/1	1/1	1/1
ZHU Qi	4/4	1/2	1/1	1/1	1/1	1/1
HO Shut Kan	4/4	2/2	1/1	1/1	1/1	1/1
Diana Ferreira CESAR	4/4	–	–	–	1/1	1/1

Notes:

(1) Chairman and Managing Director

(2) General Manager

(3) Madam Lo To Lee Kwan did not attend the Board meetings and general meetings in the year 2025. Madam Lo has long been in office and has been relatively inactive in the Group's business in recent years. However, as a co-founder of the Group, Madam Lo has an irreplaceable status in the Company. In view of her valuable experience and contributions, the Board considers that it is fit and proper for Madam Lo to remain on the Board.

Directors' Orientation and Continuous Professional Development

The Company Secretary shall assist the Board to manage and oversee the induction process for new directors and continuous professional development of all Directors. The Company has established a Director Development Program that fosters the continuous development of the Board members. The program has two components, namely (1) New Director Orientation and (2) Ongoing Director Development. An induction pack and orientation program will be provided to the new Director by the Company Secretary to familiarise them with the business and operations of the Group, the legal framework under which the Company is governed and the internal control and policies of the Company. To foster the continuous development and ongoing updating of Directors' skills and knowledge, for the Ongoing Director Development, self-reading materials will be provided to each Director by the Company Secretary periodically.

During the year ended 31 December 2025, the Company Secretary provided each Director with self-reading materials tailored to regulatory requirement, covering the following topics:

(1) roles, functions and responsibilities of the Board and the Directors;

(2) legal and regulatory developments;

(3) corporate governance and ESG;

(4) risk management and internal controls;

(5) industry trends and updates relevant to the Company's business;

(6) taxation and financial reporting; and

(7) artificial intelligence.

All Directors (except Madam Lo To Lee Kwan) have participated in the Ongoing Director Development Program and/or other continuous professional development provided by external providers [(Note 1)]. They have submitted their training records to the Company and confirmed that they had completed more than 10 training hours during the year ended 31 December 2025. The table below summarises the participation of Directors in continuous professional development during the year.

Training Record

Name of Directors	Category of Training Topics							Completed Ongoing Director Development of more than 10 hours
	Directors' Roles and Duties	Legal and Regulatory	Corporate Governance and ESG	Risk Management and Internal Controls	Industry Trends and Updates	Taxation and Financial Reporting	Artificial Intelligence	
Executive Directors								
LO Ka Shui	✓	✓	✓	✓	✓	✓	✓	✓
LO Hong Sui, Antony	✓	✓	✓	✓	✓	✓	✓	✓
LAW Wai Duen	✓	✓	✓	✓	✓	✓	✓	✓
LO Chun Him, Alexander	✓	✓	✓	✓	✓	✓	✓	✓
KAN Tak Kwong	✓	✓	✓	✓	✓	✓	✓	✓
CHU Shik Pui	✓	✓	✓	✓	✓	✓	✓	✓
POON Ka Yeung, Larry	✓	✓	✓	✓	✓	✓	✓	✓
Non-executive Directors								
LO TO Lee Kwan	–	–	–	–	–	–	–	(Note 2)
LO Hong Sui, Vincent	✓	✓	✓	✓	✓	✓	✓	✓
LO Ying Sui	✓	✓	✓	✓	✓	✓	✓	✓
Independent Non-executive Directors								
WONG Yue Chim, Richard	✓	✓	✓	✓	✓	✓	✓	✓
LEE Pui Ling, Angelina	✓	✓	✓	✓	✓	✓	✓	✓
ZHU Qi	✓	✓	✓	✓	✓	✓	✓	✓
HO Shut Kan	✓	✓	✓	✓	✓	✓	✓	✓
Diana Ferreira CESAR	✓	✓	✓	✓	✓	✓	✓	✓

Note:

(1) In addition to the Ongoing Director Development Program, other continuous professional development included attending seminars, conferences or webinars or reading materials arranged by external providers.

(2) Madam Lo To Lee Kwan, a Non-executive Director of the Company, is the co-founder of the Group and was involved in the early stages of development of the Group. She has been relatively inactive in the Group's business and has not participated in the 2025 Director Development Program provided by the Company. However, as a co-founder of the Group, Madam Lo has an irreplaceable status in the Company. The Board considers that it is fit and proper for Madam Lo to remain on the Board.

Securities Transactions by Directors and Relevant Employees

Great Eagle has adopted its own Code of Conduct regarding Securities Transactions on terms no less exacting than the standard set out in the Model Code and it is updated from time to time in accordance with the Listing Rules requirements. The Directors' interests in the securities of the Company and its associated corporations (within the meaning of Part XV of the SFO) as at 31 December 2025, are set out on pages 107 to 112 of this Annual Report.

Having made specific enquiries, all Directors and relevant employees of the Group confirmed that they have fully complied with the Code of Conduct for Securities Transactions throughout the year ended 31 December 2025.

Directors' and Officers' Liability Insurance

During the year ended 31 December 2025, the Company has arranged appropriate Directors' and Officers' liabilities insurance coverage in respect of legal action against its Directors and officers.

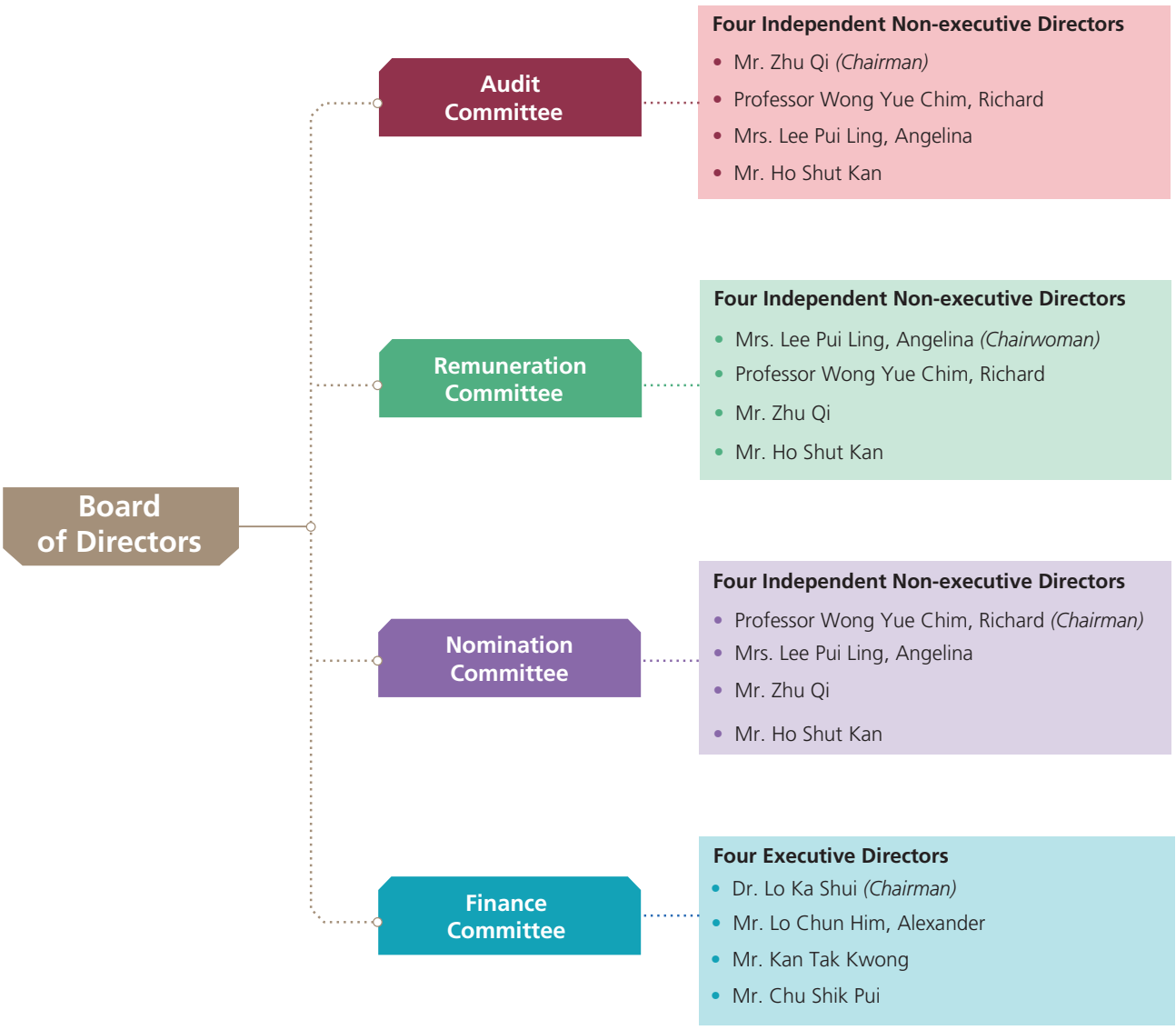
DELEGATION BY THE BOARD

Management Functions

Under the leadership and supervision of the Board, the day-to-day management and operation of the Group have been delegated to divisional management. The Board gives clear directions to management as to their powers of management, and circumstances in which the management should report back to the Board. Apart from the above, the divisional management is also accountable for execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements, rules and regulations.

Board Committees

The Board has established four standing Board Committees with clear terms of reference to review specific issues or items. They are the Audit Committee, Remuneration Committee, Nomination Committee and Finance Committee. These Board Committees have also adopted the same principles, procedures and proceedings as the Board. The Board Committees meet regularly during the year to share their views, advice and experience on matters material to the Group's affairs. Each Board Committee reports its decisions and recommendations to the Board.


Board of Directors
Audit Committee
Four Independent Non-executive Directors
Mr. Zhu Qi (Chairman)
Professor Wong Yue Chim, Richard
Mrs. Lee Pui Ling, Angelina
Mr. Ho Shut Kan
Remuneration Committee
Four Independent Non-executive Directors
Mrs. Lee Pui Ling, Angelina (Chairwoman)
Professor Wong Yue Chim, Richard
Mr. Zhu Qi
Mr. Ho Shut Kan
Nomination Committee
Four Independent Non-executive Directors
Professor Wong Yue Chim, Richard (Chairman)
Mrs. Lee Pui Ling, Angelina
Mr. Zhu Qi
Mr. Ho Shut Kan
Finance Committee
Four Executive Directors
Dr. Lo Ka Shui (Chairman)
Mr. Lo Chun Him, Alexander
Mr. Kan Tak Kwong
Mr. Chu Shik Pui

Audit Committee

The Audit Committee was established in 1999, its terms of reference are posted on the Group's website at greateagle.com.hk and the HKEXnews' website at hkexnews.hk.

Responsibilities and Authority

The Audit Committee assists the Board on internal control, risk management, financial management and corporate governance issues. Advisory and not supervisory in nature, the Committee reviews reports and proposals from management, and makes recommendations to the Board regarding financial reporting and other statutory obligations, risk management and internal control systems, audit process and corporate governance practices. The principal duties of the Audit Committee are:

(a) to review Great Eagle's half-year report, annual report and financial statements, and provide relevant comments and advice to the Board;

(b) to discuss the statement on the risk management and internal control systems with management of the Company to ensure that management has performed its duty to maintain effective systems including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;

(c) to review and monitor the internal audit function, programmes and reports, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to monitor its effectiveness;

(d) to recommend the Board on the appointment, re-appointment and removal of the external auditor, to approve their remuneration and terms of engagement, and handle any questions of its resignation or dismissal;

(e) to review the external auditor's management letter, and convey management's response to points raised on accounting records, financial accounts or internal control systems and to ensure that the Board provides a timely response to the issues raised in the management letter;

(f) to review the arrangements that employees of the Group can use to confidentially raise concerns about possible improprieties in financial reporting, internal control or other matters, and ensure that proper arrangements are in place for fair and independent investigation along with appropriate follow-up action; and

(g) to review the implementation and compliance of the Deed of Right of First Refusal dated 10 May 2013 entered into between the Group and LHI regarding the grant of a right of first refusal by the Group to LHI in relation to certain investment and disposal of hotel properties by the Group as more particularly described in the prospectus of LHI in order to maintain a clear delineation of the respective businesses of LHI and that of the Group.

Summary of Work

During the year, the Audit Committee held two physical meetings. Highlights of their work include:

Areas of Duties	Summary of Major Work Done by the Audit Committee in 2025
Disclosure of Financial Information	• reviewed the audited financial statements for the year ended 31 December 2024 and the unaudited financial statements for the six months ended 30 June 2025, with particular regard to significant audit risks and other audit issues including: (1) significant risk on the review on fair value of the Group's investment properties; (2) review on the impairment of hotel buildings; (3) review on the consideration payable for a development project; (4) review on the fair value of derivative financial instruments – cross currency swaps and interest rate swaps; (5) review on the effectiveness of cash flow hedge; (6) review on the revenue recognition; and (7) review on the potential oversight by management in the financial reporting process. • reviewed the draft 2024 Annual Report and annual results announcement • reviewed the draft 2025 Interim Report and interim results announcement
Risk Management and Internal Control	• reviewed various internal audit reports and effectiveness of risk management and internal control systems for the year ended 31 December 2024 • approved the annual audit plan for the year 2025 • reviewed the significant findings and recommendations from the internal auditor and monitored subsequent implementations
Reports of External Auditor	• reviewed the external auditor's reports for the year ended 31 December 2024 and for the six months ended 30 June 2025, which summarise governance-related matters arising from their audit
Re-appointment of External Auditor	• reviewed and recommended the re-appointment of Messrs. Deloitte Touche Tohmatsu as the external auditor, the provision of audit and non-audit services and approved their remuneration
Legal and Regulatory Compliance	• reviewed the legal and regulatory, and governance and compliance issues of the Group including but not limited to the compliance with the provisions of the Listing Rules, Securities and Futures Ordinance, Companies Ordinance and the Bye-laws for the year ended 31 December 2024 and for the six months ended 30 June 2025, and the disclosure in the Corporate Governance Report

Remuneration Committee

The Remuneration Committee was established in 2004, its terms of reference are posted on the Group's website at greateagle.com.hk and the HKEXnews' website at hkexnews.hk.

Responsibilities and Authority

The Remuneration Committee establishes formal and transparent procedures to formulate policy on Executive Directors' remuneration, fix the remuneration packages for all Directors and senior management, and ensure that remuneration levels are sufficient to attract and retain Directors essential to the Company's success. The principal duties of the Remuneration Committee are:

(a) to determine the remuneration packages of the Group's employees including Executive Directors and senior management;

(b) to recommend the remuneration of Non-executive Directors and Independent Non-executive Directors; and

(c) to decide on the granting of share awards and/or share options under the share incentive schemes as may from time to time be adopted by the Company.

Summary of Work

During the year, the Remuneration Committee held one physical meeting. Highlights of their work include:

Areas of Duties	Summary of Major Work Done by the Remuneration Committee in 2025
Remuneration Packages	• reviewed and approved the proposals for 2025 general salary revision and discretionary bonus distribution to the Group's employees (including Executive Directors and senior management) • reviewed and recommended the Directors' fee and remuneration for Non-executive Directors and Independent Non-executive Directors for the year 2025
Share Incentive Schemes	• reviewed and approved the share scheme policy and allocation mechanism • reviewed and approved the annual grant of share options and share awards of the Company

Share Schemes

The purpose of the 2024 Share Schemes is to enable the Company to grant share awards and/or share options to eligible participants of the Group as retention incentives or rewards for their contributions to the Group, to attract suitable personnel for enhancing the Group's development, and to align the interests of the participants generally with those of the Shareholders for the medium to long-term benefit of the Group.

Upon the adoption of the 2024 Share Award Scheme and 2024 Share Option Scheme on 29 May 2024, the 2019 Share Option Scheme was terminated. Share options granted during the life of the 2019 Share Option Scheme and remain unexpired prior to the termination of the 2019 Share Option Scheme continue to be exercisable in accordance with the terms of issue under the scheme.

Share Award Scheme	
Allocation Mechanism	In determining the grant of share awards under the 2024 Share Award Scheme, the eligibility and allocation of share awards for each participant were determined by an allocation mechanism, approved by the Remuneration Committee.
Key Allocation Determinants	(i) Roles and grades of the participants with the Group; (ii) Individual performance rating and job grading of the participants; (iii) Financial performance and staff expenses budget of the Company; and (iv) Business outlook of the Group and the prevailing industry practices.
Vesting Period and Clawback Mechanism	The share awards granted under the 2024 Share Award Scheme would be subject to certain vesting conditions and a clawback mechanism. As approved by the Remuneration Committee, the vesting period of the share awards under the 2024 Share Award Scheme is 36 months.
Performance Targets	In order to qualify for the vesting of the share awards under the 2024 Share Award Scheme, participants must attain a satisfactory score regarding their performance rating throughout the 36-month vesting period. The performance rating is based on organisational, divisional and individual's objectives related to the job performance of the participants, including their professionalism and integrity, as well as the business and financial performance of the Group. Participants are required to consistently meet essential job expectations and are subject to ongoing assessment of their proficiency in performing the duties associated with their roles and responsibilities within the Group. In addition, they are expected to comply with the standards set forth in the Employee Code of Conduct of the Company throughout the vesting period. The vesting of the share awards is determined not only by performance outcomes but also by a sustained commitment to high standards of conduct. This comprehensive assessment framework is designed to ensure alignment of interests between the participants and the Company.

Share Option Schemes	
Key Determinants	The Group has a long-standing practice of offering share options to employees and Executive Directors as a form of bonus payment for the relevant financial period. In determining the grant of share options, the Remuneration Committee has taken into account the roles and grades of the participants within the Group, and that the value of the share options formed part of the bonus payment for the relevant financial period. The value of the share option is linked to the future market price of the Share, thereby motivating participants to contribute to the long-term development of the Company.
Vesting Period, Exercise Period, and Clawback Mechanism	The share options granted under the Share Option Schemes would be subject to vesting period and a clawback mechanism. As approved by the Remuneration Committee, the share options are exercisable for a period of 36 months commencing on the expiry of 24 months from the date upon which the share option is deemed to be granted and accepted, and expiring on the last day of the 36-month period. The vesting period and exercise period are structured to encourage sustained commitment to the Group. The Remuneration Committee considered that the grant of share options was aligned with the purpose of the Share Option Scheme, serving as an effective means to motivate participants and enable them to benefit from the improvement of the share performance of the Company. Accordingly, no additional performance target was imposed.

During the year 2025, 834,710 share awards and 800,000 share options were granted under the 2024 Share Schemes, further details of the grant are set out in the "Report of the Directors" contained in this Annual Report.

Remuneration Policy for Directors and Senior Management

All Executive Directors are under salaried employment of the Company. During the year, the Remuneration Committee reviewed the emoluments of Directors and senior management based on their skills and knowledge, job responsibilities and involvement in the Group's affairs, and the Group's financial performance and profitability - as well as industry benchmark comparisons and prevailing market conditions.

No Director should be involved in deciding his/her own remuneration. The remuneration packages of individual Executive Directors and senior management are determined by the Remuneration Committee, which comprises only Independent Non-executive Directors. The remuneration package offered to Executive Directors and senior management comprises core fixed elements (including basic salary, retirement benefits scheme contributions and other benefits) as well as discretionary variable elements (including discretionary bonuses). The Director's fee of Non-executive Directors and Independent Non-executive Directors are determined by the Board based on general duties and responsibilities as a Director, they do not participate in performance-based compensation. Details of Directors' emoluments can be found in note 11 to the consolidated financial statements. The emoluments of senior management for the year 2025 were disclosed by bands as follows:

Emoluments	2025 Number of Members of Senior Management
Below HK$5,000,000	12
HK$5,000,000 – HK$7,500,000	1
Above HK$7,500,000	1
Total	**14**

Director's Fee and Board Committee Remuneration

A Director is entitled to receive a Director's fee of HK$220,000 for the year ended 31 December 2025. The Director's fee was proposed by the Board on the recommendation of the Remuneration Committee, based on the general duties and responsibilities as a Director of the Company and approved by Shareholders at the 2025 AGM, and payable to each Director as ordinary remuneration.

The annual remunerations received by the chairman and members of the Audit Committee, Remuneration Committee and Nomination Committee are set out below. These remunerations were determined by the Board with reference to the time and effort involved in his/her specific duties and services, and the prevailing market conditions. No extra remuneration was paid to the chairman and members of the Finance Committee.

	2025 HK$	2024 HK$
Audit Committee		
• Chairman	**220,000**	220,000
• Committee Member	**170,000**	170,000
Remuneration Committee		
• Chairman	**70,000**	70,000
• Committee Member	**60,000**	60,000
Nomination Committee		
• Chairman	**60,000**	60,000
• Committee Member	**50,000**	50,000

Nomination Committee

The Nomination Committee was established in 2005, its updated terms of reference are posted on the Group's website at greateagle.com.hk and the HKEXnews' website at hkexnews.hk.

Responsibilities and Authority

The Nomination Committee formulates policy and makes recommendations to the Board on nomination, appointment or re-appointment of Directors and Board composition. The principal duties of the Nomination Committee are:

(a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assist the Board in maintaining a board skills matrix, and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(b) to formulate a policy concerning diversity of the Board and review the implementation of such policy annually;

(c) to formulate a policy for the nomination of directors of the Group and review such policy periodically;

(d) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

(e) to assess the independence of independent non-executive directors;

(f) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the Chairman and the chief executive;

(g) to review the implementation and effectiveness of the mechanisms to ensure independent views and input are available to the Board on an annual basis and make recommendations to the Board;

(h) to review and assess regularly the time commitment and contribution to the Board by each director as well as the director's ability to discharge his or her responsibilities effectively; and

(i) to support the Company's regular evaluation of the Board's performance.

The Nomination Committee consists of one female and three males Directors, which is in compliance with the Listing Rules requirement.

Summary of Work

During the year, the Nomination Committee held one physical meeting. Highlights of their work include:

Areas of Duties	Summary of Major Work Done by the Nomination Committee in 2025
Board Composition	• reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board, and the contributions required from the Board members • reviewed the Directors' time commitment to the affairs of the Company through, inter alia, meeting attendance and interlocking directorship
Independence of Independent Non-executive Directors	• assessed the independence of all Independent Non-executive Directors, including those who served on the Board for more than nine years
Board Independence Mechanism	• reviewed the implementation and effectiveness of the board independence mechanisms set out in the Director Independence Policy to ensure independent views are available to the Board
Re-appointment of Directors	• reviewed and recommended the re-election of retiring Directors, namely Mr. Lo Hong Sui, Vincent, Mr. Lo Hong Sui, Antony, Mr. Kan Tak Kwong, Mrs. Lee Pui Ling, Angelina and Mr. Zhu Qi, at the 2025 AGM

Nomination Policy

The Nomination Committee adopted the Nomination Policy in 2019 which sets out the selection criteria and the evaluation procedures in nominating candidates to be appointed or re-appointed as Directors of the Company. The objective of the Nomination Policy is to assist the Nomination Committee in fulfilling its duties and responsibilities as provided in its terms of reference. The Nomination Committee shall review the Nomination Policy from time to time.

The Nomination Policy lays down the following nomination procedures to be taken by the Nomination Committee.

1 Consider Recommendations	• Considers any and all candidates recommended as nominees for Directors by any Directors or Shareholders in accordance with the Bye-laws.
2 Conduct Search	• Undertakes its own search process for candidates and may retain the services of professional search firms or other third parties to assist in identifying and evaluating potential nominees.
3 Evaluate Candidates	• Evaluates candidates via interviews, background checks, written submissions, third party references to find individuals of high integrity who possess the qualifications, qualities, skills, experience and independence (for Independent Non-executive Directors) to effectively represent the best interests of all Shareholders.
4 Select Candidates	• Selects candidates based on their ability to exercise good judgment and provide practical insights along with diverse perspectives.
5 Recommend to Board	• Recommends candidates for nomination to the Board, which approves the final choice of candidates.

As far as practicable, nominees for each election or appointment of Directors shall be evaluated using a substantially similar process.

Independence Assessment of Independent Non-executive Directors

The Nomination Committee believes that independence is an important part of fulfilling the Directors' duty to supervise the management of the business and affairs of the Group. The Nomination Committee is accountable for assessing whether any relationships or circumstances would likely interfere with the exercise of objective and unfettered judgement by relevant Directors. It reviews annually all relevant facts and circumstances such as interlocking directorship, competing businesses and other significant commitment that might potentially impose an impact on Directors' judgement.

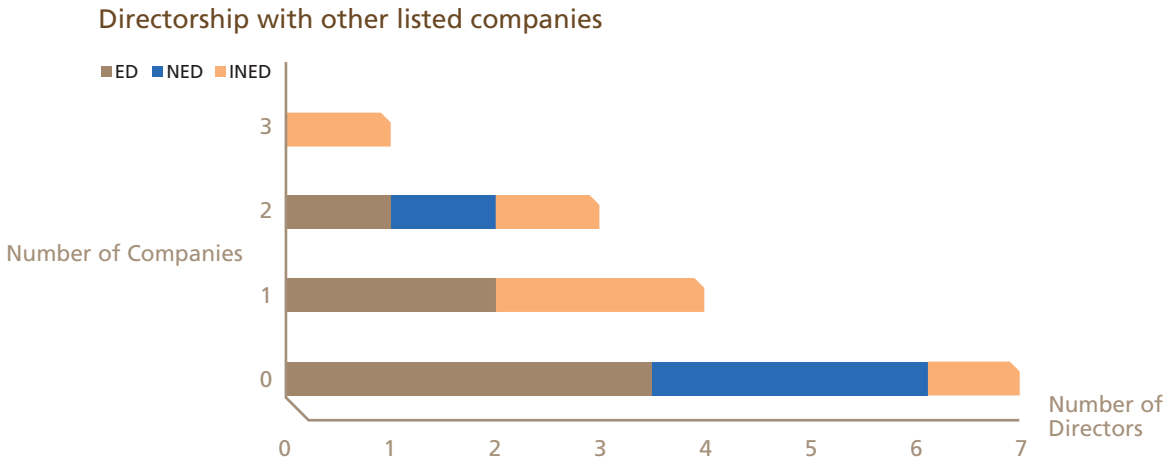
Independence Assessment of Independent Non-executive Directors	
Importance of Independence	The Nomination Committee considers that independence is essential for Directors to effectively supervise the Group's business and affairs. Independent Non-executive Directors must also meet the independence guidelines set out in Rule 3.13 of the Listing Rules.
Assessment Basis	• Tenure • Professional background, expertise and contributions • Relationships, interests and involvement in management • Annual written confirmations of independence
Long-Serving Independent Non-executive Directors	Professor Wong Yue Chim, Richard and Mrs. Lee Pui Ling, Angelina have served on the Board for more than nine years, and their re-appointments will be subject to a separate resolution to be approved by the Shareholders at the AGM.
Background and Contributions of Professor Wong	Professor Wong is Provost and Deputy Vice-Chancellor and Chair of Economics at The University of Hong Kong. He is a leading figure in advancing economic research on policy issues in Hong Kong. He has a strong grasp of policy dynamics and regulatory frameworks and can provide valuable insights into economic trends, market conditions, and potential risks or opportunities, and offer a deep understanding of macroeconomic factors that may impact the Company's operations. With due regard to a range of diversified perspectives in particular Professor Wong's background and expertise in economic and social affairs in Hong Kong and Mainland China, he could help to evaluate opportunities to expand and diversify our Group's property and hotel portfolio in Hong Kong and Mainland China and it is believed that Professor Wong with his specialised skill set can enhance the Board's decision-making process and contribute to the long-term success of the Company.

Independence Assessment of Independent Non-executive Directors	
Background and Contributions of Mrs. Lee	Mrs. Lee is a solicitor and a Fellow of the Institute of Chartered Accountants in England and Wales. She holds a Bachelor of Laws degree from and was awarded an Honorary Fellowship by University College London, University of London. Mrs. Lee's impressive career history and expertise bring exceptional knowledge to and enhance the diversity of the Board of the Company. Amongst her public appointments in the past, including membership in the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority and as a Non-executive Director of the Securities and Futures Commission, showcase her significant contributions to financial regulation. These experiences underline her strong connections within the financial market, making her an invaluable asset in navigating complex legal and regulatory challenges. We consider that her extensive experience in legal and financial regulatory sectors could bring a wealth of legal and regulatory compliance experience to the Board and upholds the Company's governance standards, fostering long-term growth.
Independence Confirmation	Both Long-Serving INEDs: • Have no relationships with other Directors, senior management, substantial or controlling shareholders. • Have no material interest in competing businesses. • Are not involved in daily management or executive functions. • Have provided written annual confirmations of independence per Rule 3.13 to the Company and confirm sufficiency of time spent and attention to the affairs of the Group. • Continue to provide impartial advice and independent judgement.

The Nomination Committee formed the view that despite their long tenure, both Long-Serving INEDs continue to contribute significantly through their deep knowledge and expertise, and their independence remains unaffected, as evidenced by their impartiality and effective oversight. There is no induction showing that Long-Serving INEDs would diminish their independence or are at an increased risk of complacency given their familiarity with management. The Nomination Committee considered that independence of mind outweighs the appearance of independence. Both INEDs consistently demonstrate independence of character and judgment in the Board and committee roles and are expected to continue providing objective and independent views.

Time Commitment Assessment

To ensure that Directors dedicate sufficient time to the affairs of the Company, all Directors have disclosed to the Company annually their other directorships held in Hong Kong or overseas listed companies and other significant commitments. As at 31 December 2025, the maximum number of other listed company directorships held by our Directors was three. During the year 2025, all Directors had attended 75% or more of the Board meetings and Board Committees meetings, and the attendance rate for both general meetings held was 86%, except Madam Lo To Lee Kwan, the co-founder of the Group, who was actively involved in the early stages of development of the Group. She has been relatively inactive in the Group's business and did not participate in any meetings held by the Company in 2025. All Non-executive Directors (including Independent Non-executive Directors) have provided written confirmation to the Company regarding their time involvement in the affairs of the Company during the year 2025. In view of the above, the Nomination Committee believed that the Directors have devoted sufficient time to the affairs of the Company without being over-occupied in the business of other listed companies or other significant external commitments.



Finance Committee

The Finance Committee was established in 2003, its terms of reference were updated in 2023. Members of the Finance Committee meet on a weekly basis. Issues discussed by the Finance Committee and the decisions reached are reported at regular Board meetings.

Responsibilities and Authority

The Finance Committee assists in streamlining the daily operations and administrative procedures of the Board. Its principal duties include:

(a) to review the financial position of the Company, including present or future borrowings and/or other financial obligations and/or liabilities, actual, contingent or otherwise;

(b) to review, consider and approve the submission of bids on a sole basis by the Group or on joint basis with other party(ies) for all Qualified Property Acquisition (as defined under the Listing Rules) in particular the acquisition of land or property development project in Hong Kong from Government or Government-controlled entities through a public auction or tender, or the acquisition of governmental land in the Mainland China from a PRC Governmental Body (as defined under the Listing Rules) through a tender, auction, or listing-for-sale governed by the PRC laws;

(c) to review, consider and approve the execution (whether under seal) of any guarantee, indemnity or other security given or to be given by the Company and/or other obligations and/or liabilities, actual, contingent or otherwise in respect of present or future borrowings, development project(s), joint venture(s), investment(s), fund raising activity(ies), tender exercise(s) of whatever nature in the ordinary and usual course of business of the Group; and

(d) to approve and authorise the opening and closing of and update the list of authorised signatories or signing arrangement in relation to any accounts maintained with any financial intermediates including banks and financial institutions in the name of the Company.

Connected Transactions and Related Party Transactions

During the year ended 31 December 2025, the Group engaged in transactions with parties regarded as related parties under the applicable accounting standards. Some of these related party transactions also constituted connected transactions as defined under the Listing Rules. Details of related party transactions are disclosed in note 39 to the consolidated financial statements.

EXTERNAL AUDITOR

Auditor's responsibilities for the Financial Statements

The auditor's statement regarding their reporting responsibilities for the Company is set out in the "Independent Auditor's Report" on pages 123 to 127 of this Annual Report.

Auditor's Remuneration

During the year ended 31 December 2025, the total fees in respect of audit and non-audit services provided to the Group by the external auditor, Messrs. Deloitte Touche Tohmatsu, are set out as follows:

Services Rendered	2025 HK$'000	2024 HK$'000
Audit services	**14,984**	12,465
Non-audit services		
Taxation services	**5,940**	3,992
Interim review fee	**1,615**	1,740
Other services	**1,167**	365
Total	**23,706**	18,562

Note: The total amount of auditor's remuneration as disclosed in note 10 to the consolidated financial statements is HK$15,567,000 which comprises audit services provided by other auditors in the total amount of HK$583,000, but does not include the fees in respect of non-audit services.

Risk Management and Internal Control

The Board is entrusted with ensuring that the Group establishes and maintains adequate and effective risk management and internal control systems that are designed to provide reasonable but not absolute assurance against material misstatement or loss, and to manage rather than eliminate risk of failure to meet the business objectives. Working to achieve these goals, Great Eagle has established:

(a) a good control environment including a well-defined organisational structure, limit of authority, reporting lines and responsibilities;

(b) a risk management self-assessment and internal control self-assessment conducted at least annually by the Group's major business entities;

(c) appropriate risk mitigating activities including clear and written company policies and procedures that can manage risks to an acceptable level;

(d) effective platforms to facilitate internal and external information flow;

(e) a structural internal audit function to independently appraise major operations on an ongoing basis; and

(f) information security awareness training regularly organised by the Internal Audit Department under the stewardship of the Information Technology Steering Committee.

Through the Audit Committee and the Internal Audit Department, the Board has conducted an annual review on the effectiveness of risk management and internal control systems for the year ended 31 December 2025.

A risk management framework has been implemented that provides a structured basis in which all key risks (including but not limited to governance and strategy, regulatory compliance, people and talent, technology and operations, financial, economic, legal and ESG) are identified, analysed, evaluated, treated, monitored and reported in a consistent manner at all levels across the Group. A risk register is maintained to summarise the significant risks faced by the Group and relevant risk-mitigating activities.

With the adoption of a risk-based approach, the Internal Audit Department evaluates the Group's risk management and internal control systems by reviewing all major operations on a cyclical basis. The audit reviews cover all material controls including financial, operational and compliance controls, results of the audit reviews in the form of internal audit reports are submitted for discussion at Audit Committee meetings. The internal audit reports are also followed up by the Internal Audit Department to ensure that findings previously identified have been properly resolved.

The annual audit plan and the long-term strategy plan of the Internal Audit Department are approved by the Audit Committee. The Head of the Internal Audit Department reports directly to the Managing Director and the Audit Committee.

Based on the results of the internal audit reviews for the year ended 31 December 2025 and the subsequent assessment of the Audit Committee, no significant irregularity or deficiency in the risk management and internal control systems has drawn the attention of the Audit Committee.

The Board is satisfied that the Group has maintained adequate and effective risk management and internal control systems for the year ended 31 December 2025.

SHAREHOLDERS ENGAGEMENT

Constitutional Documents

At the special general meeting of the Company held on 14 May 2025, the Bye-laws were amended by the approval of the Shareholders. A consolidated version of the Company's constitutional documents is available on the Group's website at greateagle.com.hk and the HKEXnews' website at hkexnews.hk.

Communication with Shareholders

Great Eagle recognises the importance of maintaining an on-going dialogue with Shareholders. The Board adopted the Shareholder Communication Policy which sets out the framework for promoting effective communication and engagement with Shareholders, institutional investors and other stakeholders, and reviews the policy annually to ensure its effectiveness. Below is a summary of the communication channels available for Shareholders to express their views on various matters affecting the Group.

Group's Website	Our Group's website includes all corporate communications of the Company including but not limited to annual and interim reports, announcements, circulars, key corporate governance policies, terms of reference of the Board Committees, press releases and important corporate information, enabling the Shareholders to access the timely and updated information. Information released by the Company to the Stock Exchange was also posted on the Group's website as soon as reasonably practicable thereafter. Presentation materials on annual and interim results analyst briefings are posted on our Group's website. Shareholders who prefer to read offline, corporate communications in printed form, free of charge, will be sent to them upon receipt of their written request.
Corporate Communications	The Company regularly meets institutional investors, financial analysts and media at analyst briefings, investor meetings, one-on-one meetings, group meetings, local and overseas conferences and roadshows. A financial calendar setting out the important dates is contained in this Annual Report on page 4.
General Meetings	General meetings are an important forum to engage with the Shareholders, providing an opportunity for them to raise comments and express their views on the performance of the Group with the Board. For details of the general meetings held in 2025 and proceedings of general meetings, please refer to the sub-section "General Meetings" below. Shareholders may directly communicate with Directors and senior management at general meetings, and enquiries from Shareholders were responded to within a specific timeframe.
Enquiries from Shareholders	Shareholders, stakeholders and members of the public are welcome to direct their enquiries to the Company either by writing to the Company's principal place of business in Hong Kong or by email to info@greateagle.com.hk.

The Board has reviewed the implementation of the communication channels and, based on the above, considered the Shareholder Communication Policy has been effectively implemented during the year.

General Meetings

The general meetings of the Company provide a principal communication channel between the Shareholders and the Board.

The Chairman of the Board and the chairmen/chairwoman of the Audit, Remuneration, Nomination and Finance Committees attend annual general meetings and are available to answer questions. The auditor is also invited to attend annual general meetings to answer questions about the audit process, preparation and content of the auditor's report, accounting policies and the auditor's independence.

Great Eagle regularly reviews the proceedings of general meetings, as summarised below, to ensure that appropriate best practices in corporate governance are followed.

Proceedings of General Meetings

01 Notice of general meetings together with other relevant corporate communications will be despatched to Shareholders (i) not less than 21 days prior to the AGM and general meeting where a special resolution is proposed for consideration, or (ii) not less than 14 days for all other general meetings.

02 Detailed information on each resolution to be proposed will be provided. To safeguard the interests and rights of the Shareholders, each substantially issue will be considered at the general meetings by a separate resolution, including the election/re-election of each individual Director.

03 The Chairman of the Board and Board Committees or, in their absence, their duly appointed delegates and other members of the Board and Board Committees will attend the general meetings to answer questions from Shareholders.

04 The external auditor will attend the annual general meeting to answer questions about the audit process, preparation and content of the auditor's report, accounting policies, auditor's independence and any other related questions as may be raised by the Shareholders.

05 Shareholders will be provided opportunities to ask questions for each of the proposed resolutions at general meetings.

06 All votes of the Shareholders at general meetings will be taken by poll. The procedures for conducting a poll will be explained at the meetings.

07 Independent scrutineer will be engaged to ensure all votes at general meetings are properly counted.

Poll results will be published on the Group's website at greateagle.com.hk and the HKEX-news' website at hkexnews.hk on the same day after the general meetings.

General Meetings held in 2025

The Company held two general meetings in 2025. Details are as follows:

- 2025 AGM

  2025 AGM was held on 14 May 2025 at 32/F, Great Eagle Centre, 23 Harbour Road, Wan Chai, Hong Kong. The resolutions resolved thereat are listed below:

	Ordinary Resolutions	Percentage of Votes in favour of the Resolution *
1.	Received and adopted the audited consolidated financial statements of the Group for the year ended 31 December 2024 together with the Reports of the Directors and the Independent Auditor.	100.00%
2.	Approved the payment of a final dividend of HK50 cents per share for the year ended 31 December 2024.	100.00%
3.	Re-elected Mr. Lo Hong Sui, Vincent as a Non-executive Director.	91.56%
4.	Re-elected Mr. Lo Hong Sui, Antony as an Executive Director.	98.13%
5.	Re-elected Mr. Kan Tak Kwong as an Executive Director.	98.13%
6.	Re-elected Mrs. Lee Pui Ling, Angelina as an Independent Non-executive Director.	91.98%
7.	Re-elected Mr. Zhu Qi as an Independent Non-executive Director.	92.00%
8.	Fixed the Director's fee for each of the Directors at HK$220,000 for the year 2025.	100.00%
9.	Re-appointed Messrs. Deloitte Touche Tohmatsu as Auditor of the Company and authorised the Board to fix their remuneration.	98.56%
10.	Approved the grant of a general mandate to the Directors to buy-back shares not exceeding 10% of the total number of issued shares.	100.00%
11.	Approved the grant of a general mandate to the Directors to allot, issue and deal with additional shares not exceeding 20% of the total number of issued shares.	85.30%

* truncated to two decimal places.

Each of the general mandates to buy-back and to issue shares of the Company shall remain in effect until the conclusion of the next annual general meeting, or the expiration of the period within which such annual general meeting is required by laws or Bye-laws to be held or until revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first. Although the general mandates granted may not be utilised during the valid period as mentioned above, this gives the Company the flexibility when needed without proposing second and subsequent refreshments of the general mandates in any one year. The Company will use the mandates sparingly and in the interest of the Shareholders. The Company did not buy back or issue any shares under the general mandates granted by the Shareholders in the 2025 AGM.

Total voting rights of Shareholders present at the 2025 AGM in person or by proxy are as follows:

Total Voting Rights Present at 2025 AGM	
Number of shares represented	610,249,732
Percentage of shares represented	81.61%
Number of issued shares as at the date of the 2025 AGM	747,723,345

- 2025 SGM

2025 SGM was held on 14 May 2025 at 32/F, Great Eagle Centre, 23 Harbour Road, Wan Chai, Hong Kong. The resolution resolved thereat is listed below:

Ordinary Resolutions	Percentage* of Votes in favour of the Resolution
Approved the amendments to the Bye-laws and adoption of the new Bye-laws of the Company.	100.00%

* truncated to two decimal places.

Shareholders' Right

The Board and senior management strive to ensure that all Shareholders are treated equitably and fairly, and that Shareholders possess the following rights, which are set out in the Bye-laws and the Bermuda Companies Act 1981:

Right to Convene Special General Meeting

Shareholder(s) holding not less than one-tenth of the paid-up capital of the Company shall have the right to require a special general meeting to be called by the Board for the transaction of any business specified in such requisitions.

The written requisition must state the purposes of the meeting, and must be signed by the Shareholder(s) concerned and deposited at the Company's principal place of business in Hong Kong, for the attention of the Company Secretary. It may consist of several documents in like form each signed by one or more Shareholder(s) concerned.

The written requisition will be verified with the Company's branch share registrar and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to include the relevant resolution in the agenda for such general meeting provided that the Shareholder(s) concerned have deposited a sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement submitted by the Shareholder(s) concerned in accordance with the statutory requirements to all registered Shareholders. Such general meeting shall be held within six weeks after deposit of such requisition.

If, within 21 days from such deposit of the requisition, the Board do not proceed to convene such general meeting, the Shareholder(s) concerned, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the date of the deposit of the requisition.

A meeting so convened by the Shareholder(s) concerned shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors.

Any reasonable expenses incurred by the Shareholder(s) concerned by reason of the failure of the Directors duly to convene a meeting shall be reimbursed to the Shareholder(s) concerned by the Company.

Right to Put Forward Proposals at General Meetings

Shareholder(s) holding not less than one-twentieth of the total voting rights of all the Shareholders or not less than 100 Shareholders, may:

(i) put forward proposals at general meetings; or

(ii) circulate to other Shareholders' written statement of not more than 1,000 words with respect to the matter to be dealt with at general meeting.

For further details on the Shareholders' qualifications, procedure and timeline in connection with the above, Shareholders are kindly requested to refer to Section 79 of the Bermuda Companies Act 1981.

Shareholder may propose a person other than a retiring Director of the Company for election as a Director of the Company at any general meeting, by lodging a written notice of nomination together with the consent of the nominated person at the Company's principal place of business in Hong Kong at least seven days before the date of such general meeting.

Right to Put Enquiries to the Board

Shareholders may send their enquiries requiring the attention of the Board to the Company's principal place of business in Hong Kong or through the Group's website at greateagle.com.hk, for the attention of the Company Secretary. Questions about the procedures for convening or putting forward proposals at an annual general meeting or special general meeting may also be put to the Company Secretary by the same means.

DIVIDEND POLICY

Background and Purpose	The Board adopted the Dividend Policy in 2019 and was updated in 2023. The Dividend Policy and the declaration and/or payment of dividends under this policy are subject to the Board's continuing determination that this Dividend Policy and the declaration and/or payment of dividends would be in the best interests of the Group and the Shareholders, and are in compliance with all applicable laws and regulations.
Target Dividend Payout	Great Eagle aims to provide Shareholders with a target annual dividend payout of not less than 25% of the core profit after tax attributable to equity holders in any financial year, subject to the following factors: • the Company's actual and expected cash flow positions and financial performance; • projected capital expenditure, future expansion plans and growth opportunities; • the Group's debt to equity ratio, return on equity and other relevant financial covenants; • general economic conditions, business cycles of the Group's core business; • general expectation of Shareholders and investors of the Company; and • any other factors that the Board deems appropriate.
Dividend Types and Frequency	The Board declares dividends semi-annually. The Board may at its sole discretion declare the payment of special dividend to Shareholders and provide scrip dividend distribution option for the election of the Shareholders in relation to the payment of any dividend in any financial year as it deems appropriate. The payment of final dividend is subject to the approval of Shareholders.
Review of Policy	The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or the obligation of the Company to declare a dividend at any time or from time to time.
Payout Ratio	For the year ended 31 December 2025, the total dividend of HK$1.11 (2024: HK87 cents) proposed by the Company represents a payout ratio of 40.1% (2024: 41.8%). This is in line with the dividend policy of the Company and there is no material variation in the payout ratio compared to that for the previous corresponding period.

HUMAN RESOURCES

Our people form the backbone of our sustainable success. The Group is committed to providing lawful and proper employment that prioritises employee development. We recognise the importance of workforce sustainability, which is about retaining and attracting the right people to meet current and future business needs. We offer competitive salaries to our employees. Discretionary bonuses are granted to employees and senior management, including Executive Directors, based on the financial performance and profitability of the Group, individual employee performance, the cost of living and broader market conditions in recognition of their contributions. The Company also provides other employee benefits which include educational allowance, insurance, medical scheme and provident fund schemes. Senior employees of the Group, including Executive Directors, are entitled to participate in the Company's Share Award Scheme and Share Option Schemes.

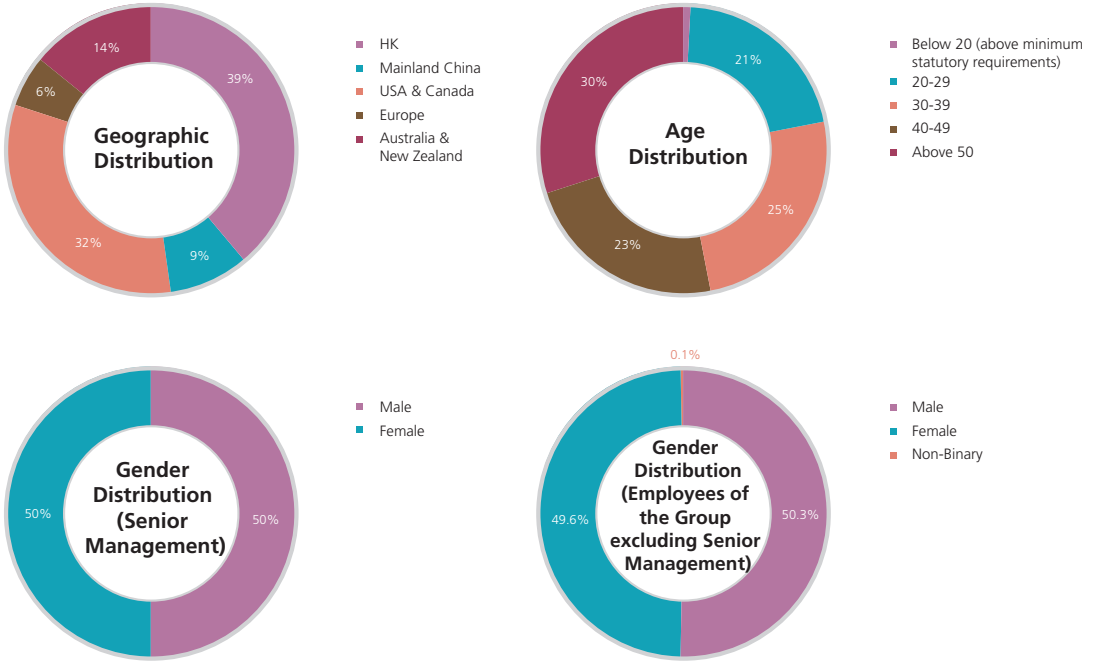
Workforce Diversity

The Group is committed to fostering a diverse, equitable, and inclusive workplace for employees at all levels (including senior management). The Workforce Diversity Policy has been adopted which sets out the Group's approach and objectives for achieving diversity in the workplace. This policy enables the Group to create a safe, diverse and inclusive work environment free from discrimination, bullying, victimisation, vilification or any form of harassment. A summary of the Workforce Diversity Policy is set out below:

Areas	Initiatives
Recruitment and Selection	• Adopt a merit-based recruitment process, ensuring all candidates are evaluated fairly based on qualifications, experience, potential, and performance, irrespective of their background. • Promote gender diversity and representation from underrepresented groups during recruitment. • Comply with applicable laws and regulations and align with local or regional market practices in the recruitment process.
Development and Advancement	• Provide equal access to training, career advancement, and leadership opportunities for all employees. • Ensure performance evaluations and promotion processes are conducted fairly, transparently, and without bias.
Workplace Inclusion	• Foster a culture of respect, collaboration, and inclusion by promoting open communication and mutual understanding among employees. • Prohibit any forms of harassment, bullying, bias, or violence in any work-related context. • Promote diversity and inclusion practices to raise awareness and eliminate unconscious bias in the workplace. • Maintain employee feedback channels and grievance procedures to allow employees to voice concerns and share suggestions related to diversity in the workplace.

Employee Statistics

As at 31 December 2025, the number of employees of the Group, including our head office management team, frontline hotel, property management and operation colleagues, decreased approximately 0.05% to 6,216 (2024: 6,219). The following charts show the composition and functional grouping of employees, including senior management, of the Group as at 31 December 2025:



Employee Engagement

At Great Eagle, we value communication and team spirit, and continuously promote dialogue, teamwork and a healthy work-life balance, including:

(a) Staff meetings hosted by the Chairman, focusing on the Group's recent business developments;

(b) Regularly-organised staff recreational activities that promote communication and cohesion across departments, business units and levels of seniority; and

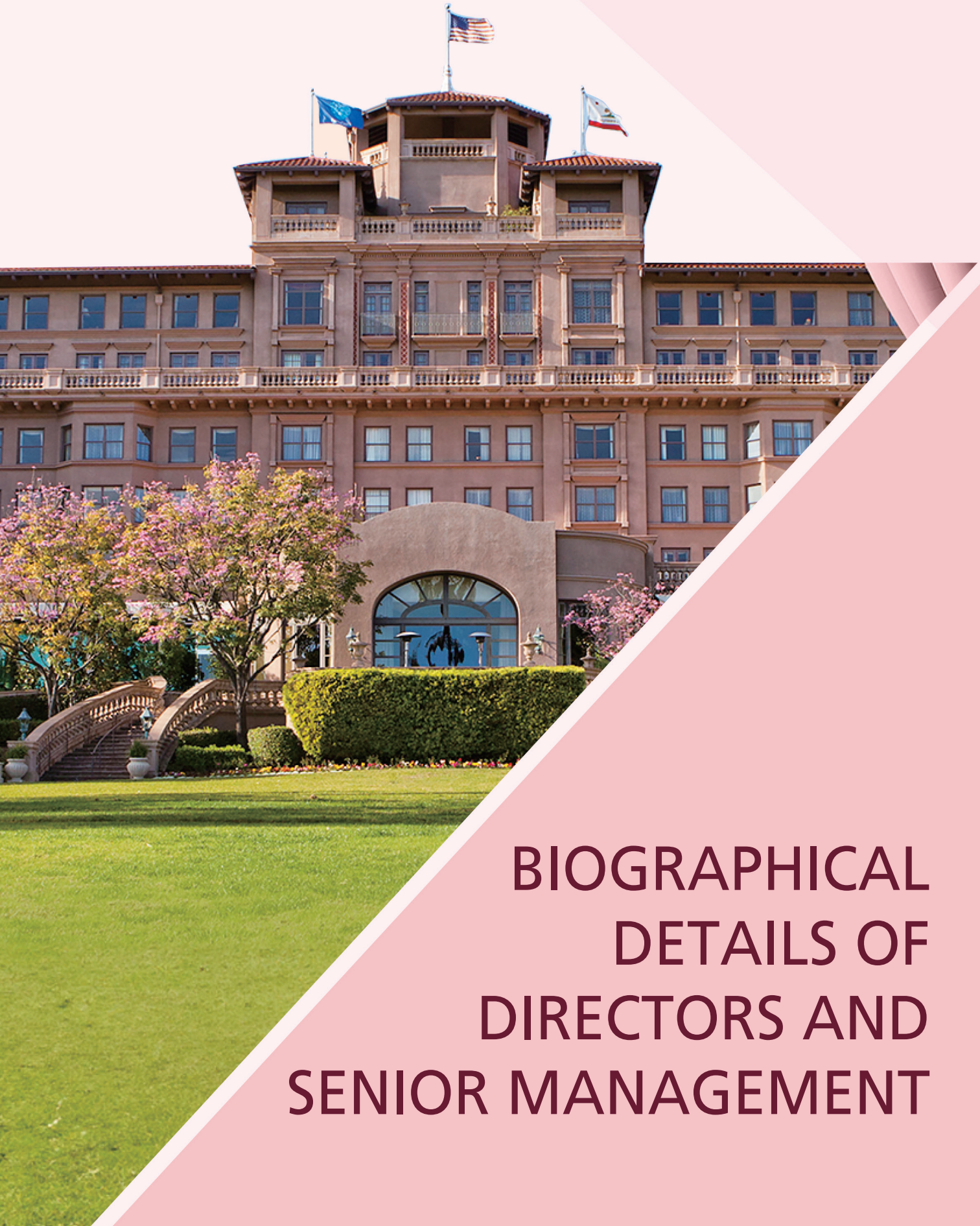
(c) Executive luncheons hosted by the Chairman and/or Executive Directors which provide opportunities for the Group's top management to gather and exchange ideas.

We also provide an iForum, an online platform where employees can express themselves freely and share ideas.

Supporting the sustainable growth of our people, we organise staff recreational activities and staff wellness programme which includes a wellness festival, green workshops and mindfulness classes, as well as community volunteering projects for employees. The Group also conducted a number of development and training programmes during the year, detailed in the "Development and Training" section of Great Eagle's Sustainability Report 2025.

CORPORATE GOVERNANCE ENHANCEMENT

Good corporate governance practice is key to the Group's long-term success in a constantly evolving business landscape. Believing that effective integration of corporate governance with environmental and social responsibilities could potentially release even greater value, the Board regularly evaluates our governance approach and identifies areas for improvement – ensuring our approach remains relevant and aligned with best practices. For details of Great Eagle's sustainability performance, please refer to our Sustainability Report 2025.



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Dr. LO Ka Shui
Chairman and Managing Director

Dr. LO Ka Shui, aged 79, has served as a Director of the Group since 1980. He is a substantial Shareholder, Chairman and Managing Director of the Company, Chairman of the Company's Finance Committee, and holds directorship in various subsidiaries of the Company. He is also the Chairman and Non-executive Director of the Manager of the publicly-listed trusts, Champion Real Estate Investment Trust and Langham Hospitality Investments. He is a Vice President of The Real Estate Developers Association of Hong Kong and a member of The Hong Kong Centre for Economic Research's Board of Trustees. Dr. Lo was formerly Director of Hong Kong Exchanges and Clearing Limited; Chairman of the Listing Committee for the Main Board and Growth Enterprise Market; a Member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority; Chairman of The Chamber of Hong Kong Listed Companies; Chairman of the Hospital Authority of Hong Kong; a Board Member of the Airport Authority Hong Kong; and a Member of the University Grants Committee of the Hong Kong.

Dr. Lo graduated from McGill University with a Bachelor of Science Degree and obtained a Doctor of Medicine (M.D.) Degree from Cornell University, and was certified in Internal Medicine and Cardiovascular Disease at University of Michigan Hospitals. He has over four decades of experience in property and hotel development and investment both in Hong Kong and overseas. Dr. Lo is a son of Madam Lo To Lee Kwan, an elder brother of Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, a younger brother of Mr. Lo Hong Sui, Antony and Madam Law Wai Duen, and the father of Mr. Lo Chun Him, Alexander, all being Directors of the Company.

Madam LO TO Lee Kwan
Non-executive Director

Madam LO TO Lee Kwan, aged 106, has been a Director of the Group since 1963. She was an Executive Director of the Company prior to her re-designation as a Non-executive Director of the Company in 2008. She is the wife of Mr. Lo Ying Shek, the late former chairman of the Company, and is the co-founder of the Group. She was involved in the early stage of development of the Group. She is the mother of Dr. Lo Ka Shui, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, and the grandma of Mr. Lo Chun Him, Alexander, all being Directors of the Company.

Professor WONG Yue Chim, Richard
Independent Non-executive Director

Professor WONG Yue Chim, Richard, aged 73, is an Independent Non-executive Director of the Company. He has been a Director of the Company since 1995 and is the Chairman of the Nomination Committee and a member of both the Audit Committee and the Remuneration Committee of the Company. Professor Wong is Provost and Deputy Vice-Chancellor and Chair of Economics at The University of Hong Kong. He is a leading figure in advancing economic research on policy issues in Hong Kong through his work as Founding Director of The Hong Kong Centre for Economic Research and the Hong Kong Institute of Economics and Business Strategy. He was awarded the Silver Bauhinia Star in 1999 in recognition of his contributions in education, housing, industry and technology development and was appointed a Justice of the Peace in 2000 by the Government of the Hong Kong Special Administrative Region. He is a member of Research Council of Our Hong Kong Foundation. Professor Wong is an Independent Non-executive Director of Pacific Century Premium Developments Limited and Sun Hung Kai Properties Limited, both of which are companies whose shares are listed on the Stock Exchange.

Mrs. LEE Pui Ling, Angelina
Independent Non-executive Director

Mrs. LEE Pui Ling, Angelina, aged 77, was appointed an Independent Non-executive Director of the Company in 2002 and is the Chairman of the Remuneration Committee and a member of both the Audit Committee and the Nomination Committee of the Company. Mrs. Lee is a solicitor and a Fellow of the Institute of Chartered Accountants in England and Wales. She holds a Bachelor of Laws degree from and was awarded an Honorary Fellowship by University College London, University of London. Amongst her public appointments, Mrs. Lee was a member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority and a Non-executive Director of the Securities and Futures Commission. Mrs. Lee is a Non-executive Director of CK Infrastructure Holdings Limited, Henderson Land Development Company Limited and TOM Group Limited, all of which are listed companies.

Mr. ZHU Qi
Independent Non-executive Director

Mr. ZHU Qi, aged 65, was appointed as an Independent Non-executive Director of the Company in 2022 and is the Chairman of the Audit Committee and a member of both the Remuneration Committee and Nomination Committee of the Company. He had been the Chairman and Executive Director of CMB Wing Lung Bank Limited from 2019 to 2022 and the Chief Executive Officer and Executive Director from 2008 to 2019. Mr. Zhu had also been the Executive Vice President of China Merchants Bank Co., Ltd. from 2008 to 2019 and a former Director of CMB International Capital Corporation Limited. He joined the Industrial and Commercial Bank of China in 1986 and had been the Deputy General Manager and General Manager of Industrial and Commercial Bank of China, Hong Kong Branch and the Director, Managing Director and Chief Executive Officer of Industrial and Commercial Bank of China (Asia) Limited respectively from 1995 to 2008. Mr. Zhu is an Independent Non-executive Director of China Merchants China Direct Investments Limited (listed in Hong Kong) and ZA Bank Limited. He graduated with a Bachelor's Degree in Economics from Dongbei University of Finance and Economics, and obtained a Master's Degree in Economics from Zhongnan University of Finance and Economics.

Mr. HO Shut Kan
Independent Non-executive Director

Mr. HO Shut Kan, aged 77, was appointed as an Independent Non-executive Director of the Company in 2022 and is a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. He has over 40 years of experience in the property operations and real estate sector including leasing and managing residential, commercial and investment properties. Mr. Ho was Executive Director and Chief Executive Officer of Kerry Properties Limited (listed in Hong Kong) before his retirement in 2018. Mr. Ho currently is the Senior Advisor of Kerry Properties Limited. Mr. Ho was an Independent Non-executive Director of Eagle Asset Management (CP) Limited from 2017 to 2022, being the Manager of Champion Real Estate Investment Trust (listed in Hong Kong). Mr. Ho holds a Master of Business Administration Degree from the University of East Asia.

Ms. Diana Ferreira CESAR
Independent Non-executive Director

Ms. Diana Ferreira CESAR, aged 57, was appointed as an Independent Non-executive Director of the Company in 2023. Ms. Cesar is the Vice Chairman, Hong Kong of The Hongkong and Shanghai Banking Corporation Limited. Ms. Cesar was an Executive Director and the Chief Executive of Hang Seng Bank Limited from 2021 to 2025, the Managing Director of HSBC Holdings plc (both listed in Hong Kong) and the Chief Executive Officer, Hong Kong of The Hongkong and Shanghai Banking Corporation Limited from 2015 to 2021. She is a board member, a member of executive committee, the second vice president and campaign committee chairman of The Community Chest of Hong Kong, a honorary member of The Hong Kong Institute of Bankers, a council member of Treasury Markets Association, a non-official member and a member of Working Group on Public Education and Promotion of Women's Commission, a member of Hong Kong Academy of Finance Limited, a honorary chairman of The Hong Kong Chi Tung Association Limited and an ordinary member of Maryknoll Convent School Foundation Limited. Ms. Cesar is a Honorary Certified Banker of The Hong Kong Institute of Bankers and was appointed a Justice of Peace in 2022 by the Government of the Hong Kong Special Administrative Region. She holds a Bachelor of Arts in Commerce and Social Sciences from the University of Toronto.

Mr. LO Hong Sui, Antony
Executive Director

Mr. LO Hong Sui, Antony, aged 84, is an Executive Director and a director of various subsidiaries of the Company. He has been a Director of the Group since 1967. Mr. Lo has been actively involved in property development, construction and investment for decades. He graduated from the University of New South Wales with a Bachelor's Degree in Commerce. Mr. Lo is a son of Madam Lo To Lee Kwan, an elder brother of Dr. Lo Ka Shui, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, a younger brother of Madam Law Wai Duen, and an uncle of Mr. Lo Chun Him, Alexander, all being Directors of the Company.

Madam Law Wai Duen
Executive Director

Madam LAW Wai Duen, aged 89, is an Executive Director and a director of various subsidiaries of the Company. She has been a Director of the Group since 1963. Madam Law graduated from The University of Hong Kong with a Bachelor's Degree in Arts and has been actively involved in the Group's property development and investment in Hong Kong for decades. Madam Law is a daughter of Madam Lo To Lee Kwan, an elder sister of Dr. Lo Ka Shui, Mr. Lo Hong Sui, Antony, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, and an aunt of Mr. Lo Chun Him, Alexander, all being Directors of the Company.

Mr. LO Hong Sui, Vincent
Non-executive Director

Mr. LO Hong Sui, Vincent, aged 77, has been a Director of the Group since 1970. He was an Executive Director of the Company prior to his re-designation as a Non-executive Director of the Company in 2008. He is also the Chairman of the Shui On Group which he founded in 1971. The Shui On Group is principally engaged in property development, premium commercial properties' investment and management, construction business with interests in Hong Kong and Chinese Mainland. He is the Chairman of SOCAM Development Limited and Shui On Land Limited, both are listed on the Stock Exchange. He is also a former Non-executive Director of Hang Seng Bank Limited. Mr. Lo is the Honorary President of the Council for the Promotion & Development of Yangtze and an Honorary Court Chairman of The Hong Kong University of Science and Technology. He was awarded the Grand Bauhinia Medal (GBM) in 2017, the Gold Bauhinia Star in 1998 and was appointed a Justice of the Peace in 1999 by the Government of the Hong Kong Special Administrative Region. Mr. Lo is a son of Madam Lo To Lee Kwan, an elder brother of Dr. Lo Ying Sui, a younger brother of Dr. Lo Ka Shui, Mr. Lo Hong Sui, Antony and Madam Law Wai Duen, and an uncle of Mr. Lo Chun Him, Alexander, all being Directors of the Company.

Dr. LO Ying Sui
Non-executive Director

Dr. LO Ying Sui, aged 73, has been a Director of the Group since 1993. He was an Executive Director of the Company prior to his re-designation as a Non-executive Director of the Company in 2008. With a Doctor of Medicine Degree from The University of Chicago, he is a specialist in Cardiology and a Clinical Associate Professor (honorary) at The Chinese University of Hong Kong Faculty of Medicine. He is a son of Madam Lo To Lee Kwan, a younger brother of Dr. Lo Ka Shui, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen and Mr. Lo Hong Sui, Vincent, and an uncle of Mr. Lo Chun Him, Alexander, all being Directors of the Company.

Mr. LO Chun Him, Alexander
Executive Director

Mr. LO Chun Him, Alexander, aged 40, joined the Group in 2010 and was appointed as an Executive Director of the Company in 2015. He is also a member of the Finance Committee of the Company. Mr. Lo holds directorships in various subsidiaries of the Company, including The Great Eagle Company, Limited, The Great Eagle Development and Project Management Limited, Langham Hospitality Group Limited, Langham Hotels International Limited, Eagle Property Management (CP) Limited, Rio dei Vetrai S.r.l., Pacific Eagle Holdings Corporation and Great Eagle (China) Investment Limited. He is also a Non-executive Director of Langham Hospitality Investments Limited and LHIL Manager Limited (Manager of the publicly-listed Langham Hospitality Investments). Prior to joining the Group, he had worked at Citibank's investment banking division with a focus on Hong Kong's market. Mr. Lo is also a member of the Executive Committee of The Real Estate Developers Association of Hong Kong and a member of the Management Committee of The Federation of Hong Kong Hotel Owners Limited. He graduated from Washington University in St. Louis with a Bachelor of Arts in Psychology. Mr. Lo is a son of Dr. Lo Ka Shui, being a substantial Shareholder, the Chairman and Managing Director of the Company. Also, he is a grandson of Madam Lo To Lee Kwan, a nephew of Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, all being Directors of the Company.

Mr. KAN Tak Kwong
Executive Director and General Manager

Mr. KAN Tak Kwong, aged 74, has been a Director of the Group since 1988. He is an Executive Director, the General Manager and a member of the Finance Committee of the Company. Mr. Kan also holds directorships in various subsidiaries of the Company, including The Great Eagle Company, Limited, Langham Hospitality Group Limited, Langham Hotels International Limited, Eagle Property Management (CP) Limited, Keysen Property Management Services Limited, Great Eagle Tokyo TMK, Rio dei Vetrai S.r.l. and Great Eagle (China) Investment Limited. He graduated from The Chinese University of Hong Kong with a Master's Degree in Business Administration and is a member of various professional bodies including the HKICPA. Mr. Kan has decades of experience in finance, accounting, strategic development and corporate administration in the real estate, finance and construction industries.

Mr. CHU Shik Pui
Executive Director

Mr. CHU Shik Pui, aged 64, joined the Group in 1989 and was appointed as an Executive Director of the Company in 2015. He is a member of the Finance Committee of the Company and also the Head of Tax and Investment primarily responsible for the Group's taxation, finance and investment matters. Mr. Chu also holds directorships in various subsidiaries of the Company. Mr. Chu is a fellow of The Association of Chartered Certified Accountants and an associate of the HKICPA. He is also a full member of the Society of Registered Financial Planners. Mr. Chu has over 30 years' aggregated experience in taxation, finance, accounting, legal, and acquisition and investment.

Professor POON Ka Yeung, Larry
Executive Director

Professor POON Ka Yeung, Larry, aged 58, has been a Director of the Company since 2016. He was an Independent Non-executive Director of the Company prior to his re-designation as an Executive Director of the Company in 2021. He is responsible for overseeing the professional investment team of the Group for shortlisting and appraising investment projects. Professor Poon has been teaching marketing-related subjects for different Master Degree programs. He is an Adjunct Associate Professor in the Department of Marketing of The Chinese University of Hong Kong and an Honorary Institute Fellow of The Asia-Pacific Institute of Business of the University. Professor Poon is an Independent Non-executive Director of Shenzhen Neptunus Interlong Bio-Technique Company Limited whose H shares are listed on the Stock Exchange. He also plays a role in public services including Consultant of the Chinese Gold and Silver Exchange Society and independent committee member of the Registration Committee of Hong Kong Gold Exchange, and Council Member of Hong Kong Red Cross. He obtained his Bachelor's Degree in Mathematics with Minor in Economics and Marketing from The Chinese University of Hong Kong and was further admitted to the MBA Degree by the University of Hull, United Kingdom.

Directors' interests in the Group and/or in the associated corporations (within Part XV of the SFO) of the Company are set out in the Report of the Directors in this Annual Report.

SENIOR MANAGEMENT

HOTEL OPERATION

Mr. Bob VAN DEN OORD, aged 58, is the Chief Executive Officer of Langham Hospitality Group. He joined the Group in 2004 and managed several of its hotels in succession before taking up a series of corporate roles. These included his previous posts of Chief Operating Officer and Vice President – Sales and Marketing. Prior to this, Mr. van den Oord held various hotel management roles in the United States and the United Kingdom. As CEO, Mr. van den Oord spearheads the Group's overarching vision, steering strategic initiatives, and ensuring operational excellence across its global portfolio. With a dedicated focus on international expansion, efficiency, and the implementation of cutting-edge guest experiences through digital innovations and strategic partnerships, he is a seasoned leader at the forefront of the hospitality industry. Mr. van den Oord holds a hotel management degree in higher economic education from C.O.O.V.I.

Ms. ZHANG Xiaoqing, Emily, aged 40, is the Chief Executive Officer of Ying'nFlo, a new hotel brand under the Langham Hospitality Group, and also serves as the Director of Treasury and Investment for the Group. She joined the Group in 2016. With over 18 years of experience in the real estate industry, Ms. Zhang specialises in property investments, mergers and acquisitions, and corporate finance, with a focus on Mainland China and supplementary by global exposures. She holds a Master's degree in Applied Economics from the City University of Hong Kong and is a Chartered Financial Analyst (CFA).

ASSET MANAGEMENT

Champion REIT (Stock Code: 2778)

Ms. HAU Shun, Christina, aged 51, joined the Group in 2022. She is the Chief Executive Officer, Chief Investment Officer and Executive Director of Eagle Asset Management (CP) Limited, which is wholly-owned by the Group and is the Manager of the publicly-listed Champion REIT of which the Group has a 70.63% interest as at 31 December 2025. Ms. Hau is a Registered Architect in Hong Kong with over 25 years of experience spanning the full lifecycle of development and investment properties. She has led major real estate projects across Greater China and overseas, covering design, planning, delivery, leasing, operations, and asset management for large-scale commercial and mixed-use developments. Prior to joining the REIT Manager, she held senior leadership role at leading Hong Kong listed real estate company, overseeing asset management for the group's flagship investment properties in Mainland China. Ms. Hau holds a Master of Architecture and a Bachelor of Social Sciences (Hons) from The Chinese University of Hong Kong. She is a Member of the Hong Kong Institute of Architects and currently serves as the Chairlady and Board Member of the Hong Kong Chapter of the Asia Pacific Real Estate Association (APREA). She has also been appointed as a member of the Hong Kong Investor Relations Association (HKIRA) Advisory Board for 2026.

Langham Hospital Investments (Stock Code: 1270)

Mr. Brett Stephen BUTCHER, aged 66, is the Chief Executive Officer and Executive Director of Langham Hospitality Investments Limited and LHIL Manager Limited (Manager of the publicly-listed Langham Hospitality Investments of which the Group has a 70.26% interest as at 31 December 2025). Mr. Butcher is also a Consultant to the hotel asset management arm of the Group. He re-joined the Group in 2017 and has previously held senior executive positions in Langham Hospitality Group between 2002 and 2014. Mr. Butcher has over 40 years' extensive hotel business experience in both hotel operations and sales and marketing in Asia, the Pacific and North America. Mr. Butcher holds a Bachelor's Degree in Business (Hospitality Management) from University of Queensland Lawes Campus.

PROJECT INVESTMENT AND DEVELOPMENT

Ms. CHUNG Wing Ki, Vicky, aged 60, is the Head of Development and Project Management, joined the Group in 2021. As a Registered Architect with over 30 years' experience in real estate development and project management, she oversees the project portfolio of the Group. Prior to joining the Group, she was the Director (Project Management) of a private equity investor group and has been with one of the largest listed property development companies in Hong Kong for over 16 years. She has extensive experience on development planning, land exchange, town planning and project management. She has led multi-disciplinary teams of professionals to execute projects from inception to handover, and has completed a wide spectrum of development and refurbishment projects. Ms. Chung is a member of The Hong Kong Institute of Architects and an Authorised Person under the Buildings Ordinance. She holds a Master's Degree of Science in Real Estate Development and has attained the APMP qualification of the Association for Project Management.

Mr. FAN Chi Sun, James, aged 53, is the Head of Property Development, joined the Group in 2022. Mr. Fan is responsible for the Group's property acquisition and development in Hong Kong. He has worked in the real estate industry for over 30 years and is a member of Royal Institution of Chartered Surveyors, The Hong Kong Institute of Surveyors and Hong Kong Institute of Arbitrators. He holds a Bachelor of Science Degree with Honours in Surveying and a PhD Degree in Real Estate and Construction both from The University of Hong Kong. Before joining the Group, he was the Head of Business Development (Greater Bay Area) of Swire Properties Limited.

OTHER OPERATIONS

Mr. LU Ning, Michael, aged 52, Managing Director of the Group's China and Trading Divisions, joined the Group in 2008. He holds dual Master's Degrees in Business Administration and Management Information Systems from Boston University, and a Bachelor's Degree from Tsinghua University in Beijing. Before joining the Group, Mr. Lu worked at premier global business consulting firms with extensive experience in North America, Europe and Asia, emerging markets such as Mainland China and India, and a wide range of industries including consumer goods, food & beverage, hi-tech and telecommunications.

Mr. CHU Chik Kei, Timothy, aged 53, Head of Property Management & Engineering of Keysen Property Management Services Limited, joined the Group in 2011. Mr. Chu is responsible for the management and technical services of the Group's property portfolio. He holds a Master's Degree of Science in Building Services Engineering and a Bachelor's Degree of Engineering (Honors) in Building Services Engineering. Mr. Chu is a corporate member of The Hong Kong Institution of Engineers and a member of the Chartered Institution of Building Services Engineers. He is also a Registered Professional Engineer in energy and building services disciplines of the Hong Kong Engineers Registration Board, a Chartered Engineer of the U.K. Engineering Council, a Registered Energy Assessor under the Buildings Energy Efficiency Ordinance, and a fellow member of both the Energy Institute and Building Services Operation and Maintenance Executives Society. Mr. Chu is a property management practitioner (Tier 1) registered under the Property Management Services Authority. Mr. Chu has over 30 years' experience in property management and engineering industries.

COMPLIANCE AND ADMINISTRATION

Ms. WONG Mei Ling, Marina, aged 59, the Group Company Secretary and Head of Administration, joined the Group in 2008. Ms. Wong is a Non-executive Director of Eagle Asset Management (CP) Limited (Manager of the publicly-listed Champion Real Estate Investment Trust), and is also the Company Secretary of LHIL Manager Limited (Trustee-Manager of the publicly-listed Langham Hospitality Investments) and Langham Hospitality Investments Limited. With over 35 years working experience, her expertise lies in the development of governance and compliance policies, and corporate secretarial and administration. Ms. Wong is a Fellow of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute. She holds a Master Degree in Laws, a Master Degree in Business Administration and a Bachelor Degree in Accountancy.

DIGITAL AND ARTIFICIAL INTELLIGENCE

Mr. LEUNG Siu Yan, Stephen, aged 52, joined the Group in 2026 as the Group Chief Information Officer of the Group. Mr. Leung is responsible for strengthening the Group's overall information technology capabilities and ensuring that its IT strategy effectively supports business growth and operational excellence. In addition to overseeing the Group's IT function, he leads the drive for Group-wide AI adoption, championing initiatives that transform business operations and customer experiences through AI and digital innovation. Mr. Leung has over 30 years of experience in information technology, digital transformation, and financial technology, with a proven track record of building enterprise platforms, leading cross-functional technology teams, and implementing data-driven solutions across regional and global organisations. Prior to joining the Group, Mr. Leung served as Group Chief Information Officer at a leading bank in Hong Kong, where he spearheaded IT strategy, fintech transformation, and technology infrastructure modernisation. He also held senior technology leadership roles in the fintech and digital asset sectors, with a focus on payments, blockchain-based platforms, and AI-enabled financial solutions. Mr. Leung holds a Bachelor of Science in Information Systems from the University of Staffordshire and is pursuing an Executive MBA at the HKUST–Kellogg School of Business to further advance his management and leadership capabilities.

Ms. WONG Pui Yee, Grace, aged 59, is the Head of Information Technology, joined the Group in 2024. She oversees the Group's IT management and strategic direction, drives digital transformation initiatives and ensures that the Group's information technology is continuously improving to align with business objectives, fostering growth and innovation. Before joining the Group, Ms. Wong managed the IT team to continuously advance in information technology adoption and also focused on digital transformation for over 20 years in the information and communication technology subsidiary under one of the largest property developers in Hong Kong. Ms. Wong holds a Master of Business Administration and a Master of Project Management from the University of Sydney. She is also a fellow member of the Certified Practising Accountant Australia.

FINANCE AND INVESTMENTS

Mr. KWOK Kwok Shun, Toby, aged 51, is the Head of Finance and Account, joined the Group in 2011. He also holds directorships in various subsidiaries of the Company. With over 25 years of experience, Mr. Kwok specialises in taxation, finance and accounting matters. He holds a Bachelor of Business Administration in Accounting from The Hong Kong University of Science and Technology and is a member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and The Taxation Institute of Hong Kong.

HUMAN RESOURCES

Ms. LAW Yuk Ling, Elaine, aged 57, joined the Group in 2022 as the Head of Human Resources. Her primary focus is on developing a talent development strategy to support the Group's ongoing business growth. With extensive experience and expertise in the strategic human resources management, Ms. Law excels in implementing organisational changes that align with market demands, designing talent development programs, and attracting top talent that contributes to the organisation's success. Prior to joining the Group, Ms. Law held senior global and regional human resources roles for over two decades in reputable multinational companies, including a FTSE 100 listed company. This diverse background has equipped her with a profound understanding of the intricacies of human resources operations across various business environments. Ms. Law holds Bachelor's and Master's degrees in Business Management, and has obtained a Doctor of Business Administration (DBA).

INTERNAL AUDIT

Mr. HO Hon Ching, Barry, aged 63, Group Chief Internal Auditor, joined the Group in 2004. He holds a Bachelor's Degree in Economics from the University of Hull, United Kingdom, a Master's Degree in Business Administration from The University of Hong Kong and a Postgraduate Diploma in IT Forensics. He is an Associate of The Institute of Chartered Accountants in England and Wales, a Certified Public Accountant in Hong Kong, a Certified Internal Auditor, a Certified Fraud Examiner and a Certified Information Systems Auditor. In addition, Mr. Ho has also earned the Certification in Risk Management Assurance (CRMA) from The Institute of Internal Auditors (IIA), and the qualification of Certified in Risk and Information Systems Control (CRISC) from the Information Systems Audit and Control Association (ISACA). Mr. Ho was also the Chairman of the Advisory Board for Master of Arts in China and Regional Studies of the Lingnan University Hong Kong from September 2021 to August 2024. He has extensive experience in accounting, statutory auditing, IT auditing, internal auditing, risk management and corporate governance.

LEGAL

Mr. HUNG Ka Wai, aged 61, the Head of Legal of the Group, joined the Group in 2011. Mr. Hung holds a Bachelor of Laws degree, a Postgraduate Certificate in Laws and a Master of Laws degree. Besides, he is also a graduate of the Law School of the University of New South Wales with a Master Degree in the Australian law. He is also a holder of the Master Degree in Laws specialising in compliance work from the Faculty of Law of the University of Hong Kong, the Master of Science Degree in real estate from the University of Built Environment (formerly named as University College of Estate Management) in Reading, United Kingdom, the advanced diploma in data protection law from King's Inns of Ireland, the diploma in arbitration awarded by the Royal Institution of Chartered Surveyors and the certificate of the Post Graduate Program in Artificial Intelligence for Leaders of the University of Texas at Austin. He was admitted as a Solicitor in Hong Kong in 1996 with more than 29 years of experience in corporate finance and compliance work in listed companies. He is a member of each of the Land Use, Planning & Environmental Law Committee and the Revenue Law Committee of the Law Society of Hong Kong. He is a Certified NEC Professional as included in the NEC register of Chartered Institution of the Civil Engineering Surveyors. He is also a member of the Australian Property Institute, the Chartered Institute of Arbitrators in the United Kingdom, the Hong Kong Institute of Construction Adjudicators and Chartered Accountants Australia and New Zealand. He is also a fellow member of Institute of Chartered Accountants in England and Wales and a holder of its corporate finance qualification. He is also re-appointed to the Board of Review under the Inland Revenue Ordinance as its member with effect from 1 January 2026.

SALES AND MARKETING

Ms. LEUNG Shuk Yee, Janet, aged 53, is the Head of Sales & Marketing, Residential, joined the Group in 2016. Her primary focus is to define the market positioning and drive the strategic direction and execution of all sales and marketing activities for the Group's residential projects. With a profound understanding and extensive expertise in the residential sector, coupled with over 20 years of experience in the real estate market, Ms. Leung excels in navigating market dynamics and delivering exceptional results. Prior to joining the Group, she worked at various leading real estate companies in Hong Kong overseeing residential projects. Ms. Leung holds a Bachelor's Degree in Economics and Administrative Studies, as well as a Master's Degree in Business Administration.



REPORT OF THE DIRECTORS

REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the Company's subsidiaries include property development and investment, ownership and operations of hotels (including hotels under leases); operation of restaurants and flexible workspace; asset management and project management, trading of building materials; securities investment; provision of property management services and property agency and leasing services.

The Group's operations are mainly located in Hong Kong, the Mainland China, the United States, Canada, the United Kingdom, Australia, New Zealand, Japan, Italy and others. An analysis of the Group's segment results for the year ended 31 December 2025 is set out in note 6 to the consolidated financial statements of this Annual Report.

Particulars of the Company's principal subsidiaries, interests in joint ventures and interests in associates as at 31 December 2025 are set out in notes 43, 16 and 17 respectively to the consolidated financial statements of this Annual Report.

BUSINESS REVIEW

A fair review on the Group's business performance and the material factors underlying its financial position during the reporting period, as well as the development and likely future prospects of the Group's business are provided throughout this Annual Report and in particular under the following separate sections:

(a) Review of the Company's business and financial position using financial key performance indicators; and development and future prospects of the Company's business and important events affecting the Company that have occurred since the end of the year ended 31 December 2025 – Chairman's Statement comprising "Overview", "Business Review", "Financial Review" and "Outlook" on pages 8 to 31 of this Annual Report; and

(b) The principal risks and uncertainties facing the Company –"Risk Profile" set out in the following section of this report.

Discussion on the Company's environmental policies and performance and an account of the Company's key relationships with its employees, customers and suppliers and others that have a significant impact on the Company and on which the Company's success depends are provided in the section headed "Sustainability" in this Annual Report and detailed information on the Group's sustainability performance is provided in the Sustainability Report 2025.

The discussions referred to above complied with the requirement of Schedule 5 to Companies Ordinance and form part of this Director's Report.

The Group is committed to the preservation of its reputation and integrity through compliance with applicable laws, rules and regulations (the "Laws"). Control procedures are in place to ensure compliance with the Laws which have a significant impact on the Group in conduct of its business including but not limited to the SFO, the Listing Rules, the Codes on Takeovers and Mergers and Share Buy-backs, Residential Properties (First-hand Sales) Ordinance and those related to personal data privacy, copyrights and intellectual property, anti-money laundering, occupational safety and health, environmental protection, hotel operations, property sales and development, leasing and asset management in all jurisdictions in which the Group operates. The Group will not be obliged to do anything or omit to do anything if by doing so it would or might cause the Group to breach any Laws. The Company has also adopted its own Code of Conduct for Securities Transactions on terms no less exacting than the required standard set out in the Model Code and the same is updated from time to time in accordance with the Listing Rules requirements.

RISK PROFILE

The Group's businesses, financial conditions, results of operations and growth prospects may be affected by risks and uncertainties directly or indirectly pertaining to the Group's businesses. The risk factors set out below are those that could result in the Group's businesses, financial conditions, results of operations or growth prospects differing materially from expected or historical results. Such factors are by no means exhaustive or comprehensive, and there may be other risks in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future. A risk management framework was implemented which provides a structured basis where all key risks are identified, analysed, evaluated, treated, monitored and reported in a consistent manner to support the Group's development and achievement of overall strategy and business objectives. The table below illustrates the risk description and possible impacts, as well as the mitigation measures of our Group to be implemented:

Business Operations

Risk Description and Possible Impacts	Mitigation Measures
Risks pertaining to Property Development	
• Exposing to the economic, political and legal developments, social stability, market conditions, environmental issues, outbreak of epidemic diseases as well as changes in the government's policies and regulations in locations where the Group operates. • Delays in the completion of a project and fluctuation in construction cost may result in cost overruns which will affect the Group's investment strategy and business model as well as the performance in property development.	• Actively assesses the overall economic, political, social and legal developments, the latest development of epidemic diseases as well as the property markets in the regions where the Group operates. • Quarterly assessments on investment strategy to ensure the Group responds to market changes appropriately. • Detailed feasibility studies and stress test for each potential project with regard to all aspects will be carried out before an acquisition to minimise the commercial and legal risks. • Obtain suitable reserves of land, reinforce existing assets and actively explore investment opportunities especially to focus on strategic locations which will bring synergy with the existing portfolios and prime locations with strong growth prospect.
Risks pertaining to Hotel Operations	
• Hotel's occupancy rate and room rate are subject to a high degree of fluctuations due to both predictable and unpredictable factors including seasonality, adverse weather conditions, natural hazards, epidemic diseases, social stability, political and economic conditions as well as the nature of hotel business. • Increased competition of luxury hotels in some markets could harm our business. • Despite the steady return of tourists following the reopening of the Mainland border and a raft of mega events in Hong Kong, the hotel sector has not enjoyed a similar boost due to changing tourists' behaviour and locals spending habits. This change of tourists' behaviour and spending pattern may disrupt the hotels' performance.	• Regularly assesses the impact of the geopolitical outlook and economic development of different countries and keeps alert to market needs and competitors' responses. • Closely monitors hotels' performance and booking pace, and promptly reviews and develop different marketing strategies in response to sudden events or unexpected situations. • Continue to improve its hotel services and facilities to ensure the provision of unforgettable experience for our customers. • Proactively repositioned the hospitality service operating modes in order to attract and retain guests to stay in the hotels, stabilise the hotels' occupancy and average room rate and to cope with any challenges.

Risk Description and Possible Impacts	Mitigation Measures
Risks pertaining to Investment Properties • Exposing to the general economic climate, regulatory changes, government policies, and political and social conditions in Hong Kong may have a significant impact on the Group's overall financial results and positions. • Fluctuations in fair value of investment properties could have an adverse impact on our ability to comply with the financial covenants under the loan facility as well as any external borrowings we may incur in the future, and may also lead to an adverse market perception of the performance of our business, even though such losses are not realised.	• Regularly assesses changes in economic, political and social environment and keeps alert to market needs and competitors' reaction in order to maintain our competitiveness. • Continuously upkeeping the quality of the assets and maintaining sufficient diversity in tenant-mix to help growing revenue and resisting sluggish economy. • Ensure the investment properties are carefully and professionally designed to fit up-and-coming market demand and be competitive. • Develop the investment properties with best-in-class green building standards and impactful yet practical sustainability features. • Closely monitor debt and cash position. Cash flow forecasts with sensitivity analysis will be prepared to ensure that all sources of liquidity risk are identified to evaluate the impact of different levels of business activity in relation to the existing loan facilities.

Risk Description and Possible Impacts	Mitigation Measures
Investment Risks	
• Market value of the non-core strategic investments of the Group in green technology, venture capital and fund management, biotechnology and consumer sector may be affected by corporate performance of the issuing institutions, economic factors or changes in government policies and regulations in relevant sectors which might impact the portfolio companies' operation and the Company's investment strategies.	• Post-deal monitoring and communication with portfolio companies. • Work closely with portfolio companies to understand the potential risks, follow up on the most updated policies and news, and evaluate potential effects. • Carefully evaluate new companies that we might potentially invest in.
• Prolonged economic downturn and unfavorable market conditions could impact property valuations and affect the Company's borrowing capabilities. It may adverse impact to the Group's non-core strategic investment.	• Co-invest with well-known venture capitals and corporate investors to reduce portfolio company specific risks and increase the likelihood of finding and funding successful ventures. • Perform gearing ratio projections based on reasonable assumptions, taking future financial commitments into account.
Operational Risks	
• Default on the part of our buyers, tenants and strategic business partners, inadequacies or failures of internal processes, people and systems, and inadequate responses to negative events may have adverse impact on the Group's reputation. Failure to maintain brand position and perception may make us less competitive.	• Continuously monitors and analyse competitive and market information in order to anticipate unfavourable changes. • Focus on brand and communication initiatives to drive revenue growth and strengthen our brands' market position and reinvests into our properties to ensure competitiveness. • A business interruption insurance has been acquired to cover the loss of income that a business suffers after a disaster.

Overall Business Environment

Risk Description and Possible Impacts	Mitigation Measures
Financial Risks	
• Risks associated with major financial instruments of the Group relates but not limited to interest rate and exchange rate fluctuation and insufficient liquidity which may increase the finance cost and cause financial loss to the Group.	• Details of the major financial instruments used by the Group and the mitigating measures are set out in note 41 to the consolidated financial statements of this Annual Report.
Macroeconomic and Political Uncertainties	
• Our business is impacted by continued trade tensions and political uncertainties both domestically and abroad which could result in economic downturns such as financial instability, supply chain disruption and energy security. Any trade restrictions and international sanctions, which would negatively affect the revenue and operations of the Group.	• Closely monitor market situation and adopt appropriate strategies promptly. • Regularly assess changes in economic environment and prepare for countermeasures for any impact from international tensions and the trends and events of geopolitical risk.

Risk Description and Possible Impacts	Mitigation Measures
Cyber-security Risks • The Group processes significant amount of data including personal information, customer data and other sensitive commercial data which are susceptible to cyber threats. • Loss of data and leaks of confidential information from cyber-attacks will cause reputational damage from losses to the brand value and substantial economic losses due to business interruption. • The use of artificial intelligence may create new vulnerabilities and ethical concerns regarding data usage and privacy. Flawed data whether biased, incomplete or inaccurate can harmful outcomes, defeating risk mitigation efforts.	• The Group's IT infrastructure vulnerabilities are regularly scanned and patched. Risky external IP addresses are blocked. • All servers and user computers are equipped with firewall, antivirus or endpoint protection. Emails are filtered for spam and malware. Password control and user access to the systems and network elements are regularly updated and reviewed. System backup and disaster recovery facilities provide additional layers of protections. • Continuously build a holistic approach to managing and protecting data and privacy through the implementation of variety of process, roles and controls. • Staff trainings are conducted annually to enhance cybersecurity knowledge and raise awareness on importance in adhering to information handling best practices and watch out for potential phishing attacks. • Discussion sessions between the Board and key members of management were held twice a year during which, inter alia, information security matters were reported to the Board. • A cyber insurance has been acquired which would offset costs involved with recovery after a cyber-related security breach or similar event.

Environmental, Social and Governance

Risk Description and Possible Impacts	Mitigation Measures
Human Resources Risks	
• Strong competition for talented staff, tight labour markets, and the added demands from new projects posted a challenge to the Group. • Sudden loss of key qualified professionals could affect our ability to deliver on our projects and might have a material adverse effect on our business if suitable replacements are not found in a timely manner.	• Efforts are placed to attract and retain talent in the Group and to enhance our employee's mental well-being and a strong sense of care and belonging in the Company. • Improve working environment and benefits with an emphasis on well-being, to help recruit new employees and retain talented people more effectively. • Enhance staff productivity with technology and process automation. • Constant review on the human resources practices and contingency plans of human resources are in place to help reducing uncertainty and facilitating the Group's development.
Legal and Regulatory Compliance Risks	
• Failure to cope with the relevant requirements, or obtain additional and keep current permits and licenses on a timely bases in the event of business expansion, or breach of the relevant laws and regulations related to our business operations including environmental protection, occupational health and safety, anti-corruption, anti-money laundering and economic sanctions may lead to non-compliance with relevant laws and regulations, financial loss and reputational damage to the Group.	• Actively assess the effect of relevant developments and engage closely with regulatory authorities and external advisors on new laws and regulations, and also trending legislation. • Internal policies are updated regularly to uphold high standard of corporate governance and to comply with applicable laws and regulations.

Risk Description and Possible Impacts	Mitigation Measures
Environmental and Climate-related Risks • Extreme weather events and climate change may adversely affect the Group's business operations, supply chains and property values. Such impacts may arise either through physical damage, leading to losses and/or increased replacement costs, or through operational disruptions that may affect revenue-generating activities. • The increasing frequency of extreme weather events and societal shifts towards a low-carbon economy may also impact the Group's strategies and investments.	• Expand our climate-related risk assessments and conduct physical climate risk analyses for major assets to evaluate climate-related risks and opportunities. • Regularly review climate-related transition risks with a view to managing identified risks and exploring opportunities arising from the shift towards a low-carbon economy. • Continue to implement energy reduction strategies focusing on retrofitting, retro-commissioning and optimisation through technology. • Strengthen decarbonisation efforts and actively engage stakeholders to reduce emissions and waste through a range of sustainability initiatives and awareness programmes.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated income statement of this Annual Report.

The Board has recommended the payment of a final dividend in the form of cash in the amount of HK70 cents per share to the Shareholders whose names appear on the Registers of Members of the Company on Thursday, 21 May 2026. Subject to the approval of the Shareholders at the forthcoming annual general meeting, the payment of the final dividend will be made on 12 June 2026. Taken together with the interim dividend of HK41 cents per share paid in October 2025, the total dividend for the year 2025 is HK$1.11 per share.

A special dividend was distributed on 7 November 2025 in the form of distribution in specie of SSU(s) of LHI to qualifying Shareholders on the basis of 1 SSU for every 15 Shares held.

MOVEMENTS IN RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity and note 46 to the consolidated financial statements of this Annual Report.

FIVE YEARS' 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 in Appendix II to this Annual Report.

INVESTMENT PROPERTIES

Movements in the investment properties of the Group during the year are set out in note 14 to the consolidated financial statements of this Annual Report. In determining the fair value of the relevant investment properties, the Group has engaged independent professional property valuers and in-house valuation team to perform the valuation.

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements of this Annual Report.

Details of the major properties of the Group as at 31 December 2025 are set out in Appendix I to this Annual Report.

ISSUE OF NEW SHARES

During the year, no new share was issued by the Company. As at 31 December 2025, the authorised capital of the Company was HK$600,000,000 divided into 1,200,000,000 shares of HK$0.50 each, 747,723,345 shares of which were issued and credited as fully paid. Details of the movements of the share awards and share options during the year are disclosed hereinbelow. Changes in the share capital of the Company during the year are set out in note 32 to the consolidated financial statements of this Annual Report.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S SECURITIES

During the year ended 31 December 2025, the trustee of the 2024 Share Award Scheme purchased a total of 792,250 shares of the Company on The Stock Exchange at a total consideration of approximately HK$11 million pursuant to the terms of the trust deed and rules of the 2024 Share Award Scheme for contributing towards the share awards granted to eligible participants of the Group.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities during the year ended 31 December 2025.

EMOLUMENT POLICY AND LONG-TERM INCENTIVE SCHEMES

As at 31 December 2025, the Group employed 6,216 employees. Details of emolument policy and incentive schemes of the Group are set out in "Corporate Governance Report" on pages 38 to 83 of this Annual Report.

DIRECTORS

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

Executive Directors
Dr. LO Ka Shui *(Chairman and Managing Director)*
Mr. LO Hong Sui, Antony
Madam LAW Wai Duen
Mr. LO Chun Him, Alexander
Mr. KAN Tak Kwong *(General Manager)*
Mr. CHU Shik Pui
Professor POON Ka Yeung, Larry

Non-executive Directors
Madam LO TO Lee Kwan
Mr. LO Hong Sui, Vincent
Dr. LO Ying Sui

Independent Non-executive Directors
Professor WONG Yue Chim, Richard
Mrs. LEE Pui Ling, Angelina
Mr. ZHU Qi
Mr. HO Shut Kan
Ms. Diana Ferreira CESAR

In accordance with Bye-law 109(A), Madam Lo To Lee Kwan, Madam Law Wai Duen, Mr. Ho Shut Kan, Ms. Diana Ferreira Cesar and Mr. Chu Shik Pui shall retire by rotation and, being eligible, have offered themselves for re-election at the 2026 Annual General Meeting of the Company.

The independence of Independent Non-executive Directors has been assessed by the Nomination Committee of the Company. The Company has also received from each Independent Non-executive Director an annual confirmation of his/her independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules. The Board considers all the Independent Non-executive Directors of the Company to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

The biographical details of the Directors and the senior management of the Company are set out on pages 84 to 94 of this Annual Report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the employer within one year without payment of compensation (other than statutory compensations).

DIRECTORS' EMOLUMENTS

Details of Directors' emoluments are set out in note 11 to the consolidated financial statements of this Annual Report.

PERMITTED INDEMNITY

The Bye-laws provides that each Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he or she may sustain or incur in or about the execution of the duties of his or her office or otherwise in relation thereto. In addition, the Company has maintained appropriate directors and officers liability insurance in respect of relevant legal actions against the Directors.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, are as follows:

Long positions in shares and underlying shares of the Company

Name of Directors	Capacity	Nature of Interests	Number of Ordinary Shares/ Underlying Shares Held	Percentage of Issued Share Capital[12]	Total
Lo Ka Shui	Beneficial Owner	Personal Interests	64,874,835[1]	8.68	
	Interests of Controlled Corporations	Corporate Interests	96,008,364[2]	12.83	
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393[3]	34.06	
	Founder of a Discretionary Trust	Trust Interests	65,866,676	8.81	64.38
Lo To Lee Kwan	Beneficial Owner	Personal Interests	1,341,561	0.18	
	Interests of Controlled Corporations	Corporate Interests	5,442,810[4]	0.73	
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393[3]	34.06	34.97
Wong Yue Chim, Richard	Beneficial Owner	Personal Interests	10,198	0.00	0.00
Lo Hong Sui, Antony	Beneficial Owner	Personal Interests	1,203,973[5]	0.16	
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393[3]	34.06	34.22
Law Wai Duen	Beneficial Owner	Personal Interests	2,300,858[6]	0.31	
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393[3]	34.06	34.37
Lo Hong Sui, Vincent	Beneficial Owner	Personal Interests	293	0.00	
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393[3]	34.06	34.06
Lo Ying Sui	Beneficial Owner	Personal Interests	1,540,000	0.21	
	Interests of Controlled Corporations	Corporate Interests	39,180,903[7]	5.24	
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393[3]	34.06	39.50
Lo Chun Him, Alexander	Beneficial Owner	Personal Interests	936,978[8]	0.13	0.13
Kan Tak Kwong	Beneficial Owner	Personal Interests	4,433,058[9]	0.59	0.59
Chu Shik Pui	Beneficial Owner	Personal Interests	1,834,599[10]	0.25	0.25
Poon Ka Yeung, Larry	Beneficial Owner	Personal Interests	223,778[11]	0.03	0.03

Notes:

(1) Among these interests, 3,412,000 were share options.

(2) These interests were held by certain companies wholly-owned by Dr. Lo Ka Shui. Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander are directors of these companies.

(3) These 254,664,393 shares were owned by a discretionary trust of which Dr. Lo Ka Shui, Madam Lo To Lee Kwan, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui are among the discretionary beneficiaries.

(4) These 5,442,810 shares were held by two companies wholly-owned by Madam Lo To Lee Kwan who is also a director of these companies. Dr. Lo Ka Shui is a director of one of these companies.

(5) Among these interests, 290,000 were share options.

(6) Among these interests, 290,000 were share options.

(7) These 39,180,903 shares were held by a company wholly-owned by Dr. Lo Ying Sui who is also a director of such company.

(8) Among these interests, 21,490 were share awards and 787,000 were share options.

(9) Among these interests, 62,865 were share awards and 1,680,000 were share options.

(10) Among these interests, 45,045 were share awards and 1,497,000 were share options.

(11) Among these interest, 23,778 were share awards and 200,000 interests were share options.

(12) This percentage has been compiled based on 747,723,345 shares of the Company in issue as at 31 December 2025.

(13) Details of share awards and share options granted to Directors are set out in the section headed "Share Schemes" below.

Long positions in shares and underlying shares of associated corporations of the Company

Champion Real Estate Investment Trust ("Champion REIT")

Champion REIT (Stock Code: 2778), a Hong Kong collective investment scheme authorised under Section 104 of the SFO, is accounted for as a subsidiary of the Company. As at 31 December 2025, the Group owned 70.63% interests in Champion REIT. While the definition of "associated corporation" under the SFO caters only to corporations, for the purpose of enhancing the transparency, the interests of the Directors or chief executives of the Company in Champion REIT as at 31 December 2025 are disclosed as follows:

Name of Directors	Total Number of Units/ Underlying Units Held	Percentage of Issued Units (4)
Lo Ka Shui	13,233,617 (1)	0.22
Lo Ying Sui	239,000 (2)	0.00
Chu Shik Pui	8,000 (3)	0.00

Notes:

(1) Among these 13,233,617 units:

(i) 7,000,007 units were held by Dr. Lo Ka Shui personally;

(ii) 3,258,610 units were held by certain companies wholly-owned by Dr. Lo Ka Shui. Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander are directors of these companies; and

(iii) 2,975,000 units were held by a charitable trust of which Dr. Lo Ka Shui is the settlor and a member of the Advisory Committee and Management Committee.

(2) Dr. Lo Ying Sui had personal interests in 239,000 units of Champion REIT.

(3) Mr. Chu Shik Pui had personal interests in 8,000 units of Champion REIT.

(4) This percentage has been compiled based on 6,135,291,669 units of Champion REIT in issue as at 31 December 2025.

Langham Hospitality Investments and Langham Hospitality Investments Limited

LHI (Stock Code: 1270), the SSUs of which are listed on the Stock Exchange. As at 31 December 2025, the Group owned 70.26% interests in LHI and is therefore a subsidiary of the Company. The holdings of the Directors or chief executives of the Company in LHI as at 31 December 2025 are disclosed as follows:

Name of Directors	Total Number of SSUs/ Underlying SSUs Held	Percentage of Issued SSUs (11)
Lo Ka Shui	139,573,441 (1)	4.00
Lo To Lee Kwan	758,466 (2)	0.02
Wong Yue Chim, Richard	258,289 (3)	0.01
Law Wai Duen	4,022,477 (4)	0.12
Lo Ying Sui	3,646,920 (5)	0.10
Lo Hong Sui, Antony	60,930 (6)	0.00
Lo Hong Sui, Vincent	18 (7)	0.00
Lo Chun Him Alexander	8,565 (8)	0.00
Kan Tak Kwong	179,345 (9)	0.01
Chu Shik Pui	19,503 (10)	0.00

Notes:

(1) Among these 139,573,441 SSUs:

- (i) 35,681,524 SSUs were held by Dr. Lo Ka Shui personally;
- (ii) 9,490,556 SSUs were held by certain companies wholly-owned by Dr. Lo Ka Shui. Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander are directors of these companies; and
- (iii) 90,010,250 SSUs were held by a charitable trust of which Dr. Lo Ka Shui is the settlor and a member of the Advisory Committee and Management Committee.
- (iv) 4,391,111 SSUs were held by a discretionary trust of which Dr. Lo Ka Shui is the founder.

(2) Among these 758,466 SSUs:

- (i) 89,436 SSUs were held by Madam Lo To Lee Kwan personally; and
- (ii) 669,030 SSUs were held by two companies wholly-owned by Madam Lo To Lee Kwan who is also a director of these companies. Dr. Lo Ka Shui is a director of one of these companies.

(3) Professor Wong Yue Chim, Richard had personal interests in 258,289 SSUs of LHI.

(4) Madam Law Wai Duen had personal interests in 4,022,477 SSUs of LHI.

(5) Among these 3,646,920 SSUs:

- (i) 102,666 SSUs were held by Dr. Lo Ying Sui personally; and
- (ii) 3,544,254 SSUs were held by a company wholly-owned by Dr. Lo Ying Sui who is also a director of such company.

(6) Mr. Lo Hong Sui, Antony had personal interests in 60,930 SSUs of LHI.

(7) Mr. Lo Hong Sui, Vincent had personal interests in 18 SSUs of LHI.

(8) Mr. Lo Chun Him, Alexander had personal interests in 8,565 SSUs of LHI.

(9) Mr. Kan Tak Kwong had personal interests in 179,345 SSUs of LHI.

(10) Mr. Chu Shik Pui had personal interests in 19,503 SSUs of LHI.

(11) This percentage has been compiled based on 3,490,462,017 SSUs of LHI in issue as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executives of the Company were taken to be interested or deemed to have any other interests or short positions in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

The interests of Directors (other than Independent Non-executive Directors) in a business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business as informed by the relevant Directors pursuant to Rule 8.10(2) of the Listing Rules are as follows:

Mr. Lo Hong Sui, Vincent is the founder and Chairman of the Shui On Group which was established in 1971. He also holds key positions in the following subsidiaries of Shui On Group:

– Chairman of Shui On Land Limited ("SOL"), the Shui On Group's flagship property development company in the Mainland China. SOL through its subsidiaries and associates engages in the development, sales, leasing, management and long-term ownership of high-quality commercial and residential mixed-use properties.

– Chairman of SOCAM Development Limited ("SOCAM"). SOCAM through its subsidiaries, principally engages in property and construction businesses, and has business operations in the Mainland China, Hong Kong and Macau.

As the Board of Directors of the Company is independent of the Board of Directors of SOL and SOCAM, the Group has therefore been capable of carrying on its businesses independently of, and at arm's length from, the above businesses.

CONNECTED TRANSACTIONS

Connected transactions of the Company during the year are set out in note 39 to the consolidated financial statements of this Annual Report.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in note 39 to the consolidated financial statements of this Annual Report, there was no transaction, arrangement or contract of significance subsisting during or at the end of the year in which a Director of the Company or an entity connected with a Director of the Company is or was materially interested, either directly or indirectly.

EQUITY-LINKED AGREEMENTS

Details of the equity-linked agreements entered into by the Company are disclosed under the section headed "Share Schemes" below.

SHARE SCHEMES

The purpose of the 2024 Share Schemes is to enable the Company to grant share awards and/or share options to eligible participants of the Group as retention incentives or rewards for their contributions to the Group, to attract suitable personnel for enhancing the Group's development, and to align the interests of the participants generally with those of the Shareholders for the medium to long-term benefit of the Group.

Upon the adoption of the 2024 Share Award Scheme and 2024 Share Option Scheme on 29 May 2024, the 2019 Share Option Scheme was terminated. Share options granted during the life of the 2019 Share Option Scheme and remain unexpired prior to the termination of the 2019 Share Option Scheme continue to be exercisable in accordance with the terms of issue under the scheme.

Share Award Scheme

In determining the grant of share awards under the 2024 Share Award Scheme, the eligibility and allocation of share awards for each participant were determined by an allocation mechanism, approved by the Remuneration Committee. This mechanism consists of several key determinants, including (i) roles and grades of the participants with the Group; (ii) individual performance rating and job grading of the participants; (iii) financial performance and staff expenses budget of the Company; and (iv) business outlook of the Group and the prevailing industry practices.

The share awards granted under the 2024 Share Award Scheme would be subject to certain vesting conditions and a clawback mechanism. As approved by the Remuneration Committee, the vesting period of the share awards under the 2024 Share Award Scheme is 36 months.

In order to qualify for the vesting of the share awards under the 2024 Share Award Scheme, participants must attain a satisfactory score regarding their performance rating throughout the 36-month vesting period. The performance rating is based on organisational, divisional and individual's objectives related to the job performance of the participants, including their professionalism and integrity, as well as the business and financial performance of the Group. Participants are required to consistently meet essential job expectations and are subject to ongoing assessment of their proficiency in performing the duties associated with their roles and responsibilities within the Group. In addition, they are expected to comply with the standards set forth in the Employee Code of Conduct of the Company throughout the vesting period. The vesting of the share awards is determined not only by performance outcomes but also by a sustained commitment to high standards of conduct. This comprehensive assessment framework is designed to ensure alignment of interests between the participants and the Company.

Share Option Schemes

The Group has a long-standing practice of offering share options to employees and Executive Directors as a form of bonus payment for the relevant financial period. In determining the grant of share options, the Remuneration Committee has taken into account the roles and grades of the participants within the Group, and that the value of share options formed part of the bonus payment for the relevant financial period. The purpose of the Share Option Schemes is to enable the Company to grant share options to selected eligible participants as retention incentives or rewards for their contributions to the Group. The value of the share option is linked to the future price of the Share, thereby motivating participants to contribute to the long-term development of the Company. Additionally, the vesting and exercise periods are structured to foster long-term commitment to the Group.

The share options granted under the Share Option Schemes would be subject to vesting period and a clawback mechanism. As approved by the Remuneration Committee, the share options are exercisable for a period of 36 months commencing on the expiry of 24 months from the date upon which the share option is deemed to be granted and accepted, and expiring on the last day of the 36 month-period. The vesting period and exercise period are structured to encourage sustained commitment to the Group.

As at 31 December 2025, 834,710 share awards and 800,000 share options were granted under the 2024 Share Schemes since its adoption.

Further information of the 2019 Share Option Scheme, the 2024 Share Award Scheme and the 2024 Share Option Scheme are set out in note 36 to the consolidated financial statements of this Annual Report.

Movements of the Share Awards and Share Options Granted to Employees (including Directors and their Associate)

Details of the movements in the share awards and share options granted to the Group's employees (including Directors and their Associates) under the 2024 Share Award Scheme, 2019 Share Option Scheme and 2024 Share Option Scheme during the year ended 31 December 2025 are as follows:

(i) Movements of Share Awards

Date of Grant	Number of Share Awards					Vesting Period
	Outstanding as at 01/01/2025	Granted during the Year	Vested during the Year	Lapsed during the Year	Outstanding as at 31/12/2025	
20/03/2025 (1)	–	834,710 (2)	–	(48,059)	786,651	21/03/2025– 20/03/2028
Total	**–**	**834,710**	**–**	**(48,059)**	**786,651**	

(ii) Movements of Share Options

Date of Grant	Number of Share Options					Exercisable Period	Exercise Price per Share (HK$)
	Outstanding as at 01/01/2025	Granted during the Year	Exercised during the Year	Lapsed during the Year	Outstanding as at 31/12/2025		
18/03/2020 (3)	3,770,000	–	–	(3,770,000)	–	19/03/2022–18/03/2025	21.65
18/03/2021 (3)	3,530,000	–	–	(191,000)	3,339,000	19/03/2023–18/03/2026	28.45
18/03/2022 (3)	4,159,000	–	–	(238,000)	3,921,000	19/03/2024–18/03/2027	19.06
20/03/2023 (3)	4,851,000	–	–	(245,000)	4,606,000	21/03/2025–20/03/2028	16.52
20/03/2024 (3)	5,468,000	–	–	(246,000)	5,222,000	21/03/2026–20/03/2029	11.18
20/03/2025 (4)	–	800,000 (5)	–	–	800,000	21/03/2027–20/03/2030	13.364
Total	**21,778,000**	**800,000**	**–**	**(4,690,000)**	**17,888,000**		

Notes:

(1) Share awards were granted under the 2024 Share Award Scheme.

(2) During the year ended 31 December 2025, 157,164 share awards were granted to four Directors of the Company and an Associate of a Director, while 677,546 share awards were granted to eligible employees of the Group. Please refer to the announcement of the Company dated 20 March 2025 for details.

(3) Share options were granted under the 2019 Share Option Scheme.

(4) Share options were granted under the 2024 Share Option Scheme.

(5) During the year ended 31 December 2025, 800,000 share options were granted to three Directors of the Company. Please refer to the announcements of the Company dated 20 March 2025 and 21 March 2025 for details.

(6) Additional information disclosed pursuant to Rule 17.07 of the Listing Rules:

(a) During the year ended 31 December 2025, no share award or share option was cancelled.

(b) Consideration paid for acceptance of each grant of share options was HK$1.00.

(c) The vesting period for the share awards granted is 36 months after the date of grant.

(d) The vesting period for the share options granted is 24 months after the date of grant.

(e) The closing price of the shares of the Company immediately before the date of grant of 20 March 2025, i.e. 19 March 2025 was HK$13.70.

(f) According to the Company's accounting policy, the fair value of each share award and share option as at the date of grant of 20 March 2025 were HK$13.32 and HK$1.55 respectively. Further details are set out in note 36 to the consolidated financial statements on pages 217 to 227 of this Annual Report.

(g) As at 1 January 2025 and 31 December 2025, the number of share awards and share options available for grant under all the share schemes of the Company were 74,772,334 and 73,185,683 respectively.

(h) The number of shares that may be issued in respect of share awards and share options granted under all the share schemes of the Company during the year ended 31 December 2025 (i.e. 1,634,710) divided by the weighted average number of shares of the Company in issue for the year ended 31 December 2025 (i.e. 747,723,345) was 0.22%

Details of Share Awards and Share Options Granted

During the year ended 31 December 2025, the details of share awards and share options granted to the Group's employees (including Directors (some are also substantial Shareholders) and their Associate) under the 2024 Share Award Scheme, 2019 Share Option Scheme and 2024 Share Option Scheme as required to be disclosed according to Rule 17.07 of the Listing Rules are as follows:

(i) Details of Share Awards Granted

Category	Date of Grant	Number of Share Awards					Weighted Average Closing Price Immediately Before the Date of Vest (HK$)
		Outstanding as at 01/01/2025	Granted during the Year	Vested during the Year	Lapsed during the Year	Outstanding as at 31/12/2025	
(i) Directors:							
Lo Chun Him, Alexander	20/03/2025 [1]	–	21,490	–	–	21,490	–
Kan Tak Kwong	20/03/2025 [1]	–	62,865	–	–	62,865	–
Chu Shik Pui	20/03/2025 [1]	–	45,045	–	–	45,045	–
Poon Ka Yeung, Larry	20/03/2025 [1]	–	23,778	–	–	23,778	–
(ii) Associate of Directors [2]	20/03/2025 [1]	–	3,986	–	–	3,986	–
(iii) Other Eligible Employees	20/03/2025 [1]	–	677,546	–	(48,059)	629,487	–
Total		–	834,710	–	(48,059)	786,651	

(ii) Details of Share Options Granted

Category	Date of Grant	Number of Share Options					Exercise Price per Share (HK$)	Weighted Average Closing Price Immediately Before the Date of Exercise (HK$)
		Outstanding as at 01/01/2025	Granted during the Year	Exercised during the Year	Lapsed during the Year	Outstanding as at 31/12/2025		
(i) Directors:								
Lo Ka Shui	18/03/2020 (3)	680,000	–	–	(680,000)	–	21.65	–
	18/03/2021 (3)	612,000	–	–	–	612,000	28.45	–
	18/03/2022 (3)	700,000	–	–	–	700,000	19.06	–
	20/03/2023 (3)	700,000	–	–	–	700,000	16.52	–
	20/03/2024 (3)	700,000	–	–	–	700,000	11.18	–
	20/03/2025 (4)	–	700,000	–	–	700,000	13.364	–
		3,392,000	700,000	–	(680,000)	3,412,000		
Lo Hong Sui, Antony	18/03/2020 (3)	100,000	–	–	(100,000)	–	21.65	–
	18/03/2021 (3)	90,000	–	–	–	90,000	28.45	–
	18/03/2022 (3)	50,000	–	–	–	50,000	19.06	–
	20/03/2023 (3)	50,000	–	–	–	50,000	16.52	–
	20/03/2024 (3)	50,000	–	–	–	50,000	11.18	–
	20/03/2025 (4)	–	50,000	–	–	50,000	13.364	–
		340,000	50,000	–	(100,000)	290,000		
Law Wai Duen	18/03/2020 (3)	100,000	–	–	(100,000)	–	21.65	–
	18/03/2021 (3)	90,000	–	–	–	90,000	28.45	–
	18/03/2022 (3)	50,000	–	–	–	50,000	19.06	–
	20/03/2023 (3)	50,000	–	–	–	50,000	16.52	–
	20/03/2024 (3)	50,000	–	–	–	50,000	11.18	–
	20/03/2025 (4)	–	50,000	–	–	50,000	13.364	–
		340,000	50,000	–	(100,000)	290,000		
Lo Chun Him, Alexander	18/03/2020 (3)	230,000	–	–	(230,000)	–	21.65	–
	18/03/2021 (3)	207,000	–	–	–	207,000	28.45	–
	18/03/2022 (3)	180,000	–	–	–	180,000	19.06	–
	20/03/2023 (3)	180,000	–	–	–	180,000	16.52	–
	20/03/2024 (3)	220,000	–	–	–	220,000	11.18	–
		1,017,000	–	–	(230,000)	787,000		

Category	Date of Grant	Number of Share Options					Exercise Price per Share (HK$)	Weighted Average Closing Price Immediately Before the Date of Exercise (HK$)
		Outstanding as at 01/01/2025	Granted during the Year	Exercised during the Year	Lapsed during the Year	Outstanding as at 31/12/2025		
Kan Tak Kwong	18/03/2020 (3)	400,000	–	–	(400,000)	–	21.65	–
	18/03/2021 (3)	360,000	–	–	–	360,000	28.45	–
	18/03/2022 (3)	420,000	–	–	–	420,000	19.06	–
	20/03/2023 (3)	420,000	–	–	–	420,000	16.52	–
	20/03/2024 (3)	480,000	–	–	–	480,000	11.18	–
		2,080,000	–	–	(400,000)	1,680,000		
Chu Shik Pui	18/03/2020 (3)	330,000	–	–	(330,000)	–	21.65	–
	18/03/2021 (3)	297,000	–	–	–	297,000	28.45	–
	18/03/2022 (3)	380,000	–	–	–	380,000	19.06	–
	20/03/2023 (3)	400,000	–	–	–	400,000	16.52	–
	20/03/2024 (3)	420,000	–	–	–	420,000	11.18	–
		1,827,000	–	–	(330,000)	1,497,000		
Poon Ka Yeung, Larry	20/03/2023 (3)	100,000	–	–	–	100,000	16.52	–
	20/03/2024 (3)	100,000	–	–	–	100,000	11.18	–
		200,000	–	–	–	200,000		
(ii) Associate of Directors (5)	18/03/2020 (3)	40,000	–	–	(40,000)	–	21.65	–
	18/03/2021 (3)	36,000	–	–	–	36,000	28.45	–
	18/03/2022 (3)	36,000	–	–	–	36,000	19.06	–
	20/03/2023 (3)	34,000	–	–	–	34,000	16.52	–
	20/03/2024 (3)	47,000	–	–	–	47,000	11.18	–
		193,000	–	–	(40,000)	153,000		
(iii) Other Eligible Employees	18/03/2020 (3)	1,890,000	–	–	(1,890,000)	–	21.65	–
	18/03/2021 (3)	1,838,000	–	–	(191,000)	1,647,000	28.45	–
	18/03/2022 (3)	2,343,000	–	–	(238,000)	2,105,000	19.06	–
	20/03/2023 (3)	2,917,000	–	–	(245,000)	2,672,000	16.52	–
	20/03/2024 (3)	3,401,000	–	–	(246,000)	3,155,000	11.18	–
		12,389,000	–	–	(2,810,000)	9,579,000		

Notes:

(1) Share awards were granted under the 2024 Share Award Scheme.

The vesting period for share awards granted is 36 months after the date of grant. Share awards granted on 20/03/2025 will be vested on 21/03/2028.

(2) Being share awards held be Mr. Lo Chun Lai, Andrew.

(3) Share options were granted under the 2019 Share Option Scheme.

Share options granted on 18/03/2020 are exercisable during the period from 19/03/2022 to 18/03/2025.

Share options granted on 18/03/2021 are exercisable during the period from 19/03/2023 to 18/03/2026.

Share options granted on 18/03/2022 are exercisable during the period from 19/03/2024 to 18/03/2027.

Share options granted on 20/03/2023 are exercisable during the period from 21/03/2025 to 20/03/2028.

Share options granted on 20/03/2024 are exercisable during the period from 21/03/2026 to 20/03/2029.

(4) Share options were granted under the 2024 Share Option Scheme.

Share options granted on 20/03/2025 are exercisable during the period from 21/03/2027 to 20/03/2030.

(5) Being share options held be Mr. Lo Chun Lai, Andrew.

(6) Consideration paid for acceptance of each grant of share options was HK$1.00.

(7) The vesting period for the share options granted is 24 months after the date of grant.

(8) During the year ended 31 December 2025, no share award and option was cancelled.

(9) The closing price of the shares of the Company immediately before the date of grant of 20 March 2025, i.e. 19 March 2025 was HK$13.70.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2025, the interests and short positions of persons (other than the Directors or chief executives of the Company) in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO as having an interest in 5% or more of the issued share capital of the Company are as follows:

Long positions in shares of the Company

Name of Shareholders	Total Number of Ordinary Shares/ Underlying Shares Held	Percentage of Issued Share Capital [8]
HSBC International Trustee Limited	315,009,622 [1]	42.13
Powermax Agents Limited	246,937,926 [2]	33.03
Mind Reader Limited	49,481,019 [3]	6.62
Surewit Finance Limited	45,342,008 [4]	6.06
Eagle Guardian Limited	41,763,361 [5]	5.59
Adscan Holdings Limited	39,180,903 [6]	5.24
Dr. Jens Alfred Karl Ehrhardt	41,462,612 [7]	5.55
DJE Kapital AG	41,462,612 [7]	5.55
DJE Investment S.A.	41,462,612 [7]	5.55

Notes:

(1) The number of shares disclosed was based on the latest Disclosure of Interest Form (with the date of relevant event as at 21 June 2021) received from HSBC International Trustee Limited ("HITL"). According to the latest disclosures made by the Directors of the Company, as at 31 December 2025:

(i) 254,664,393 shares representing 34.06% of the issued share capital of the Company were held in the name of HITL as a trustee of a discretionary trust, of which Dr. Lo Ka Shui, Madam Lo To Lee Kwan, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, all being Directors of the Company, are among the discretionary beneficiaries; and

(ii) 65,866,676 shares representing 8.81% of the issued share capital of the Company were held in the name of HITL as a trustee of another discretionary trust, of which Dr. Lo Ka Shui is the founder.

(2) Powermax Agents Limited is wholly-owned by HITL in the capacity of a trustee of a discretionary trust and the said 246,937,926 shares held by it related to the same parcel of shares referred to in Note (1)(i) above.

(3) Mind Reader Limited is a company wholly-owned by Dr. Lo Ka Shui. Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander are directors of such company.

(4) Surewit Finance Limited is wholly-owned by HITL in the capacity of a trustee of a discretionary trust and the said 45,342,008 shares held by it were among the shares referred to in Note (1)(ii) above. Dr. Lo Ka Shui is a director of such company.

(5) Eagle Guardian Limited is a company wholly-owned by Dr. Lo Ka Shui. Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander are directors of such company.

(6) Adscan Holdings Limited is a company wholly-owned by Dr. Lo Ying Sui who is also a director of such company.

(7) Based on the Disclosure of Interests Forms filed by Dr. Jens Alfred Karl Ehrhardt, DJE Kapital AG and DJE Investment S.A. respectively, DJE Investment S.A. is a company wholly-owned by DJE Kapital AG, of which Dr. Jens Alfred Karl Ehrhardt is the main shareholder (holding more than 50%). DJE Investment S.A. is a Luxembourg-based management company for several mutual funds that invested in the Company. Those mutual funds have no legal personality, and hence the voting rights for the ordinary shares held are exercised by DJE Investment S.A..

(8) This percentage has been compiled based on 747,723,345 shares of the Company in issue as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, no person (other than the Directors or chief executives of the Company whose interests in shares, underlying shares and debentures of the Company are set out on pages 107 to 112 of this Annual Report) was interested (or deemed to be interested) or held any short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the sales and purchases attributable to the Group's five largest customers and suppliers were less than 30% of the Group's total sales and purchases respectively. Further details regarding trade debtors and prepayments are set out in note 24 to the consolidated financial statements of this Annual Report.

DONATIONS

The Group's charitable and other donations during the year amounted to HK$7,707,000 (2024: HK$1,429,000). Our Group has sponsored two undergraduate scholarship programmes totaling HK$2,000,000 with The Hong Kong University of Science and Technology and City University of Hong Kong in the fields of sustainable development, environment and energy. Details of our sponsorships are set out in the Company's Sustainability Report.

AUDITOR

The consolidated financial statements for the year ended 31 December 2025 have been audited by Messrs. Deloitte Touche Tohmatsu and a resolution to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company will be proposed at the forthcoming annual general meeting to be held on Tuesday, 12 May 2026.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float with more than 25% of the issued shares of the Company being held by the public.

CORPORATE GOVERNANCE

The Company is committed to maintaining and developing a high standard of corporate governance practices. Throughout the year under review, the Company has complied with most of the code provisions, and where appropriate, adopted some of the recommended best practices as set out in the CG Code with the exception of a few deviations.

Details of the Company's corporate governance principles and practices are set out in the "Corporate Governance Report" on pages 38 to 83 of this Annual Report.

SUSTAINABILITY REPORT

The Company's Sustainability Report 2025 ("the Sustainability Report") was prepared in accordance with the Environmental, Social and Governance Reporting Code ("the Code"), under Appendix C2 of the Listing Rules. The Sustainability Report complies with the mandatory disclosure requirements and applicable provisions set out in Part C and Part D of the Code. It also follows the four reporting principles stipulated in the Code, namely: Materiality, Quantitative, Balance, and Consistency.

Discussion of the Company's environmental policies and performance, and an account of the Company's key relationships with its employees, customers, suppliers, and other stakeholders that have a significant impact on the Company and on which the Company's success depends, are set out in the "Sustainability" section of this Annual Report and in the Sustainability Report. The Company's compliance with the relevant laws and regulations that have a significant impact on the Company is discussed in the Corporate Governance Report. Details of the Company's sustainability initiatives and performance are provided in the Sustainability Report, which was published on the same date as this Annual Report on the Company's website.

On behalf of the Board
Lo Ka Shui
Chairman and Managing Director

Hong Kong, 3 March 2026

Deloitte. 德勤

TO THE SHAREHOLDERS OF GREAT EAGLE HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Great Eagle Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 128 to 265, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including 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 disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter

Valuation of investment properties

We identified the valuation of investment properties situated in Hong Kong and the People's Republic of China (the "Mainland China") which are performed by independent professional property valuer using income capitalisation approach as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the significant judgements associated with determining the fair value. As disclosed in note 14 to the consolidated financial statements, the Group's investment properties situated in Hong Kong and the Mainland China whose valuation have been arrived at income capitalisation approach amounted to HK$60,160,400,000 as at 31 December 2025 representing 59.9% of the Group's total assets.

Details of the valuation techniques and key inputs used in the valuations are disclosed in note 14 to the consolidated financial statements. The valuations are dependent on certain key inputs that involve the management's and independent professional property valuers' judgements, including capitalisation rate and market rent per square foot. A table showing the relationship of significant unobservable inputs to fair value is disclosed in note 14.

Our procedures in relation to the valuation of investment properties situated in Hong Kong and the Mainland China included:

- Evaluating the competence, capabilities and objectivity of the independent professional property valuers;
- Obtaining an understanding from the independent professional property valuers about the valuation techniques, the performance of the property markets, significant assumptions adopted, critical judgemental areas, key inputs and data used in the valuations;
- Evaluating the reasonableness of the key inputs used in the valuations on a sample basis by comparing the capitalisation rate and market rent per square foot, and make reference with historical data and market trend; and
- Assessing the integrity of information provided by the management to the independent professional property valuers by comparing details of rentals on a sample basis to the respective lease agreements.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism 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.

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

- 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

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

From the matters communicated with those charged with governance, 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 the independent auditor's report is WONG, Kuen (practising certificate number: P05742).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
3 March 2026

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2025

	NOTES	2025 HK$'000	2024 HK$'000
Revenue	5	**19,658,139**	10,878,541
Cost of goods and services		**(15,699,268)**	(6,672,870)
Operating profit before depreciation		**3,958,871**	4,205,671
Depreciation		**(903,058)**	(883,778)
Operating profit		**3,055,813**	3,321,893
Fair value changes on investment properties	14	**(4,248,686)**	(3,239,765)
Fair value changes on derivative financial instruments		**(79,685)**	(210,301)
Fair value changes on financial assets at fair value through profit or loss		**174,397**	74,373
Other income	7	**1,069,022**	261,823
Administrative and other expenses		**(544,239)**	(540,151)
Impairment loss on hotel properties held for development	15	**(522,861)**	–
Finance costs	8	**(1,272,113)**	(1,513,182)
Share of results of joint ventures		**7,892**	24,918
Share of results of associates		**(914)**	5,858
Loss before tax		**(2,361,374)**	(1,814,534)
Income taxes	9	**(273,158)**	(582,239)
Loss for the year, before deducting the amounts attributable to non-controlling unitholders of Champion REIT	10	**(2,634,532)**	(2,396,773)
Loss for the year attributable to:			
Owners of the Company		**(1,654,344)**	(1,734,209)
Non-controlling interests		**(18,508)**	(36,577)
		(1,672,852)	(1,770,786)
Non-controlling unitholders of Champion REIT		**(961,680)**	(625,987)
		(2,634,532)	(2,396,773)
Loss per share:	13		
Basic and diluted		**(HK$2.21)**	(HK$2.32)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	NOTES	2025 HK$'000	2024 HK$'000
Loss for the year, before deducting the amounts attributable to non-controlling unitholders of Champion REIT		**(2,634,532)**	(2,396,773)
Other comprehensive (expense) income:			
Items that will not be reclassified to profit or loss:			
Fair value loss on equity instruments at fair value through other comprehensive income		**(45,084)**	(129,242)
Share of other comprehensive income of an associate		**3,919**	8,835
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**312,945**	(513,058)
Cash flow hedges:			
Fair value adjustments on cross currency swaps and interest rate swaps designated as cash flow hedges	21	**(65,978)**	12,159
Reclassification of fair value adjustments to profit or loss	21	**21,087**	(37,100)
Deferred tax related to fair value adjustments recognised in other comprehensive income	21	**5,308**	5,629
Other comprehensive income (expense) for the year, before deducting amounts attributable to non-controlling unitholders of Champion REIT		**232,197**	(652,777)
Total comprehensive expense for the year, before deducting amounts attributable to non-controlling unitholders of Champion REIT		**(2,402,335)**	(3,049,550)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(1,417,398)**	(2,378,176)
Non-controlling interests		**(18,140)**	(38,533)
		(1,435,538)	(2,416,709)
Non-controlling unitholders of Champion REIT		**(966,797)**	(632,841)
		(2,402,335)	(3,049,550)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	NOTES	2025 HK$'000	2024 HK$'000
Non-current assets			
Investment properties	14	**61,133,935**	64,944,730
Property, plant and equipment	15	**19,031,043**	19,450,265
Interests in joint ventures	16	**1,272,758**	1,139,827
Interests in associates	17	**218,056**	222,911
Equity instruments at fair value through other comprehensive income	18	**1,497,528**	1,319,381
Notes and loan receivables	19	**59,185**	125,006
Derivative financial instruments	20	**95,145**	97,219
Deposit for acquisition of investment properties		**382,982**	–
		83,690,632	87,299,339
Current assets			
Stock of properties	22	**5,823,629**	12,661,584
Inventories	23	**89,325**	97,663
Debtors, deposits and prepayments	24	**1,100,250**	1,838,853
Notes and loan receivables	19	**48,581**	219,822
Financial assets at fair value through profit or loss	25	**647,701**	577,561
Tax recoverable		**53,180**	11,773
Restricted cash	26	**181,208**	113,166
Bank balances and cash	26	**8,845,189**	6,769,320
		16,789,063	22,289,742
Current liabilities			
Creditors, deposits and accruals	27	**4,844,495**	8,827,339
Derivative financial instruments	20, 21	**50,925**	89,372
Provision for taxation		**164,700**	133,480
Distribution payable		**101,233**	110,628
Borrowings due within one year	28	**4,297,879**	2,729,179
Medium term notes	29	**–**	1,223,585
Lease liabilities	30	**17,697**	8,777
		9,476,929	13,122,360
Net current assets		**7,312,134**	9,167,382
Total assets less current liabilities		**91,002,766**	96,466,721

	NOTES	2025 HK$'000	2024 HK$'000
Non-current liabilities			
Derivative financial instruments	20, 21	**152,186**	103,538
Borrowings due after one year	28	**23,440,045**	25,293,919
Medium term notes	29	**2,591,184**	2,581,876
Deferred taxation	31	**1,463,684**	1,529,907
Lease liabilities	30	**577,891**	539,880
		28,224,990	30,049,120
NET ASSETS		**62,777,776**	66,417,601
Equity attributable to:			
Owners of the Company			
Share capital	32	**373,862**	373,862
Share premium and reserves		**51,714,088**	53,714,997
		52,087,950	54,088,859
Non-controlling interests		**(939,541)**	(606,272)
		51,148,409	53,482,587
Net assets attributable to non-controlling unitholders of Champion REIT		**11,629,367**	12,935,014
		62,777,776	66,417,601

The consolidated financial statements on pages 128 to 265 were approved and authorised for issue by the Board of Directors on 3 March 2026 and are signed on its behalf by:

Lo Ka Shui
DIRECTOR

Kan Tak Kwong
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to owners of the Company															
	Share capital HK$'000	Share premium HK$'000	Investment revaluation reserve HK$'000	Property revaluation reserve HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000 (note a)	Exchange translation reserve HK$'000	Share based payment reserve HK$'000	Hedging reserve HK$'000 (note 21)	Other reserves HK$'000	Retained profits HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000	Amount attributable to non-controlling unitholders of Champion REIT HK$'000	Total HK$'000
At 1 January 2024	373,862	7,059,099	(36,202)	23,109	3,054	400,965	(1,118,433)	81,135	(44,946)	8,715,184	41,322,030	56,778,857	(622,094)	56,156,763	14,281,956	70,438,719
Loss for the year	–	–	–	–	–	–	–	–	–	–	(1,734,209)	(1,734,209)	(36,577)	(1,770,786)	(625,987)	(2,396,773)
Fair value loss on equity instruments at fair value through other comprehensive income	–	–	(129,242)	–	–	–	–	–	–	–	–	(129,242)	–	(129,242)	–	(129,242)
Share of other comprehensive income of an associate	–	–	8,835	–	–	–	–	–	–	–	–	8,835	–	8,835	–	8,835
Change in fair value of cash flow hedges, net of related income tax	–	–	–	–	–	–	–	–	(14,271)	–	–	(14,271)	–	(14,271)	(5,041)	(19,312)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	(509,672)	–	–	383	–	(509,289)	(1,956)	(511,245)	(1,813)	(513,058)
Total comprehensive (expense) income for the year	–	–	(120,407)	–	–	–	(509,672)	–	(14,271)	383	(1,734,209)	(2,378,176)	(38,533)	(2,416,709)	(632,841)	(3,049,550)
Transaction with non-controlling unitholders of Champion REIT: Distribution to non-controlling unitholders of Champion REIT	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(258,816)	(258,816)
	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(258,816)	(258,816)
Dividend paid (note 12)	–	–	–	–	–	–	–	–	–	–	(650,520)	(650,520)	–	(650,520)	–	(650,520)
Transfer of gain on disposal of equity instruments at fair value through other comprehensive income	–	–	(2,718)	–	–	–	–	–	–	–	2,718	–	–	–	–	–
Lapse of share options	–	–	–	–	–	–	–	(25,612)	–	–	25,612	–	–	–	–	–
Recognition of equity-settled share-based payments	–	–	–	–	–	–	–	9,164	–	–	–	9,164	–	9,164	–	9,164
Increase of interests in subsidiaries (note b)	–	–	–	–	–	–	–	–	–	329,534	–	329,534	54,355	383,889	(455,285)	(71,396)
At 31 December 2024	373,862	7,059,099	(159,327)	23,109	3,054	400,965	(1,628,105)	64,687	(59,217)	9,045,101	38,965,631	54,088,859	(606,272)	53,482,587	12,935,014	66,417,601

	Attributable to owners of the Company															
	Share capital HK$'000	Share premium HK$'000	Investment revaluation reserve HK$'000	Property revaluation reserve HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000 (note a)	Exchange translation reserve HK$'000	Share based payment reserve HK$'000	Hedging reserve HK$'000 (note 21)	Other reserves HK$'000	Retained profits HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000	Amount attributable to non-controlling unitholders of Champion REIT HK$'000	Total HK$'000
At 1 January 2025	373,862	7,059,099	(159,327)	23,109	3,054	400,965	(1,628,105)	64,687	(59,217)	9,045,101	38,965,631	54,088,859	(606,272)	53,482,587	12,935,014	66,417,601
Loss for the year	-	-	-	-	-	-	-	-	-	-	(1,654,344)	(1,654,344)	(18,508)	(1,672,852)	(961,680)	(2,634,532)
Fair value loss on equity instruments at fair value through other comprehensive income	-	-	(45,084)	-	-	-	-	-	-	-	-	(45,084)	-	(45,084)	-	(45,084)
Share of other comprehensive income of an associate	-	-	3,919	-	-	-	-	-	-	-	-	3,919	-	3,919	-	3,919
Change in fair value of cash flow hedges, net of related income tax	-	-	-	-	-	-	-	-	(28,236)	-	-	(28,236)	-	(28,236)	(11,347)	(39,583)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	306,569	-	-	(222)	-	306,347	368	306,715	6,230	312,945
Total comprehensive (expense) income for the year	-	-	(41,165)	-	-	-	306,569	-	(28,236)	(222)	(1,654,344)	(1,417,398)	(18,140)	(1,435,538)	(966,797)	(2,402,335)
Transaction with non-controlling unitholders of Champion REIT: Distribution to non-controlling unitholders of Champion REIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(227,557)	(227,557)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(227,557)	(227,557)
Dividend paid (note 12)	-	-	-	-	-	-	-	-	-	-	(705,353)	(705,353)	-	(705,353)	-	(705,353)
Transfer of gain on disposal of equity instruments at fair value through other comprehensive income	-	-	33,327	-	-	-	-	-	-	-	(33,327)	-	-	-	-	-
Purchase for share award scheme	-	-	-	-	-	-	-	(10,977)	-	-	-	(10,977)	-	(10,977)	-	(10,977)
Lapse of share options	-	-	-	-	-	-	-	(12,536)	-	-	12,536	-	-	-	-	-
Recognition of equity-settled share-based payments	-	-	-	-	-	-	-	6,518	-	-	-	6,518	-	6,518	-	6,518
Increase of interests in subsidiaries (note b)	-	-	-	-	-	-	-	-	-	153,377	-	153,377	(24,115)	129,262	(111,293)	17,969
Recognition of disposal of interest in subsidiary without losing control	-	-	-	-	-	-	-	-	-	(34,701)	-	(34,701)	289,389	254,688	-	254,688
Unclaimed dividends reverted to the Company	-	-	-	-	-	-	-	-	-	-	7,625	7,625	-	7,625	-	7,625
Distribution to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(580,403)	(580,403)	-	(580,403)
At 31 December 2025	373,862	7,059,099	(167,165)	23,109	3,054	400,965	(1,321,536)	47,692	(87,453)	9,163,555	36,592,768	52,087,950	(939,541)	51,148,409	11,629,367	62,777,776

Notes:

(a) Contributed surplus represents the surplus arising under the Scheme of Arrangement undertaken by the Group (defined in note 2) in 1989/90. Under the Bermuda Companies Act, the contributed surplus of the Group is available for distribution to shareholders.

(b) It mainly represents the effect from the Group's change in interests in Champion REIT and Langham (both defined in note 6) upon the settlement of management fees in units and purchase of units of Champion REIT and Langham from the market by the Group, as well as the effect of distribution in specie of units of Langham by the Company.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	2025 HK$'000	2024 HK$'000
Operating activities		
Loss before tax	**(2,361,374)**	(1,814,534)
Adjustments for:		
Dividends received from equity securities held for trading	**(9,359)**	(10,842)
Dividends received from equity instruments at fair value through other comprehensive income	**(17,240)**	(20,108)
Loss on disposal of property, plant and equipment	**292**	461
Interest income	**(194,052)**	(227,811)
Fair value changes on investment properties	**4,248,686**	3,239,765
Fair value changes on derivative financial instruments	**79,685**	210,301
Fair value changes on financial assets at fair value through profit or loss	**(174,397)**	(74,373)
Reversal of allowance for credit losses on notes receivables	**(978)**	–
Impairment loss on hotel properties held for development	**522,861**	–
Provision for allowance for doubtful debts, net of amounts recovered	**3,796**	15,136
Depreciation	**903,058**	883,778
Recognition of share-based payments	**6,518**	9,164
Interest expense	**1,272,113**	1,513,182
Share of results of joint ventures	**(7,892)**	(24,918)
Share of results of associates	**914**	(5,858)
Exchange differences	**(169)**	841
Operating cash flows before movements in working capital	**4,272,462**	3,694,184
Decrease (increase) in debtors, deposits and prepayments	**712,618**	(1,124,570)
Decrease (increase) in inventories	**8,338**	(13,616)
(Decrease) increase in creditors, deposits and accruals	**(4,619,085)**	4,822,329
Decrease (increase) in stock of properties	**7,568,225**	(1,106,980)
Decrease in equity securities held for trading	**91,796**	116,065
Cash generated from operations	**8,034,354**	6,387,412
Payments arising from net settlement of derivative financial instruments	**(107,216)**	(141,193)
Hong Kong Profits Tax paid	**(248,708)**	(483,596)
Other jurisdictions tax paid	**(125,812)**	(123,574)
Hong Kong Profits Tax refunded	**9,603**	1,421
Other jurisdictions tax refunded	**642**	626
Net cash from operating activities	**7,562,863**	5,641,096

	2025 HK$'000	2024 HK$'000
Investing activities		
Additions of equity instruments at fair value through other comprehensive income	**(309,296)**	(25,764)
Additions of financial assets at fair value through profit or loss	**(160,644)**	(318,036)
Additions of investment properties	**(57,416)**	(139,032)
Additions of property, plant and equipment	**(530,818)**	(555,939)
Additions of notes receivables	**–**	(33,130)
Additions of loan receivables	**–**	(344)
Acquisition of investment properties	**(387,530)**	–
Acquisition of subsidiary net of cash acquired	**(3,879)**	–
Dividends received from associates	**7,860**	9,749
Dividends received from		
– equity instruments at fair value through other comprehensive income	**17,240**	20,108
– equity securities held for trading	**9,359**	10,842
Distribution and repayment from joint ventures	**39,492**	237,881
Interest received	**218,562**	230,199
Advance to joint ventures	**–**	(65,390)
Withdrawal of restricted cash	**–**	1,282
Placement of restricted cash	**(64,520)**	–
Proceeds on disposal of		
– equity instruments at fair value through other comprehensive income	**80,550**	26,197
– financial assets at fair value through profit or loss	**266,100**	486,168
Proceeds on redemption of loan receivables	**237,721**	229
Proceeds on redemption of notes receivables	**265**	104,528
Proceeds on disposal of investment property	**–**	547,327
Deposits paid for acquisition of investment properties	**(382,982)**	(24,076)
Proceeds on disposal of property, plant and equipment	**102**	861
Release of time deposits with original maturity over three months	**–**	81,688
Net cash (used in) from investing activities	**(1,019,834)**	595,348

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	2025 HK$'000	2024 HK$'000
Financing activities		
Bank loans origination fees	**(19,051)**	(85,551)
Change in interests in subsidiaries	**17,969**	(71,396)
Distribution paid to non-controlling unitholders of Champion REIT	**(237,432)**	(288,086)
Distribution paid to non-controlling interests	**(580,403)**	–
Dividends paid to shareholders	**(705,353)**	(650,520)
Interest paid	**(1,278,170)**	(1,683,697)
New bank loans raised	**9,792,616**	18,220,004
Repayments of bank loans	**(10,347,010)**	(20,178,450)
Repayments of lease liabilities	**(7,566)**	(11,876)
Interest paid for leases	**(29,498)**	(24,494)
Redemption of medium term notes	**(1,225,000)**	(200,000)
Purchase of shares for share award scheme	**(10,977)**	–
Net cash used in financing activities	**(4,629,875)**	(4,974,066)
Net increase in cash and cash equivalents	**1,913,154**	1,262,378
Effect of foreign exchange rates changes	**162,715**	(260,382)
Cash and cash equivalents at the beginning of the year	**6,769,320**	5,767,324
Cash and cash equivalents at the end of the year		
Bank balances and cash	**8,845,189**	6,769,320

1. GENERAL INFORMATION

Great Eagle Holdings Limited (the "Company") is a company incorporated in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the annual report.

The principal activity of the Company is investment holding.

The principal activities of the Company's subsidiaries include property development and investment; ownership and operation of hotels (including hotels under leases); operation of restaurants and flexible workspace; asset management and project management; trading of building materials; securities investment; provision of property management services and property agency and leasing services.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Company and its subsidiaries (collectively referred to as the "Group") has applied the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to this HKFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (continued)

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11[2]
HKFRS 18	Presentation and Disclosures in Financial Statements[3]

1 Effective for annual periods beginning on or after a date to be determined
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027

Except as described below, the directors of the Company (the "Directors") anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 "Presentation and Disclosure in Financial Statements" ("HKFRS 18")

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 "Presentation of Financial Statements" ("HKAS 1"). This new HKFRS 18, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and HKFRS 7 "Financial Instruments: Disclosures". Minor amendments to HKAS 7 "Statement of Cash Flows" and HKAS 33 "Earnings per Share" are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that the results of the valuation technique equals the transaction price.

In addition, for the financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The Directors of the Company review the Group's financial position and are of the opinion that, taking into account of the expectation of refinancing the existing loans which are due within one year, availability of hotel properties to pledge for new financing if needed, presently available banking facilities and internal financial resources, the Group has sufficient working capital for its present requirements within one year from the end of the reporting period. Hence, the consolidated financial statements have been prepared on a going concern basis.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holding of other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Basis of consolidation (continued)

Profit or loss and each item of other comprehensive income ("OCI") are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportional interest. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Revenue from contracts with customers (continued)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional and included in retention money receivables. It is assessed for impairment in accordance with HKFRS 9 *"Financial Instruments"* ("HKFRS 9"). In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer and included in customer deposits and other deferred revenue.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Revenue from contracts with customers (continued)

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group's performance completed to date (for example, service contracts of management fee in which the Group bills a fixed amount for each hour of service provided), the Group recognises revenue in the amount to which the Group has the right to invoice.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Revenue from contracts with customers (continued)

Contracts with multiple performance obligations (including allocation of transaction price) (continued)

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties, including those held for sale, are measured at fair value using the fair value model adjusted to exclude any prepaid or accrued operating lease income. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Property, plant and equipment

Property, plant and equipment including owner occupied land and buildings held for use in the supply of services, or for administrative purposes (other than properties under construction and freehold land as described below) are stated at cost less subsequent accumulated depreciation and accumulated impairment losses. Freehold land is stated at cost less accumulated impairment losses.

Depreciation is provided to write-off the cost of items of property, plant and equipment (other than properties under construction and freehold land) over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method, at the following rates per annum:

Leasehold land	Over the medium-term lease period
Owner occupied properties and hotel buildings	Over the shorter of the term of the lease or 50 years
Furniture, fixtures and equipment	
Hotel machinery	4%
Fine art	4%
Hotel renovation	10%
Other furniture and fixtures	10% - 20%
Plant and machinery	10% - 20%
Motor vehicles	20%

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Interests in associates and joint ventures

An associate is an entity over which the investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an interest in an associate or joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses.

Impairment losses on property, plant and equipment, right-of-use assets and tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Impairment losses on property, plant and equipment, right-of-use assets and tangible assets (continued)

The recoverable amount of property, plant and equipment, right-of-use assets and tangible assets are estimated individually, when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of 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 the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Properties under development for sale and properties held for sale

Properties under development which are intended to be sold upon completion of development and properties held for sale are classified as current assets. Except for the leasehold land element which is measured at cost model in accordance with the accounting policies of right-of-use assets upon the application of HKFRS 16 "*Leases*" ("HKFRS 16"), properties under development for sale and properties held for sale are carried at the lower of cost and net realisable value. Cost is determined on a specific identification basis including allocation of the related development expenditure incurred and where appropriate, borrowing costs capitalised. Net realisable value represents the estimated selling price for the properties less estimated cost to completion and costs necessary to make the sales. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Properties under development for sale are transferred to properties held for sale upon completion.

Leases

Definition of 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.

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted for on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee

Right-of-use assets

The cost of right-of-use asset includes the amount of the initial measurement of the lease liability.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property or inventory in "property, plant and equipment", the same line item within which the corresponding underlying assets would be presented if they were owned.

Refundable rental deposits

Refundable rental deposits paid are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs. When a lease contract contains a specific clause that provides for rent reduction or suspension of rent in the event that the underlying assets (or any part thereof) are affected by adverse events beyond the control of the Group and the lessor so as to render the underlying assets unfit or not available for use, the relevant rent reduction or suspension of rent resulting from the specific clause is accounted for as part of the original lease and not as a lease modification. Such rent reduction or suspension of rent is recognised in profit or loss in the period in which the event or condition that triggers those payments to occur.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed and the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model. Variable lease payments for operating leases that depend on an index or a rate are estimated and included in the total lease payments to be recognised on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or a rate are recognised as income when they arise.

When a lease contract contains a specific clause that provides for rent reduction or suspension of rent in the event that the underlying assets (or any part thereof) are affected by adverse events beyond the control of the Group and the lessee so as to render the underlying assets unfit or not available for use, the relevant rent reduction or suspension of rent resulting from the specific clause is accounted for as part of the original lease and not as a lease modification. Such rent reduction or suspension of rent is recognised in profit or loss in the period in which the event or condition that triggers those payments to occur.

Rental income which are derived from the Group's ordinary course of business is presented as revenue.

Allocation of consideration to components of a contract

When a contract includes both lease and non-lease components, the Group applies HKFRS 15 "*Revenue from Contracts with Customers*" ("HKFRS 15") to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$), using exchange rates prevailing at the end of each reporting period. Income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the exchange translation reserve) (attributed to non-controlling interests as appropriate).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. For properties under development for which revenue is recognised over time, the Group ceases to capitalise borrowing costs as soon as the properties are ready for the Group's intended sale.

Any specific borrowing that remains outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings.

All other borrowing costs are recognised as and included in finance costs in profit or loss in the period in which they are incurred.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the service. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefits in the cost of an asset.

A liability is recognised in respect for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from (loss) profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purpose of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxation entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income, in which case, the current and deferred tax are also recognised in other comprehensive income.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Cash and cash equivalents

Bank balances and cash presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of bank balances and cash as defined above.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Dividend income which is derived from the Group's ordinary course of business is presented as revenue.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *"Business Combinations"* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(ii) Equity instruments designated as at fair value through other comprehensive income ("FVTOCI")

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, but will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "revenue" line item in profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or designated at FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in "fair value changes on financial assets at fair value through profit or loss" line item.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade debtors, other receivables and deposits, retention money receivables, notes and loan receivables, amounts due from joint ventures, restricted cash, time deposits with original maturity over three months and bank balances and cash), and other item (representing deferred lease receivables) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade debtors and deferred lease receivables. The ECL on these assets are assessed individually for debtors.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(i) Significant increase in credit risk (continued)

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(i) Significant increase in credit risk (continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables and deferred lease receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income 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 amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of debtors where the corresponding adjustment is recognised through a loss allowance account.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss as part of the gain/(loss) from changes in fair value of financial assets; and
- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investment revaluation reserve.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to receive the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities (including trade creditors, other payables, rental deposits received, construction fee payable and retention money payable, distribution payable, borrowings and medium term notes) are subsequently measured at amortised cost, using the effective interest method.

Derivative financial instruments and hedging

Derivatives are initially recognised at fair value at the date derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated as an effective hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Embedded derivatives

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of HKFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Hedge accounting

At the inception of the hedging relationship the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Hedge accounting (continued)

Cash flow hedges

The Group uses interest rate swaps and cross currency swaps to hedge its exposure against changes in exchange and interest rates. Hedging relationships are classified as cash flow hedges when such relationships are used to hedge against exposure to variability in cash flows that are attributable to a particular risk associated with a recognised asset or liability and such variability could affect profit or loss.

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges are recognised in OCI and accumulated under the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in OCI and accumulated in equity (hedging reserve) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line of the consolidated income statement as the recognised hedged item. If the Group expects that some or all of the loss accumulated in the hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform

For changes in the basis for determining the contractual cash flows of a financial asset or financial liability to which the amortised cost measurement applies as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes by updating the effective interest rate, such change in effective interest rate normally has no significant effect on the carrying amount of the relevant financial asset or financial liability.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform (continued)

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if and only if, both these conditions are met:

- the change is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately preceding the change).

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at fair value of the equity instruments at the grant date.

The fair value determined at the grant date without taking into consideration all non-market vesting condition is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to vest based on assessment of all relevant non-market vesting condition. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

When the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after vesting period or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. 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.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the Directors have been in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purpose of measuring deferred taxation arising from investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in measuring the Group's deferred taxation on investment properties, the Directors have determined that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale. As a result, the Group has not recognised any deferred taxation on changes in fair value of investment properties situated in Hong Kong as the Group is not subject to any income taxes on disposal of its investment properties. For the investment properties situated in the People's Republic of China ("The Mainland China"), the Group has recognised the deferred taxation on changes in fair value of investment properties as the Group is subject to income taxes and land appreciation tax on disposal of its investment properties as appropriate.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty

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

Investment properties

Investment properties are stated at fair value based on the valuations performed by independent professional property valuers.

In determining the fair value of investment properties situated in Hong Kong and the Mainland China, the valuers have used income capitalisation approach which involves estimates of future cash flow determined by current leases and future leases with reference to current market conditions as of the end of the reporting period or direct comparison method which involves estimates of the fair value of similar properties adjusted to reflect current market conditions as of the end of the reporting period.

In relying on those valuation reports, the Directors have exercised their judgements and are satisfied that the methods of valuations assumptions and key inputs are reflective of the current market conditions. Note 14 provides detailed information about carrying amounts of the investment properties, the valuation techniques, inputs and key assumptions used in the determination of the fair value of investment properties.

Estimated impairment of hotel properties and hotel properties under development

As explained in note 3, included in property, plant and equipment are the Group's hotel buildings which are stated at cost less subsequent accumulated depreciation and accumulated impairment losses; and hotel buildings under development which are stated at cost less accumulated impairment losses.

At the end of the reporting period, the Group reviews the carrying amounts of its hotel buildings and hotel buildings under development to determine whether there is any impairment indicators/indicators of reversal of impairment to those properties. If any such indication exists, the recoverable amount of the relevant property is estimated in order to determine the extent of the impairment loss/reversal of impairment (if any). The hotel performances on the Group's certain hotels have been considered as an indicator for impairment/reversal of impairment of hotel buildings and hotel buildings under development. In determining whether the impairment loss of hotel buildings and hotel buildings under development would be recognised or reversed, the Group has to exercise judgement and make estimation, in assessing whether the carrying value of these assets can be supported by the recoverable amount.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Estimated impairment of hotel properties and hotel properties under development (continued)

For the purpose of impairment assessment/reversal of impairment of hotel properties, the Group has considered the relevant freehold land, right-of-use leasehold land, hotel buildings, hotel buildings under development and furniture, fixtures and equipment of each hotel property as one cash-generating unit ("CGU"). In the case of value in use, the recoverable amounts are calculated based on net present value of future cash flows which are estimated based on the continued use of the assets and the appropriate key assumptions.

For the purpose of impairment assessment of hotel properties under development, the Group has considered the relevant hotel buildings under development and freehold land as one CGU. In the case of value in use, the recoverable amounts are calculated based on the forecasted future operating cash flows of the properties and the anticipated costs to completion of the hotel properties under development by reference to the actual development costs incurred, construction contracts committed and relevant market information showing the latest cost trend.

In the impairment assessment, changes in the assumptions and estimates, including the occupancy rates, discount rates or the terminal capitalisation rates in the cash flow projections, could materially affect the recoverable amount. Details are set out in note 15.

5. REVENUE

Revenue represents the aggregate of income from hotel operation, gross rental income, building management service income, income from sale of properties, proceeds from sale of building materials, dividend income from investments and income from other operations (including property management and maintenance income and property agency commission).

	2025 HK$'000	2024 HK$'000
Hotel income	**6,818,447**	6,610,237
Rental income from investment properties	**2,124,356**	2,342,286
Building management service income	**291,404**	297,751
Sale of properties	**10,059,003**	1,340,497
Sale of goods	**170,888**	105,552
Dividend income	**26,599**	30,950
Others	**167,442**	151,268
	19,658,139	10,878,541

5. REVENUE (continued)

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

2025

	Hotel operation HK$'000	Property investment HK$'000	Property development HK$'000	Other operations HK$'000	Sub-total HK$'000	Champion REIT HK$'000	Langham HK$'000	Eliminations/ reclassification HK$'000	Consolidated HK$'000
Hotel income	6,878,789	–	–	–	6,878,789	–	481,287	(541,629)	6,818,447
Building management service income	–	24,532	–	–	24,532	266,872	–	–	291,404
Sale of properties	–	–	10,059,003	–	10,059,003	–	–	–	10,059,003
Sale of goods	–	–	–	171,219	171,219	–	–	(331)	170,888
Others	–	–	–	445,947	445,947	–	–	(278,505)	167,442
Revenue from contracts with customers	6,878,789	24,532	10,059,003	617,166	17,579,490	266,872	481,287	(820,465)	17,507,184
Rental income from investment properties	–	150,041	–	–	150,041	1,987,728	–	(13,413)	2,124,356
Dividend income	–	–	–	26,599	26,599	–	–	–	26,599
	6,878,789	174,573	10,059,003	643,765	17,756,130	2,254,600	481,287	(833,878)	19,658,139

2024

	Hotel operation HK$'000	Property investment HK$'000	Property development HK$'000	Other operations HK$'000	Sub-total HK$'000	Champion REIT HK$'000	Langham HK$'000	US Real Estate Fund HK$'000	Eliminations/ reclassification HK$'000	Consolidated HK$'000
Hotel income	6,670,901	–	–	–	6,670,901	–	481,218	–	(541,882)	6,610,237
Building management service income	–	23,529	–	–	23,529	274,222	–	–	–	297,751
Sale of properties	–	–	1,340,497	–	1,340,497	–	–	–	–	1,340,497
Sale of goods	–	–	–	105,552	105,552	–	–	–	–	105,552
Others	–	–	–	455,726	455,726	–	–	–	(304,458)	151,268
Revenue from contracts with customers	6,670,901	23,529	1,340,497	561,278	8,596,205	274,222	481,218	–	(846,340)	8,505,305
Rental income from investment properties	–	149,336	–	–	149,336	2,184,509	–	25,838	(17,397)	2,342,286
Dividend income	–	–	–	30,950	30,950	–	–	–	–	30,950
	6,670,901	172,865	1,340,497	592,228	8,776,491	2,458,731	481,218	25,838	(863,737)	10,878,541

5. REVENUE (continued)

(i) Disaggregation of revenue from contracts with customers:

	2025			2024		
	Revenue recognised at a point in time HK$'000	Revenue recognised over time HK$'000	Total HK$'000	Revenue recognised at a point in time HK$'000	Revenue recognised over time HK$'000	Total HK$'000
– by source of revenue:						
Hotel income						
– room revenue	–	4,371,794	4,371,794	–	4,125,666	4,125,666
– food & beverage revenue	1,986,701	–	1,986,701	2,014,415	–	2,014,415
– others	362,904	97,048	459,952	380,421	89,735	470,156
Building management service income	–	291,404	291,404	–	297,751	297,751
Sale of properties	10,059,003	–	10,059,003	1,340,497	–	1,340,497
Sale of goods	150,485	20,403	170,888	97,869	7,683	105,552
Others	–	167,442	167,442	–	151,268	151,268
Revenue from contracts with customers	12,559,093	4,948,091	17,507,184	3,833,202	4,672,103	8,505,305
Rental income from investment properties			2,124,356			2,342,286
Dividend income			26,599			30,950
			19,658,139			10,878,541
- by geographical locations:						
Hong Kong	11,017,834	1,456,041	12,473,875	2,238,174	1,408,726	3,646,900
The United States ("USA")	804,188	1,543,620	2,347,808	803,806	1,409,144	2,212,950
The Mainland China	124,041	350,455	474,496	134,958	315,143	450,101
Canada	105,897	547,244	653,141	99,995	505,780	605,775
The United Kingdom	199,435	578,109	777,544	225,809	581,178	806,987
Australia	163,993	295,659	459,652	170,527	262,970	433,497
New Zealand	143,199	170,872	314,071	158,622	182,780	341,402
Others	506	6,091	6,597	1,311	6,382	7,693
Revenue from contracts with customers	12,559,093	4,948,091	17,507,184	3,833,202	4,672,103	8,505,305
Rental income from investment properties			2,124,356			2,342,286
Dividend income			26,599			30,950
			19,658,139			10,878,541

5. REVENUE (continued)

(ii) Performance obligations for contracts with customers and revenue recognition policies:

Hotel room revenue is recognised over the stay of guests. The Group receives deposits from customers when the hotel room reservation is made. The deposits received from the contracts prior to meeting the above criteria for revenue recognition are recognised as customer deposits and other deferred revenue under the Group's creditors, deposits and accruals. The Group allows an average credit period of 30 - 60 days to certain of its trade customers.

Food & beverage revenue is recognised at a point in time when control of the goods is transferred to customers.

Other hotel income mainly comprises ancillary service income which is recognised at a point in time when control of the services is transferred to customers or over the service period, depending on the terms of the contracts.

Building management service income is recognised over the service period. The Group receives monthly building management service payments from customers one month in advance under the contracts.

Sale of properties is recognised at a point in time when control of the completed properties is delivered to buyers. The Group receives deposits from buyers when they sign the sale and purchase agreement. The deposits received from the contracts prior to meeting the above criteria for revenue recognition are recognised as customer deposits and other deferred revenue under the Group's creditors, deposits and accruals.

Sale of goods is mainly recognised at a point in time when control of the goods is transferred to customers. The Group allows an average credit period of 30 - 60 days to certain of its trade customers.

Others represent flexible workspace income, property maintenance and property management service income which are recognised over the service period. The Group receives a portion of service payments from customers in advance under the contracts.

5. REVENUE (continued)

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers:

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) and the expected timing of recognising revenue are as follows:

	2025				2024			
	Within one year HK$'000	More than one year but not more than two years HK$'000	More than two years HK$'000	Total HK$'000	Within one year HK$'000	More than one year but not more than two years HK$'000	More than two years HK$'000	Total HK$'000
Hotel income	724,433	198,419	32,069	954,921	502,011	59,541	1,689	563,241
Sale of properties	719,347	235,626	–	954,973	9,970,984	407,168	276,110	10,654,262
Sale of goods	112,248	56,934	–	169,182	168,408	114,037	–	282,445
Others	18,472	–	–	18,472	29,403	–	–	29,403
	1,574,500	490,979	32,069	2,097,548	10,670,806	580,746	277,799	11,529,351

The Group applied the practical expedient in HKFRS 15 by recognising revenue in the amount to which the Group has right to invoice an amount that corresponds directly with the value to customer of the entity's performance completed to date on a time basis. As permitted under HKFRS 15, the aggregate amount of the transaction price allocated to the unsatisfied performance obligation in relation to the building management service as at the end of reporting period is not disclosed.

6. SEGMENT INFORMATION

Operating segments are identified on the basis of organisational structure and internal reports about components of the Group. Such internal reports are regularly reviewed by the chief operating decision maker ("CODM") (i.e. the chairman and managing director of the Group) in order to allocate resources to segments and to assess their performance. Performance assessment is more specifically focused on the segment results of three listed groups, including Great Eagle Holdings Limited, Champion Real Estate Investment Trust ("Champion REIT") and Langham Hospitality Investments and Langham Hospitality Investments Limited ("Langham").

The Group's operating and reportable segments under HKFRS 8 *"Operating Segments"* are as follows:

Hotel operation	—	hotel accommodation, food and banquet operations as well as hotel management.
Property investment	—	gross rental income and building management service income from leasing of furnished apartments and properties held for investment potential.
Property development	—	income from selling of properties held for sale.
Other operations	—	sale of building materials, flexible workspace operation, investment in securities, provision of property management, maintenance and property agency services.
Results from Champion REIT	—	based on published financial information of Champion REIT.
Results from Langham	—	based on financial information of Langham.
Pacific Eagle (US) Real Estate Fund, L. P. and its subsidiaries (collectively referred to as "US Real Estate Fund")	—	based on rental income and related expenses of the property owned by the US Real Estate Fund for the year ended 31 December 2024. During the year ended 31 December 2025, US Real Estate Fund became inactive and immaterial following the disposal of its property in 2024.

Segment results of Champion REIT represent the published net property income less manager's fee. Segment results of Langham represent revenue less property related expenses and services fees. Segment results of other operating segments (hereinafter referred to as the "Great Eagle Operations") represent the results of each segment without including any effect of allocation of interest income from time deposits with original maturity over three months, bank balances and cash centrally managed, central administration costs, Directors' salaries, share of results of joint ventures, share of results of associates, depreciation, fair value changes on investment properties, derivative financial instruments and financial assets at FVTPL, other income, finance costs and income taxes. The hotel operation segment result has been arrived at after reversing intra-group HKFRS 16 impact for its role as a lessee to the three hotel properties owned by Langham. This is the measurement basis reported to the CODM for the purposes of resource allocation and performance assessment.

6. SEGMENT INFORMATION (continued)

Segment revenue and results

The following is the analysis of the Group's revenue and results by reportable segment for the year under review:

2025

	Hotel operation HK$'000	Property investment HK$'000	Property development HK$'000	Other operations HK$'000	Sub-total HK$'000	Champion REIT HK$'000	Langham HK$'000 (note)	Eliminations HK$'000	Consolidated HK$'000
REVENUE									
External revenue	6,816,786	174,439	10,059,003	364,929	17,415,157	2,241,321	1,661	–	19,658,139
Inter-segment revenue	62,003	134	–	278,836	340,973	13,279	479,626	(833,878)	–
Total	6,878,789	174,573	10,059,003	643,765	17,756,130	2,254,600	481,287	(833,878)	19,658,139

Inter-segment revenue are charged at prevailing market rates or at mutually agreed prices where no market price was available. They are recognised when services are provided.

RESULTS									
Segment results	1,152,257	107,484	513,611	401,812	2,175,164	1,416,550	380,253	(13,096)	3,958,871
Depreciation					(698,326)	–	(209,793)	5,061	(903,058)
Operating profit after depreciation					1,476,838	1,416,550	170,460	(8,035)	3,055,813
Fair value changes on investment properties					(270,423)	(3,978,263)	–	–	(4,248,686)
Fair value changes on derivative financial instruments					(63,519)	–	(16,166)	–	(79,685)
Fair value changes on financial assets at FVTPL					174,397	–	–	–	174,397
Impairment loss on hotel properties held for development					(522,861)	–	–	–	(522,861)
Other income					33,970	369	658	(2,754)	32,243
Administrative and other expenses					(517,416)	(17,546)	(11,601)	2,324	(544,239)
Net finance costs					577,041	(561,352)	(252,107)	1,084	(235,334)
Share of results of joint ventures					(1,337)	9,229	–	–	7,892
Share of results of associates					(914)	–	–	–	(914)
Profit (loss) before tax					885,776	(3,131,013)	(108,756)	(7,381)	(2,361,374)
Income taxes					(144,873)	(135,515)	6,084	1,146	(273,158)
Profit (loss) for the year					740,903	(3,266,528)	(102,672)	(6,235)	(2,634,532)
Less: (Loss) profit attributable to non-controlling interests/ non-controlling unitholders of Champion REIT					(11,061)	961,680	29,569	–	980,188
Profit (loss) attributable to owners of the Company					729,842	(2,304,848)	(73,103)	(6,235)	(1,654,344)

6. SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

2024

	Hotel operation HK$'000	Property investment HK$'000	Property development HK$'000	Other operations HK$'000	Sub-total HK$'000	Champion REIT HK$'000	Langham HK$'000 (note)	US Real Estate Fund HK$'000	Eliminations/ reclassification HK$'000	Consolidated HK$'000
REVENUE										
External revenue	6,608,501	172,329	1,340,497	287,770	8,409,097	2,441,870	1,736	25,838	–	10,878,541
Inter-segment revenue	62,400	536	–	304,458	367,394	16,861	479,482	–	(863,737)	–
Total	6,670,901	172,865	1,340,497	592,228	8,776,491	2,458,731	481,218	25,838	(863,737)	10,878,541

Inter-segment revenue are charged at prevailing market rates or at mutually agreed prices where no market price was available. They are recognised when services are provided.

RESULTS										
Segment results	1,105,155	110,896	599,031	428,283	2,243,365	1,598,414	381,023	176	(17,307)	4,205,671
Depreciation					(670,160)	–	(221,688)	(298)	8,368	(883,778)
Operating profit (loss) after depreciation					1,573,205	1,598,414	159,335	(122)	(8,939)	3,321,893
Fair value changes on investment properties					(340,375)	(2,899,429)	–	39	–	(3,239,765)
Fair value changes on derivative financial instruments					(219,604)	–	9,303	–	–	(210,301)
Fair value changes on financial assets at FVTPL					74,373	–	–	–	–	74,373
Change related to settlement arrangement of hotel management fees and licence fee					–	–	(14,634)	–	14,634	–
Other income					25,229	135	1,365	9,855	(2,572)	34,012
Administrative and other expenses					(507,837)	(17,904)	(15,214)	(3,331)	4,135	(540,151)
Net finance costs					(339,426)	(630,406)	(318,375)	2,155	681	(1,285,371)
Share of results of joint ventures					(147)	25,065	–	–	–	24,918
Share of results of associates					5,858	–	–	–	–	5,858
Profit (loss) before tax					271,276	(1,924,125)	(178,220)	8,596	7,939	(1,814,534)
Income taxes					(457,084)	(162,450)	36,145	–	1,150	(582,239)
(Loss) profit for the year					(185,808)	(2,086,575)	(142,075)	8,596	9,089	(2,396,773)
Less: (Loss) profit attributable to non-controlling interests/ non-controlling unitholders of Champion REIT					(446)	625,987	41,323	(4,300)	–	662,564
(Loss) profit attributable to owners of the Company					(186,254)	(1,460,588)	(100,752)	4,296	9,089	(1,734,209)

Note: The inter-segment revenue of Langham mainly includes the rental income of three hotel properties receivable from Great Eagle.

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	2025			2024		
	Assets HK$'000	Liabilities HK$'000	Net Assets HK$'000	Assets HK$'000	Liabilities HK$'000	Net Assets/ (Liabilities) HK$'000
Hotel operation (note a)	19,274,726	6,859,375	12,415,351	19,016,415	6,611,796	12,404,619
Property investment (note a)	5,224,458	35,850	5,188,608	4,789,029	36,857	4,752,172
Property development (note a)	7,070,220	1,139,527	5,930,693	14,529,998	6,824,443	7,705,555
Other operations (note a)	617,190	206,266	410,924	554,223	201,171	353,052
Unallocated (note a)	7,921,623	5,752,188	2,169,435	5,377,206	5,503,568	(126,362)
Great Eagle Operations (note b)	40,108,217	13,993,206	26,115,011	44,266,871	19,177,835	25,089,036
Champion REIT (note c)	40,469,903	12,259,750	28,210,153	43,130,905	12,251,826	30,879,079
Langham (note d)	11,454,906	4,760,336	6,694,570	11,564,913	4,797,296	6,767,617
US Real Estate Fund (note e)	N/A	N/A	N/A	441,682	151,211	290,471

Notes:

(a) The segment assets include primarily investment properties, property, plant and equipment, right-of-use assets, equity instruments at FVTOCI, stock of properties, inventories, notes and loan receivables, financial assets at FVTPL, bank balances and cash, deposit for acquisition of investment properties, debtors, deposits and prepayments and tax recoverable attributable to respective operating segments. The segment liabilities include primarily creditors, deposits and accruals, borrowings, lease liabilities, provision for taxation and deferred taxation attributable to respective operating segments.

(b) Included in the assets and liabilities are bank deposits and restricted cash of HK$8,047,219,000 (2024: HK$5,232,241,000) and borrowings of HK$9,793,138,000 (2024: HK$11,112,981,000), representing net debt of HK$1,745,919,000 as at 31 December 2025 (2024: HK$5,880,740,000).

(c) Assets and liabilities of Champion REIT are based on published financial information of Champion REIT, at the effective interest held by Great Eagle Holdings Limited, being 70.63% (2024: 70.30%), excluding the effective interest of the distribution payable attributable from Champion REIT of HK$243,448,000 (2024: HK$261,856,000).

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

Notes: (continued)

(d) Assets and liabilities of Langham are based on published financial information of Langham, at the effective interest held by Great Eagle Holdings Limited, being 70.26% (2024: 71.22%). It includes three hotel properties with appraised value of HK$15,895,000,000 as at 31 December 2025 (2024: HK$15,895,000,000). The three hotel properties are self-operated by Great Eagle and accordingly recognised as property, plant and equipment with corresponding carrying amount (at cost less accumulated depreciation) of HK$2,877,578,000 (2024: HK$3,062,478,000) in the Group's consolidated statement of financial position.

(e) Assets and liabilities of the US Real Estate Fund were based on results of the fund at the 49.97% interest held by Great Eagle Holdings Limited as at 31 December 2024. Following the disposal of the investment property in the USA in 2024, the results of the US Real Estate Fund was no longer reported as an operating segment of the Group for the year ended 31 December 2025.

Geographical information

The Group's operations are mainly located in Hong Kong, the Mainland China, the USA, Canada, the United Kingdom, Australia, New Zealand, Japan, Italy and others.

A geographical analysis of the Group's revenue from external customers based on the geographical location of customers, except for property investment and hotel operations which are based on the geographical location of the properties, and information about the carrying amount of non-current assets excluding financial instruments, interests in associates and joint ventures by the geographical location of the assets are detailed as follows:

	Revenue from external customers		Carrying amounts of non-current assets	
	2025 HK$'000	2024 HK$'000	2025 HK$'000	2024 HK$'000
Hong Kong	**14,621,222**	5,989,509	**65,276,888**	68,980,938
The USA	**2,350,504**	2,241,410	**7,069,837**	7,628,974
The Mainland China	**474,496**	450,101	**2,694,493**	2,550,223
Canada	**653,141**	605,775	**678,789**	639,302
The United Kingdom	**777,544**	806,986	**1,288,001**	1,261,426
Australia	**459,652**	433,498	**568,357**	548,524
New Zealand	**314,071**	341,402	**963,701**	977,285
Japan	**912**	2,167	**1,414,551**	1,391,065
Italy	**–**	–	**593,343**	417,258
Others	**6,597**	7,693	**–**	–
	19,658,139	10,878,541	**80,547,960**	84,394,995

6. SEGMENT INFORMATION (continued)

Additional information

An analysis of the additions to hotel properties and the depreciation charge on the hotel properties by reportable segment are as follows:

	2025			2024		
	Great Eagle Operations HK$'000	Langham HK$'000	Total HK$'000	Great Eagle Operations HK$'000	Langham HK$'000	Total HK$'000
Additions to hotel properties						
Hotel buildings	**58,394**	**–**	**58,394**	3,844	–	3,844
Hotel buildings under development	**136,996**	**–**	**136,996**	79,082	–	79,082
Hotel furniture, fixtures and equipment	**297,184**	**31,305**	**328,489**	356,690	48,897	405,587
Depreciation of hotel properties						
Hotel buildings	**319,130**	**82,946**	**402,076**	318,659	82,946	401,605
Hotel furniture, fixtures and equipment	**232,570**	**88,289**	**320,859**	212,175	99,858	312,033

Information about major customers

There were no customers individually contributing over 10% of the total sale amounts for both years.

7. OTHER INCOME

	2025 HK$'000	2024 HK$'000
Interest income on:		
Bank deposits	**155,964**	203,836
Financial assets at FVTPL	**3,190**	5,867
Notes and loan receivables	**5,531**	7,187
Others	**29,367**	10,921
	194,052	227,811
Other finance income (note)	**842,726**	–
Reversal of allowance for credit losses on notes receivables	**978**	–
Net exchange gain	**3,541**	–
Sundry income	**27,725**	34,012
	1,069,022	261,823

Note: Finance income derived from the HMT project (defined in note 22(a)) of HK$842,726,000 (2024: nil), which was charged to the preceding developer in accordance with the relevant agreement, was included in other income during the year ended 31 December 2025. Finance income was recognised alongside delivery of properties.

8. FINANCE COSTS

	2025 HK$'000	2024 HK$'000
Interest on bank and other borrowings	1,105,525	1,511,191
Interest on medium term notes	99,900	123,770
Interest on lease liabilities	29,498	24,494
Other borrowing costs	78,527	111,235
	1,313,450	1,770,690
Less: amount capitalised (note)	(41,337)	(257,508)
	1,272,113	1,513,182

Note: Interest were capitalised at an average annual rate of 2.58% (2024: 5.17%) to property development projects.

9. INCOME TAXES

	2025 HK$'000	2024 HK$'000
Current tax:		
Current year:		
Hong Kong Profits Tax	258,437	282,654
Other jurisdictions	106,535	108,197
	364,972	390,851
(Overprovision) underprovision in prior years:		
Hong Kong Profits Tax	(14,568)	(19,349)
Other jurisdictions	3,331	232
	(11,237)	(19,117)
	353,735	371,734
Deferred tax (note 31):		
Current year	(84,547)	(22,775)
Underprovision (overprovision) in prior years	3,970	(6,947)
Attributable to change in tax rate/tax rule	–	240,227
	(80,577)	210,505
	273,158	582,239

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. Corporate tax rate in the USA is calculated at the effective rate of 29% of the estimated assessable profit for both years.

9. INCOME TAXES (continued)

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Based on management's best estimate, the Group operates in jurisdictions where the Pillar Two Rules are effective but is not liable for top-up tax under the global minimum effective tax rate of 15%.

The tax charge for the year can be reconciled to the loss before tax per the consolidated income statement as follows:

	2025 HK$'000	2024 HK$'000
Loss before tax	**(2,361,374)**	(1,814,534)
Tax at the domestic income tax rate of 16.5% (2024: 16.5%)	**(389,627)**	(299,398)
Tax effect of expenses that are not deductible for tax purpose	**756,343**	609,321
Tax effect of income that is not taxable for tax purpose	**(151,111)**	(55,250)
Tax effect of deductible temporary difference not recognised	**18,150**	37,207
Overprovision in prior years	**(7,267)**	(26,064)
Tax effect of share of results of associates	**151**	(967)
Tax effect of share of results of joint ventures	**(1,302)**	(4,112)
Tax effect of tax losses not recognised	**48,657**	70,610
Utilisation of tax losses previously not recognised	**(8,412)**	(18,403)
Increase in opening deferred taxation liability resulting from change in applicable tax rate/tax rule	**–**	240,227
Effect of different tax rates of subsidiaries operating in other jurisdictions	**521**	27,955
Others	**7,055**	1,113
Tax charge for the year	**273,158**	582,239

The Group has applied the temporary exception issued by the HKICPA in 2023 from the accounting requirements for deferred taxes in HKAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

10. LOSS FOR THE YEAR

	2025 HK$'000	2024 HK$'000
Loss for the year has been arrived at after charging:		
Staff costs (including Directors' emoluments)	**3,167,474**	3,062,980
Share-based payments (including Directors' emoluments)	**6,518**	9,164
	3,173,992	3,072,144
Depreciation	**903,058**	883,778
Auditor's remuneration	**15,567**	12,956
Trustee's remuneration	**7,606**	8,039
Cost of inventories recognised as an expense	**8,927,231**	1,220,768
Impairment loss on hotel properties held for development	**522,861**	–
Net exchange loss (included in administrative and other expenses)	**–**	11,349
Loss on disposal of property, plant and equipment (included in administrative and other expenses)	**292**	461
Allowance for doubtful debts, net of reversal (included in cost of goods and services)	**3,796**	15,136
Share of tax of an associate (included in the share of results of associates)	**40**	53
Share of tax of a joint venture (included in the share of results of joint ventures)	**(169)**	7,663
and after crediting:		
Dividend income from		
- equity instruments at FVTOCI	**17,240**	20,108
- financial assets at FVTPL	**9,359**	10,842
Reversal of allowance for credit loss on notes receivables (included in other income)	**978**	–
Net exchange gain (included in other income)	**3,541**	–
Rental income from investment properties less related outgoings of HK$335,287,000 (2024: HK$346,292,000)	**1,789,069**	1,995,994

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to each of the fifteen (2024: fifteen) Directors were as follows:

	2025					
	Fees HK$'000	Salaries and other benefits HK$'000	Discretionary bonuses HK$'000	Share awards and options HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
EXECUTIVE DIRECTORS						
Dr. LO Ka Shui	220	16,365	2,916	918	700	21,119
Mr. LO Hong Sui, Antony	220	1,852	154	66	93	2,385
Madam LAW Wai Duen	220	755	63	66	38	1,142
Mr. KAN Tak Kwong	220	8,513	1,418	527	426	11,104
Mr. CHU Shik Pui	220	6,138	1,278	433	307	8,376
Mr. LO Alexander Chun Him	220	3,113	490	213	147	4,183
Professor POON Ka Yeung, Larry	220	3,256	678	150	163	4,467
Sub-total	1,540	39,992	6,997	2,373	1,874	52,776
NON-EXECUTIVE DIRECTORS						
Madam LO TO Lee Kwan	220	–	–	–	–	220
Mr. LO Hong Sui, Vincent	220	–	–	–	–	220
Dr. LO Ying Sui	220	–	–	–	–	220
Sub-total	660	–	–	–	–	660
INDEPENDENT NON-EXECUTIVE DIRECTORS						
Professor WONG Yue Chim, Richard	510	–	–	–	–	510
Mrs. LEE Pui Ling, Angelina	510	–	–	–	–	510
Mr. ZHU Qi	550	–	–	–	–	550
Mr. HO Shut Kan	500	–	–	–	–	500
Madam Diana Ferreira CESAR	–	–	–	–	–	–
Sub-total	2,070	–	–	–	–	2,070
Total						55,506

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

	2024					
	Fees HK$'000	Salaries and other benefits HK$'000	Discretionary bonuses HK$'000	Share options HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
EXECUTIVE DIRECTORS						
Dr. LO Ka Shui	220	15,852	2,023	1,380	674	20,149
Mr. LO Hong Sui, Antony	220	1,825	182	99	91	2,417
Madam LAW Wai Duen	220	744	74	99	37	1,174
Mr. KAN Tak Kwong	220	8,116	1,047	851	406	10,640
Mr. CHU Shik Pui	220	5,876	900	789	294	8,079
Mr. LO Alexander Chun Him	220	3,034	358	370	143	4,125
Professor POON Ka Yeung, Larry	220	3,168	396	162	158	4,104
Sub-total	1,540	38,615	4,980	3,750	1,803	50,688
NON-EXECUTIVE DIRECTORS						
Madam LO TO Lee Kwan	220	–	–	–	–	220
Mr. LO Hong Sui, Vincent	220	–	–	–	–	220
Dr. LO Ying Sui	220	–	–	–	–	220
Sub-total	660	–	–	–	–	660
INDEPENDENT NON-EXECUTIVE DIRECTORS						
Professor WONG Yue Chim, Richard	510	–	–	–	–	510
Mrs. LEE Pui Ling, Angelina	510	–	–	–	–	510
Mr. ZHU Qi	550	–	–	–	–	550
Mr. HO Shut Kan	500	–	–	–	–	500
Madam Diana Ferreira CESAR	–	–	–	–	–	–
Sub-total	2,070	–	–	–	–	2,070
Total						53,418

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The non-executive directors' and independent non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries.

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

Dr. LO Ka Shui performs the function of the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.

Discretionary bonuses are determined by the remuneration committee of the Company from time to time by reference to the prevailing market conditions, the performance of the Company as well as the individual performance.

None of the Directors waived any emoluments in the years ended 31 December 2025 and 31 December 2024.

Employees' emoluments

Of the five individuals with the highest emoluments in the Group, three (2024: three) were Directors whose emoluments are included in the disclosures above. The emoluments of the remaining two (2024: two) individuals were as follows:

	2025 HK$'000	2024 HK$'000
Salaries and other benefits	**11,412**	11,069
Discretionary bonuses	**1,950**	1,661
Share awards and options	**250**	392
Retirement benefits scheme contributions	**818**	793
	14,430	13,915

	2025 Number of employees	2024 Number of employees
Bands:		
HK$5,000,001 - HK$5,500,000	**1**	1
HK$8,000,001 - HK$8,500,000	**–**	1
HK$9,000,001 - HK$9,500,000	**1**	–
	2	2

No emoluments were paid by the Group to any of the five individuals with the highest emoluments as an inducement to join or upon joining the Group or as compensation for loss of office during both years.

12. DIVIDENDS

	2025 HK$'000	2024 HK$'000
Dividends paid:		
- Final dividend of HK50 cents in respect of the financial year ended 31 December 2024 (2024: HK50 cents in respect of the financial year ended 31 December 2023) per ordinary share (note 1)	**373,862**	373,862
- Interim dividend of HK41 cents in respect of the financial year ended 31 December 2025 (2024: HK37 cents in respect of the financial year ended 31 December 2024) per ordinary share	**306,566**	276,658
- Special interim dividend in respect of the financial year ended 31 December 2025, by way of distribution in specie of share stapled units ("SSU(s)") of Langham (note 2)	**24,925**	–
	705,353	650,520

Notes:

(1) On 20 June 2025 (2024: 20 June 2024), a final dividend of HK50 cents (2024: HK50 cents) per ordinary share was paid to shareholders in cash in respect of the financial year ended 31 December 2024 (2024: 31 December 2023).

(2) On 8 October 2025, the Directors resolved to declare a special interim dividend in the form of a distribution in specie of up to 49,848,223 SSUs of Langham in respect of the financial year ended 31 December 2025. Based on the closing price of HK$0.5 per SSU of Langham as traded on the Stock Exchange on 7 November 2025, the aggregate market value of the distribution SSUs was HK$24,925,000. The dividend distribution in specie was equivalent to HK3.3 cents per ordinary share.

	2025 HK$'000	2024 HK$'000
Dividends proposed:		
- Proposed final dividend of HK70 cents in respect of the financial year ended 31 December 2025 (2024: HK50 cents in respect of the financial year ended 31 December 2024) per ordinary share	**523,406**	373,862

The proposed final dividends in respect of the financial year ended 31 December 2025 is subject to approval by the shareholders in the forthcoming annual general meeting.

13. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2025 HK$'000	2024 HK$'000
Loss		
Loss for the purposes of basic and diluted loss per share (Loss for the year attributable to owners of the Company)	**(1,654,344)**	(1,734,209)

	2025	2024
Number of shares		
Weighted average number of shares for the purpose of basic and diluted loss per share	**747,723,345**	747,723,345

For both of the years, the diluted loss per share was the same as the basic loss per share as the computation of diluted loss per share does not assume the exercise of the Company's outstanding share options because it will otherwise result in a decrease in loss per share.

14. INVESTMENT PROPERTIES

	2025 HK$'000	2024 HK$'000
FAIR VALUE		
At 1 January	**64,944,730**	68,603,905
Exchange adjustments	**12,012**	(11,844)
Additions	**57,973**	139,250
Acquisition (disposal) of property	**411,606**	(546,816)
Transfer to property, plant and equipment (note 15)	**(43,700)**	–
Decrease in fair value recognised in the consolidated income statement	**(4,248,686)**	(3,239,765)
At 31 December	**61,133,935**	64,944,730

14. INVESTMENT PROPERTIES (continued)

(a) The Group's property interests situated in Hong Kong of HK$60,851,735,000 (2024: HK$64,692,220,000) and in the Mainland China of HK$282,200,000 (2024: HK$252,510,000) which are held under leasehold interests to earn rentals or for capital appreciation purposes are measured using the fair value model, and are classified and accounted for as investment properties.

(b) In determining the fair value of the relevant investment properties, the Group engages in independent professional property valuers and in-house valuation team to perform the valuation. The management works closely with the independent professional property valuers and in-house valuation team to establish the appropriate valuation techniques and inputs to the model. The assumptions and key inputs are reflective of the current market conditions. The management reports the valuation reports and findings to the Board of Directors of the Company half yearly to explain the cause of fluctuations in the fair value of the investment properties.

(c) Included in the fair value of investment properties as at 31 December 2025 is HK$60,160,400,000 (2024: HK$64,794,910,000) which is categorised as Level 3 fair value hierarchy with movement as follows:

	2025 HK$'000	2024 HK$'000
FAIR VALUE		
At 1 January	**64,794,910**	67,785,726
Exchange adjustments	**12,013**	(8,442)
Additions	**57,912**	79,389
Transfer to property, plant and equipment (note 15)	**(43,700)**	–
Decrease in fair value recognised in the consolidated income statement	**(4,228,735)**	(3,209,763)
Transfers (out of) into level 3	**(432,000)**	148,000
At 31 December	**60,160,400**	64,794,910

Unrealised loss on property revaluation included in profit or loss amounted to HK$4,228,735,000 (2024: HK$3,209,763,000). Investment property of HK$432,000,000 (2024: HK$148,000,000 transferred into level 3 from level 2) transferred into level 2 from level 3 during the year ended 31 December 2025.

14. INVESTMENT PROPERTIES (continued)

(d) The carrying amounts of investment properties includes land and buildings situated in Hong Kong and outside Hong Kong are as follows:

	2025 HK$'000	2024 HK$'000
Leases in Hong Kong	**60,851,735**	64,692,220
Leases outside Hong Kong	**282,200**	252,510
	61,133,935	64,944,730

(e) The fair value of the Group's investment properties at 31 December 2025 and 2024 has been arrived at on a basis of valuation performed by independent professional property valuers not connected with the Group and internally by the Group's in-house valuation team, which holds the necessary accreditation and expertise to perform such valuations:

Investment properties in Hong Kong, other than those for residential use - Knight Frank Petty Limited and Savills Valuation and Professional Services Limited

Investment properties in the Mainland China - Knight Frank Petty Limited

Investment properties for residential use in Hong Kong - In-house valuation team

In estimating the fair value of the investment properties, the highest and best use of the properties is their current use.

The Group leases out properties under operating leases. Details are set out in note 38.

14. INVESTMENT PROPERTIES (continued)

Investment properties held by the Group in the consolidated statement of financial position	Fair value as at 31 December 2025 HK$'000	2024 HK$'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Commercial property in Wan Chai, Hong Kong	**3,042,400**	3,319,600	Level 3	Income capitalisation approach The key inputs are: (i) capitalisation rate; and (ii) market rent per square foot	Capitalisation rate, taking into account the capitalisation of net income potential, nature of the property, prevailing market condition, of 3.00% (2024: 2.90%) for office and 4.50% (2024: 4.50%) for retail.	The higher the capitalisation rate, the lower the fair value. (Note i)
					Market rent, taking into account direct market comparables within the property.	The higher the market rent, the higher the fair value. (Note ii)
Commercial properties in Central, Hong Kong	**32,875,800**	35,719,800	Level 3	Income capitalisation approach The key inputs are: (i) capitalisation rate; and (ii) market rent per square foot	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, prevailing market condition, of 3.70% (2024: 3.70%) for office and 4.35% (2024: 4.35%) for retail.	The higher the capitalisation rate,the lower the fairvalue. (Note i)
					Market rent, taking into account direct market comparables within the property.	The higher the market rent, the higher the fair value. (Note ii)
Office and mall properties in Mongkok, Hong Kong	**23,303,000**	24,384,000	Level 3	Income capitalisation approach The key inputs are: (i) capitalisation rate; and (ii) market rent per square foot	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, prevailing market condition, of 4.10% (2024: 4.10%) for office and 4.00% (2024: 4.00%) for retail.	The higher the capitalisation rate, the lower the fair value. (Note i)
					Market rent, taking into account direct market comparables within the property.	The higher the market rent, the higher the fair value. (Note ii)

14. INVESTMENT PROPERTIES (continued)

Investment properties held by the Group in the consolidated statement of financial position	Fair value as at 31 December 2025 HK$'000	Fair value as at 31 December 2024 HK$'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Furnished apartments in Hong Kong	**532,000**	971,000	Level 3	Income capitalisation approach The key inputs are: (i) capitalisation rate; and (ii) market rent per square foot	Capitalisation rate, taking into account the capitalisation of net income potential, nature of the property, prevailing market condition, of 3.45% to 3.70% (2024: 3.00% to 3.70%).	The higher the capitalisation rate,the lower the fair value. (Note i)
					Market rent, taking into account direct market comparables within the property.	The higher the market rent, the higher the fair value. (Note ii)
	418,000	N/A	Level 2	Direct comparison method based on market observable transactions of similar properties and adjusts to reflect the conditions and locations of the subject property.	N/A	N/A
Commercial properties in Shanghai, the Mainland China	**282,200**	252,510	Level 3	Income capitalisation approach The key inputs are: (i) capitalisation rate; and (ii) market rent per square foot	Capitalisation rate, taking into account the capitalisation of net income potential, nature of the property, prevailing market condition, of 8.00% (2024: 8.00%) for retail.	The higher the capitalisation rate, the lower the fair value. (Note i)
					Market rent, taking into account direct market comparables within the property.	The higher the market rent, the higher the fair value. (Note ii)

14. INVESTMENT PROPERTIES (continued)

Investment properties held by the Group in the consolidated statement of financial position	Fair value as at 31 December 2025 HK$'000	2024 HK$'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Residential properties in Hong Kong	**471,635**	57,820	Level 2	Direct comparison method based on market observable transactions of similar properties and adjusts to reflect the conditions and locations of the subject property.	N/A	N/A
Apartments in Hong Kong	**83,900**	92,000	Level 2	Direct comparison method based on market observable transactions of similar properties and adjusts to reflect the conditions and locations of the subject property.	N/A	N/A
Shops in Central, Hong Kong	**125,000**	148,000	Level 3	Income capitalisation approach The key inputs are: (i) capitalisation rate; and (ii) market rent per square foot	Capitalisation rate, taking into account the capitalisation of net income potential, nature of the property, prevailing market condition, of 3.10% (2024: 2.90%) for retail.	The higher the capitalisation rate, the lower the fair value. (Note i)
					Market rent, taking into account direct market comparables within the property.	The higher the market rent, the higher the fair value. (Note ii)

Notes:

(i) A significant percentage change in the unobservable inputs would result in a significant percentage change in fair value measurement.

(ii) A significant percentage change in the unobservable inputs would result in a less significant percentage change in fair value measurement.

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold land HK$'000	Right-of-use leasehold land HK$'000	Right-of-use properties HK$'000	Hotel buildings HK$'000	Hotel buildings under development HK$'000	Owner occupied properties situated in Hong Kong HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST									
At 1 January 2024	3,730,207	2,349,418	388,253	17,411,454	1,535,718	1,100,409	4,577,788	4,896	31,098,143
Exchange adjustments	(206,362)	–	(445)	(439,474)	(41,626)	–	(154,930)	(14)	(842,851)
Additions	–	–	216,493	3,844	79,082	48,023	437,931	2,475	787,848
Transfer in (out)	–	–	–	62,833	–	–	(62,833)	–	–
Disposals/written off	–	–	–	–	–	–	(9,302)	(1,107)	(10,409)
At 31 December 2024	3,523,845	2,349,418	604,301	17,038,657	1,573,174	1,148,432	4,788,654	6,250	31,032,731
Exchange adjustments	117,108	–	10,343	375,108	1,786	–	126,903	19	631,267
Additions	–	–	44,798	58,394	137,451	–	342,508	305	583,456
Transfer from investment properties	–	–	–	–	–	43,700	–	–	43,700
Transfer in (out)	628,392	–	–	80	(628,392)	–	(80)	–	–
Disposals/written off	–	–	(525)	–	–	–	(4,627)	(154)	(5,306)
At 31 December 2025	4,269,345	2,349,418	658,917	17,472,239	1,084,019	1,192,132	5,253,358	6,420	32,285,848
DEPRECIATION AND IMPAIRMENT									
At 1 January 2024	113,478	1,270,501	57,138	5,931,958	–	418,217	3,185,138	4,193	10,980,623
Exchange adjustments	(2,928)	–	(558)	(154,804)	–	–	(114,546)	(12)	(272,848)
Charge for the year	–	44,764	24,882	401,605	–	67,020	344,994	513	883,778
Eliminated on disposals/written off	–	–	–	–	–	–	(8,206)	(881)	(9,087)
At 31 December 2024	110,550	1,315,265	81,462	6,178,759	–	485,237	3,407,380	3,813	11,582,466
Exchange adjustments	118	–	1,113	155,107	(384)	–	95,361	17	251,332
Charge for the year	–	44,764	34,134	402,076	–	74,313	347,116	655	903,058
Impairment loss	322,398	–	–	–	200,463	–	–	–	522,861
Eliminated on disposals/written off	–	–	(525)	–	–	–	(4,233)	(154)	(4,912)
At 31 December 2025	433,066	1,360,029	116,184	6,735,942	200,079	559,550	3,845,624	4,331	13,254,805
CARRYING AMOUNTS									
At 31 December 2025	3,836,279	989,389	542,733	10,736,297	883,940	632,582	1,407,734	2,089	19,031,043
At 31 December 2024	3,413,295	1,034,153	522,839	10,859,898	1,573,174	663,195	1,381,274	2,437	19,450,265

15. PROPERTY, PLANT AND EQUIPMENT (continued)

Included in the additions of furniture and fixtures of HK$342,508,000 (2024: HK$437,931,000) during the year are additions of hotel renovation, hotel machinery and fine art amounting to HK$113,846,000 (2024: HK$206,853,000), HK$nil (2024: HK$3,458,000) and HK$nil (2024: HK$1,551,000), respectively, of which the Directors estimate useful lives of 10 years, 25 years and 25 years respectively.

At 31 December 2025, the leasehold land with carrying amounts of HK$989,389,000 (2024: HK$1,034,153,000) are situated in Hong Kong. Freehold land is situated outside Hong Kong.

Owner occupied properties situated in Hong Kong are land and buildings. During the year ended 31 December 2025, investment property with fair value of HK$43,700,000 at the date of transfer was transferred to property, plant and equipment due to change in use from earning rental from outsider to owner occupation.

The management of the Group concluded there was indication for impairment/reversal of impairment and conducted impairment assessment on certain property, plant and equipment with carrying amounts of HK$2,245,288,000 (2024: HK$2,240,634,000).

For the purpose of impairment assessment of hotel properties, the relevant freehold land, right-of-use leasehold land, hotel buildings, hotel buildings under development and furniture, fixtures and equipment of each hotel property have been allocated into individual CGU. For the purpose of impairment assessment of hotel properties under development, the relevant hotel buildings under development and freehold land have been allocated into individual CGU. The recoverable amount of each CGU is defined as the higher of the fair value less costs of disposal and its value in use. If the recoverable amount of a CGU is estimated to be less than its carrying amount, the carrying amount of the CGU is reduced to its recoverable amount and an impairment loss is recognised.

For hotel properties held for development in the USA, in determining the fair value less costs of disposal, the Group engages independent professional property valuer to perform valuation. The calculation is based on the market comparison method, which is based on actual land sales transactions, subject to appropriate adjustments made for variable factors, including location and time. Based on the result of the valuation, the recoverable amount of the hotel properties in the USA with carrying amount of US$114,014,000 is determined at US$46,954,000 and an impairment loss of US$67,060,000 (equivalent to approximately HK$522,861,000) is recognised for the year ended 31 December 2025 (2024: nil).

As of 31 December 2025, for CGUs of hotel properties in the Mainland China and Australia with carrying amounts of HK$1,100,792,000 (2024: HK$1,087,102,000) and HK$186,773,000 (2024: HK$182,337,000) respectively, the management adopts fair value less costs of disposal approach for calculating the recoverable amounts of these CGUs individually for the impairment test. The calculation is based on the market comparison method, which is based on a per room basis on actual sales transaction and offering of comparable property during the year that have been made, subject to appropriate adjustments made for variable factors, including location and grading. The carrying amounts of the hotel properties does not exceed the recoverable amount based on fair value less costs of disposal approach and no impairment has been recognised in the current and prior year.

15. PROPERTY, PLANT AND EQUIPMENT (continued)

For a CGU of hotel property with carrying amounts of HK$957,723,000 (2024: HK$971,195,000) in New Zealand for the year ended 31 December 2025, given that there is no independent professional property valuer to perform valuation, the management adopt value in use approach for calculating the recoverable amounts of the CGU individually for the impairment test. The calculation was based on cash flow projections covering the following 5 years with the assumptions of (i) the occupancy rates; (ii) the use of pre-tax discount rate is 9.25%; and (iii) the use of terminal capitalisation rate is 7% to estimate return of the hotel properties beyond 5 years. The carrying amounts of the hotel property did not exceed the recoverable amount based on value in use and no impairment had been recognised for the year ended 31 December 2025 and 31 December 2024.

There is no impairment recognised for the Group of other CGUs that include allocation of corporate assets for the current and prior year.

16. INTERESTS IN JOINT VENTURES

	2025 HK$'000	2024 HK$'000
Cost of investments in joint ventures	**505,044**	518,194
Share of post-acquisition results and other comprehensive income, net of dividend received	**(215,353)**	(218,278)
	289,691	299,916
Amounts due from joint ventures (note)	**983,067**	839,911
	1,272,758	1,139,827

Note: Included an amount of HK$982,775,000 (2024: HK$839,619,000) which is unsecured, repayable on demand and carries interest at a fixed rate of 2% per annum. The amounts are classified as non-current as the management expects to demand repayment of the amount over twelve months after the end of the reporting period.

In determining whether there is any objective evidence of impairment of the Group's interests in joint ventures, the Directors consider any loss events at the end of the reporting period which may have an impact on the estimated future cash flows of its joint ventures. The Directors assessed that no objective evidence was identified. Accordingly, no impairment loss is recognised.

The Group's interests in joint ventures amounting to HK$289,691,000 as at 31 December 2025 (2024: HK$299,916,000) are accounted for using the equity method in these consolidated financial statements.

Pursuant to the shareholders' agreement signed between an indirect non-wholly owned subsidiary of the Company and various independent third party investors on 9 April 2021, Athene Investment (BVI) Limited ("Athene Investment") was established as a joint venture for holding the leasehold interests in a property situated in London, the UK.

16. INTERESTS IN JOINT VENTURES (continued)

Pursuant to the memorandum of agreement signed between an indirect wholly owned subsidiary of the Company and various independent third parties on 11 September 2023, Fansway Limited was established as a joint venture to submit the tender for a site situated in Kai Tak, Kowloon (the "KT Site"), which after the successful tender for the KT Site shall develop it into a residential and retail development.

Pursuant to the memorandum of agreement signed between an indirect wholly owned subsidiary of the Company and various independent third parties on 16 November 2023, Excel Hope Limited was established as a joint venture to submit the tender for a site situated in Kowloon City, Kowloon (the "KC Site"), which after the successful tender for the KC Site shall develop it into a residential and commercial development.

Particulars regarding the joint ventures are set out in note 44.

Summarised financial information of material joint venture

The summarised financial information in respect of the Group's material joint venture at 31 December 2025 and 31 December 2024 are set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with International Financial Reporting Standards.

Athene Investment

	2025 HK$'000	2024 HK$'000
Current assets	**121,174**	119,830
Non-current assets	**2,149,217**	2,064,699
Current liabilities	**45,307**	30,734
Non-current liabilities	**1,223,041**	1,137,559
The above amounts of assets and liabilities include the following:		
Investment properties	**1,919,544**	1,783,394
Cash and cash equivalents	**71,134**	81,533
Non-current financial liabilities (excluding trade, other payable and provisions)	**1,200,298**	1,137,559

16. INTERESTS IN JOINT VENTURES (continued)

Summarised financial information of material joint venture (continued)

Athene Investment (continued)

	2025 HK$'000	2024 HK$'000
Net property income	**93,318**	89,998
Profit for the year	**33,552**	92,836
Total comprehensive income for the year	**33,552**	92,836
The above profit for the year include the following:		
Interest expense, after accounting for interest rate swaps	**(12,317)**	(11,703)
Income tax credit (expense)	**631**	(28,383)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2025 HK$'000	2024 HK$'000
Net assets of Athene Investment	**1,002,043**	1,016,236
Proportion of the Group's ownership interest in Athene Investment	**27%**	27%
Carrying amount of the Group's interest in Athene Investment	**270,552**	274,384

Aggregate information of joint ventures that are not individually material

	2025 HK$'000	2024 HK$'000
The Group's share of loss for the year	**(1,338)**	(147)
The Group's share of other comprehensive income	**–**	–
The Group's share of total comprehensive expense	**(1,338)**	(147)
Aggregate carrying amount of the Group's interests in the joint venture	**19,139**	25,532

17. INTERESTS IN ASSOCIATES

	2025 HK$'000	2024 HK$'000
Cost of investments in associates	**134,336**	134,336
Share of post-acquisition profit and other comprehensive income, net of dividend received	**83,720**	88,575
	218,056	222,911

In determining whether there is any objective evidence of impairment of the Group's interests in associates, the Directors consider any loss events at the end of the reporting period which may have an impact on the estimated future cash flows of its associates. The Directors assessed that no objective evidence was identified. Accordingly, no impairment loss is recognised.

Pursuant to the subscription and shareholders' agreement signed between an indirect non-wholly owned subsidiary of the Company and certain independent third party investors in April 2022, IEH Holdings Limited was established as an associate for holding the equity interests in a pastry business in Hong Kong.

Pursuant to the acquisition and shareholders' agreement signed between an indirect wholly owned subsidiary of the Company and an independent third party investor in August 2022, Tonkichi Holdings Limited was established as an associate for holding the equity interests in a business engaging in restaurant chain operations in Hong Kong.

Particulars regarding the associates are set out in note 45.

At 31 December 2025 and 31 December 2024, the Group's interest in associates were not individually material to the Group.

Aggregate information of associates that are not individually material

	2025 HK$'000	2024 HK$'000
The Group's share of (loss) profit for the year	**(914)**	5,858
The Group's share of other comprehensive income	**3,919**	8,835
The Group's share of total comprehensive income	**3,005**	14,693
Dividends received from associates during the year	**7,860**	9,749
Aggregate carrying amount of the Group's interests in these associates	**218,056**	222,911

18. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 HK$'000	2024 HK$'000
Listed equity securities in Hong Kong	**197,508**	225,201
Listed equity securities outside Hong Kong	**111,114**	317,393
Unlisted equity securities in Hong Kong	**124,037**	109,604
Unlisted equity securities outside Hong Kong	**1,064,869**	667,183
	1,497,528	1,319,381

The Directors have elected to designate these investments as equity instruments at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

19. NOTES AND LOAN RECEIVABLES

	2025 HK$'000	2024 HK$'000
Notes receivables (note a)	**46,594**	46,150
Loan receivables (note b)	**304**	217,925
Mortgage loan receivables (note c)	**60,868**	80,753
	107,766	344,828
Less: Amounts due within one year shown under current assets	**(48,581)**	(219,822)
Amounts due after one year	**59,185**	125,006

Notes:

(a) **Notes receivables**

At 31 December 2025, the Group held unsecured bonds with principal amounts of HK$46,594,000 (2024: HK$46,150,000). Details of the notes receivables are set out below:

2025 and 2024:

Nominal values	Interest rate (per annum)	Maturity
United States dollar ("US$") 1,000,000 to US$3,000,000	1.500% to 3.625%	January 2026 to May 2026

19. NOTES AND LOAN RECEIVABLES (continued)

Notes: (continued)

(a) **Notes receivables** (continued)

Included in the carrying amount of notes receivables as at 31 December 2025 is accumulated allowance for credit losses of HK$106,681,000 (2024: HK$168,249,000). Details of impairment assessment of notes receivables are set out in note 41.

(b) **Loan receivables**

At 31 December 2025, the Group held loan receivables with aggregate carrying amount of US$39,000 (equivalent to approximately HK$304,000) (2024: US$28,070,000 (equivalent to approximately HK$217,925,000)), which bears interest at 6% per annum and have a maturity date in 2027.

(c) **Mortgage loan receivables**

Mortgage loan receivables are secured by second mortgages on properties and repayable by monthly instalments with tenors not more than 25 years at the year end date and carry interest at rates with reference to banks' lending rates.

20. DERIVATIVE FINANCIAL INSTRUMENTS

	2025		2024	
	Assets HK$'000	Liabilities HK$'000	Assets HK$'000	Liabilities HK$'000
Interest rate swaps	–	19,140	–	2,975
Cross currency swaps	95,145	–	95,716	–
Foreign currency derivative contracts	–	42,129	–	86,397
	95,145	61,269	95,716	89,372
Less: Would be matured within one year shown under current assets/liabilities	–	(42,129)	–	(89,372)
Would be matured after one year	95,145	19,140	95,716	–

The Group entered into interest rate swaps with aggregate notional amount of HK$2,290,000,000 (2024: HK$1,500,000,000) to manage the exposure to the interest rate risk on the Group's floating-rate borrowings by swapping a proportion of those borrowings from floating rate of Hong Kong Interbank Offered Rate ("HIBOR") to fixed rate ranging from 2.47% to 3.17% (2024: 3.975% to 3.995%). The Group also entered into interest rate swaps and cross currency swaps to manage the exposure to the Group's interest rate risk and currency risk on the floating rate loans denominated in other currencies. In addition, the Group used foreign currency derivative contracts to manage its exposure to foreign exchange rate movements.

20. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The fair values of foreign currency derivative contracts, interest rate swaps and cross currency swaps at the end of the reporting periods are provided by counterparty banks and their maturity dates are detailed as follows:

	2025 Maturity	2024 Maturity
Interest rate swaps	**December 2027 to January 2029**	October 2025 to December 2025
Cross currency swaps	**June 2027**	June 2027
Foreign currency derivative contracts	**January 2026 to December 2026**	January 2025 to June 2025

21. DERIVATIVE FINANCIAL INSTRUMENTS UNDER HEDGE ACCOUNTING

	2025 HK$'000	2024 HK$'000
Derivative as assets		
Designated as cash flow hedge		
– interest rate swaps (note i)	–	1,503
Analysed for reporting purpose:		
Shown under non-current assets	–	1,503
Derivative as liabilities		
Designated as cash flow hedge		
– interest rate swaps (note i)	**43,569**	12,901
– cross currency swaps (note ii)	**98,273**	90,637
	141,842	103,538
Analysed for reporting purpose:		
Shown under current liabilities	**8,796**	–
Shown under non-current liabilities	**133,046**	103,538
	141,842	103,538

21. DERIVATIVE FINANCIAL INSTRUMENTS UNDER HEDGE ACCOUNTING (continued)

Notes:

(i) Interest rate swaps

As at 31 December 2025 and 2024, the Group entered into interest rate swap contracts to minimise its exposure to fluctuations in interest rates of its bank borrowings which bear interest at a floating rate of HIBOR plus an average of 0.89% per annum (2024: HIBOR plus an average of 0.89% per annum). The critical terms of the interest rate swaps and the corresponding bank borrowings are identical and the Directors considered that the interest rate swap contracts were highly effective hedging instruments and qualified as cash flow hedges.

	2025	2024
Carrying amount - liabilities (HK$'000)	**(43,569)**	(11,398)
Notional amount (HK$'000)	**4,500,000**	2,000,000
Maturity date	**26 June 2026 to 23 June 2028**	29 June 2026 to 28 June 2027
Change in fair value of outstanding instruments during the year (HK$'000)	**(58,524)**	18,219
Change in value of hedged item used to determine hedge effectiveness during the year (HK$'000)	**58,524**	(18,219)
Weighted average swap rate per annum (before interest margin)	**3.36%**	3.89%

(ii) Cross currency swaps

As at 31 December 2025 and 2024, the Group entered into cross currency swap contracts to minimise its exposure to fluctuations in foreign currency exchange rates and interest rate of certain of its medium term notes denominated in US$. The critical terms of the cross currency swaps and the corresponding medium term notes are identical and the Directors considered that the cross currency swaps were highly effective hedging instruments and qualified as cash flow hedges.

	2025	2024
Carrying amount - liabilities (HK$'000)	**(98,273)**	(90,637)
Notional amount (US$'000)	**300,000**	300,000
Maturity date	**15 June 2030**	15 June 2030
Change in fair value of hedging instruments during the year (HK$'000)	**(7,454)**	(6,060)
Change in value of hedged item used to determine hedge effectiveness during the year (HK$'000)	**7,454**	6,060
Weighted average exchange rate (US$: HK$)	**7.8176**	7.8176

21. DERIVATIVE FINANCIAL INSTRUMENTS UNDER HEDGE ACCOUNTING (continued)

Notes: (continued)

(iii) Hedging reserve

	Cross currency swaps HK$'000	Interest rate swaps HK$'000	Total hedging reserves HK$'000
As at 1 January 2024	(57,365)	12,419	(44,946)
Fair value adjustments on cross currency swaps and interest rate swaps designated as cash flow hedge	(6,060)	18,219	12,159
Reclassification of fair value adjustments to profit or loss	14,490	(51,590)	(37,100)
Deferred tax related to fair value adjustments recognised in other comprehensive income	–	5,629	5,629
Reclassification of amount attributable to non-controlling unitholders of Champion REIT	(3,391)	8,432	5,041
As at 31 December 2024	(52,326)	(6,891)	(59,217)
Fair value adjustments on cross currency swaps and interest rate swaps designated as cash flow hedge	**(7,454)**	**(58,524)**	**(65,978)**
Reclassification of fair value adjustments to profit or loss	**(5,550)**	**26,637**	**21,087**
Deferred tax related to fair value adjustments recognised in other comprehensive income	**–**	**5,308**	**5,308**
Reclassification of amount attributable to non-controlling unitholders of Champion REIT	**3,574**	**7,773**	**11,347**
As at 31 December 2025	**(61,756)**	**(25,697)**	**(87,453)**

The fair values of the above derivatives are based on the valuations provided by the counterparty financial institutions and details of valuation techniques and key inputs used are disclosed in note 41(f).

22. STOCK OF PROPERTIES

	2025 HK$'000	2024 HK$'000
Properties under development for sale (note a)	–	11,683,536
Properties held for sale (note b)	5,823,629	978,048
	5,823,629	12,661,584

Notes:

(a) In February 2021, the Group entered into various agreements with MTR Corporation Limited (the original owner of a piece of land in Ho Man Tin, Kowloon, which is subject to development) and other interest parties including the preceding developer for the development of the relevant land (the "HMT Project"). Pursuant to the terms of these agreements, the Group became the succeeding developer of the HMT Project. During the year ended 31 December 2025, the property was transferred from properties under development for sale to properties held for sale upon occupation permit of the development was obtained in February 2025.

(b) Other than the HMT Project as mentioned in note a above, properties held for sale also includes a residential site in Pak Shek Kok, Tai Po. Occupation permit of the development was obtained in June 2020.

As at the end of the reporting period, the Directors assessed whether there is any objective evidence of impairment of the stock of properties held. No recognition of write-down of stock of properties is required as at 31 December 2025 and 2024.

23. INVENTORIES

	2025 HK$'000	2024 HK$'000
Raw materials	18,154	17,466
Trading goods	1,442	1,749
Provisions and beverages	46,415	42,559
Work-in-progress	23,314	35,889
	89,325	97,663

24. DEBTORS, DEPOSITS AND PREPAYMENTS

	2025 HK$'000	2024 HK$'000
Trade debtors, net of allowance for doubtful debts	**269,978**	264,154
Deferred lease receivables	**87,564**	91,415
Retention money receivables	**6,172**	9,755
Other receivables, net of credit losses on interest receivables	**296,257**	886,032
Deposits and prepayments	**440,279**	587,497
	1,100,250	1,838,853

Included in the balance of debtors, deposits and prepayments are trade debtors (net of allowance for doubtful debts) of HK$269,978,000 (2024: HK$264,154,000). For hotel income and sale of goods, the Group allows an average credit period of 30 - 60 days to certain trade customers. Rentals receivable from tenants and service income receivable from customers are payable on presentation of invoices.

The trade receivables from contracts with customers and retention money receivables are as follows:

	2025 HK$'000	2024 HK$'000
Trade receivables from contracts with customers	**257,435**	235,380
Retention money receivables	**6,172**	9,755
Amount due within one year	**(3,814)**	(5,064)
Amount due after one year	**2,358**	4,691

As at 1 January 2024, trade receivables from contracts with customers and retention money receivables amounted to HK$243,663,000 and HK$10,686,000, respectively.

Deposits and prepayments mainly consist of rental deposit paid, prepaid expenses for hotel operations and prepaid contribution for a project with an associate.

The following is an analysis of trade debtors by age, presented based on the invoice date, net of allowance for doubtful debts:

	2025 HK$'000	2024 HK$'000
Within 3 months	**251,250**	233,223
More than 3 months but within 6 months	**12,176**	19,850
Over 6 months	**6,552**	11,081
	269,978	264,154

24. DEBTORS, DEPOSITS AND PREPAYMENTS (continued)

As at 31 December 2025, included in the Group's trade debtors balance are debtors with aggregate carrying amount of HK$34,053,000 (2024: HK$57,347,000) which are past due at the reporting date for which the Group has not provided any allowance as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade and other receivables for the year ended 31 December 2025 are set out in note 41.

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 HK$'000	2024 HK$'000
Equity linked notes	**84,324**	68,217
Liquidity funds	**–**	28,475
Listed equity securities held for trading	**563,377**	480,869
	647,701	577,561

At the end of the reporting period, all the listed equity securities were stated at fair values which have been determined by reference to closing prices quoted in the active markets.

The Group had entered into equity linked notes and liquidity funds with banks, the redemption amount and interest rates vary depending on various conditioning terms and different strike prices, further details are as follows:

2025		2024	
Nominal values/ principal amount	Maturity period	Nominal values/ principal amounts	Maturity period
Equity linked notes		Equity linked notes	
US$2,000,000 to US$3,000,000	**3 months to 4 months**	US$1,000,000 to US$2,000,000	6 months
HK$2,000,000 to HK$8,000,000	**4 months**		
Liquidity funds		Liquidity funds	
US$nil	**N/A**	US$3,668,000	N/A

26. RESTRICTED CASH AND BANK BALANCES AND CASH

Restricted cash

Restricted cash represented an amount equivalent to HK$181,208,000 (2024: HK$113,166,000) carried market interest rates ranging from 0.05% to 4.44% (2024: 0.35% to 5.66%) per annum was placed in designated bank account pursuant to applicable loan facilities requirements.

Bank balances and cash

Cash at banks carried interest at prevailing market rates. Short-term bank deposits with original maturity of less than three months carried interest at market rates ranging from 0.05% to 4.60% (2024: 2.40% to 5.58%) per annum.

27. CREDITORS, DEPOSITS AND ACCRUALS

	2025 HK$'000	2024 HK$'000
Trade creditors	**304,769**	335,548
Deposits received	**648,267**	688,730
Customer deposits and other deferred revenue	**554,929**	5,150,360
Construction fee payable and retention money payable	**859,817**	41,592
Accruals, interest payable and other payables (note)	**2,476,713**	2,611,109
	4,844,495	8,827,339

Note: With reference to the HMT Project as disclosed in note 22, the estimated sharing of surplus proceeds amounted to HK$36,103,000 (2024: HK$61,600,000), which is measured at fair value, is included in the accruals, interest payable and other payables as at 31 December 2025.

In determining the sharing of surplus proceeds of the HMT Project, the Directors have taken into account the expectation of forecast sales and budgeted costs of the development, which involves the application of significant judgement and estimates. Inputs and assumption reflecting the best estimation of the Directors are used based on the then available information. Notwithstanding periodic reviews and revisions of these estimates at each subsequent reporting dates, the assumptions and expectations may change when more information become known and/or available so that the actual sharing of surplus proceeds may be higher or lower than the estimated amount. Any changes would be reflected in the financial statements in the period when such changes occur.

Included in the accruals is accrual of stamp duty based on the current stamp duty rate of 4.25% (2024: 4.25%) on the stated consideration of HK$22,670,000,000 in the property sale and purchase agreements for the legal assignment of the investment properties which Champion REIT acquired the property interests in Three Garden Road upon listing.

Apart from the above, accruals, interest payable and other payables mainly consist of accrued operating expenses for the hotels.

27. CREDITORS, DEPOSITS AND ACCRUALS (continued)

The following is an analysis of trade creditors by age, presented based on the invoice date:

	2025 HK$'000	2024 HK$'000
Within 3 months	**296,744**	323,615
More than 3 months but within 6 months	**6,728**	7,749
Over 6 months	**1,297**	4,184
	304,769	335,548

Customer deposits and other deferred revenue comprised:

	2025 HK$'000	2024 HK$'000
Hotel operations	**310,026**	284,502
Sale of properties	**216,258**	4,829,003
Sale of goods	**2,126**	6,670
Others	**26,519**	30,185
	554,929	5,150,360

As at 1 January 2024, customer deposits and other deferred revenue amounted to HK$498,044,000.

Timing of satisfying the performance obligations of hotel operations and sale of goods and typical timing of payment are set out in note 5(ii).

The following table shows how much of the revenue recognised in the current year that are included in the customer deposits and other deferred revenue balance at the beginning of the year.

	2025 HK$'000	2024 HK$'000
Hotel operations	**121,367**	106,886
Sale of properties	**4,633,435**	79,497
Sale of goods	**147,660**	75,772
Others	**29,403**	11,775
	4,931,865	273,930

28. BORROWINGS

	2025 HK$'000	2024 HK$'000
Bank loans and revolving loans	**27,829,738**	27,931,580
Other loans	**–**	217,378
	27,829,738	28,148,958
Loan front-end fee	**(91,814)**	(125,860)
	27,737,924	28,023,098

The maturity of the above loans based on scheduled repayment terms is as follows:

	2025 HK$'000	2024 HK$'000
Within one year	**4,297,879**	2,729,179
More than one year but not exceeding two years	**17,217,881**	5,025,341
More than two years but not exceeding five years	**6,222,164**	20,268,578
	27,737,924	28,023,098
Less: Amounts due within one year shown under current liabilities	**(4,297,879)**	(2,729,179)
Amounts due after one year shown under non-current liabilities	**23,440,045**	25,293,919

Borrowings amounting to HK$10,494,155,000 (2024: HK$12,098,134,000) were secured by way of legal charges over certain of the Group's assets and business undertakings.

As at 31 December 2025, unsecured revolving loan of HK$3,310,000,000 (2024: HK$2,710,000,000) was classified as non-current liabilities as the Group has the right, at the end of the reporting period, to roll over the obligation for at least twelve months after the end of the reporting period. The related revolving loan facilities are to be expired after one year from the end of the reporting period. The Group is required to comply with the certain conditions precedent as stipulated in the respective loan agreements upon each utilisation.

28. BORROWINGS (continued)

The exposure of the Group's fixed-rate borrowings and the contractual maturity dates are as follows:

	2025 HK$'000	2024 HK$'000
Within one year	**15,502**	–
More than one year but not exceeding two years	**–**	232,562
	15,502	232,562

The exposure of the Group's floating-rate borrowings and the contractual maturity dates are as follows:

	2025 HK$'000	2024 HK$'000
Within one year	**4,282,377**	2,729,179
More than one year but not exceeding two years	**17,217,881**	4,792,778
More than two years but not exceeding three years	**5,011,146**	17,503,918
More than three years but not exceeding four years	**677,549**	2,131,495
More than four years but not exceeding five years	**533,469**	633,166
	27,722,422	27,790,536

The ranges of effective interest rates per annum (which approximate to contracted interest rates) on the Group's borrowings are as follows:

	2025	2024
Fixed-rate borrowings	**1%**	1%
Floating-rate borrowings	**0.50% to 6.37%**	0.49% to 7.08%

The Group entered into interest rate swaps and cross currency swaps to manage the exposure to interest rate risk and currency risk of the floating-rate borrowings as disclosed in notes 20 and 21.

29. MEDIUM TERM NOTES

	2025 HK$'000	2024 HK$'000
Medium term notes	**2,609,600**	3,829,050
Origination fees	**(18,416)**	(23,589)
	2,591,184	3,805,461
Less: Amount due within one year shown under current liabilities	**–**	(1,223,585)
Amount due after one year shown under non-current liabilities	**2,591,184**	2,581,876

	2025 HK$'000	2024 HK$'000
The maturity of the medium term notes are as follows:		
Within one year	**–**	1,223,585
More than two years but not exceeding five years	**2,591,184**	274,874
More than five years	**–**	2,307,002
	2,591,184	3,805,461
Less: Amount due within one year shown under current liabilities	**–**	(1,223,585)
Amount due after one year shown under non-current liabilities	**2,591,184**	2,581,876

The major terms of the issued medium term notes are set out below:

2025		2024	
Principal amounts	Coupon rate (per annum)	Principal amounts	Coupon rate (per annum)
US$300,000,000	**2.95%**	US$300,000,000	2.95%
HK$275,000,000	**3.73%**	HK$1,500,000,000	Fixed rates ranging from 2.85% to 4.00%

The Group also entered into interest rate swaps and cross currency swaps, details of which are set out in note 21.

30. LEASE LIABILITIES

	2025 HK$'000	2024 HK$'000
Within one year	17,697	8,777
More than one year but not exceeding two years	20,464	14,802
More than two years but not exceeding five years	71,978	57,653
More than five years	485,449	467,425
	595,588	548,657
Less: Amount due within one year shown under current liabilities	(17,697)	(8,777)
Amount due after one year shown under non-current liabilities	577,891	539,880

The weighted average incremental borrowing rates applied to lease liabilities range from 1.07% to 5.97% (2024: 1.07% to 5.97%) per annum.

31. DEFERRED TAXATION

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior reporting years:

	Investment properties and property, plant and equipment HK$'000	Tax losses HK$'000	Others HK$'000	Total HK$'000
At 1 January 2024	1,620,335	(186,332)	(83,059)	1,350,944
Exchange differences	(28,604)	1,943	748	(25,913)
Charge (credit) to profit or loss for the year	21,534	(17,858)	(33,398)	(29,722)
Credit to other comprehensive income for the year	–	–	(5,629)	(5,629)
Effect of change in tax rule	240,227	–	–	240,227
At 31 December 2024	1,853,492	(202,247)	(121,338)	1,529,907
Exchange differences	20,715	(735)	(318)	19,662
(Credit)/charge to profit or loss for the year	(92,933)	11,264	1,092	(80,577)
Credit to other comprehensive income for the year	–	–	(5,308)	(5,308)
At 31 December 2025	1,781,274	(191,718)	(125,872)	1,463,684

31. DEFERRED TAXATION (CONTINUED)

For the purposes of presentation in the consolidated statement of financial position, deferred tax assets and liabilities have been offset and shown under non-current liabilities.

At the end of the reporting period, the Group has unutilised tax losses of HK$6,102,617,000 (2024: HK$5,949,920,000) available to offset against future profits. A deferred tax asset has been recognised in respect of HK$964,939,000 (2024: HK$1,022,016,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK$5,137,678,000 (2024: HK$4,927,904,000) due to the unpredictability of future profit streams. Tax losses may be carried forward indefinitely.

At the end of the reporting period, the Group has deductible temporary difference of HK$856,029,000 (2024: HK$334,167,000) arising from impairment losses recognised in respect of freehold land and hotel properties. A deferred tax asset has been recognised in respect of HK$728,879,000 (2024: HK$334,167,000) of such deductible temporary difference.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries operating in the USA, Australia and Canada for which deferred tax liabilities have not been recognised was HK$2,063,204,000 (2024: HK$2,112,649,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

32. SHARE CAPITAL

	2025		2024	
	Number of shares '000	Nominal value HK$'000	Number of shares '000	Nominal value HK$'000
Authorised:				
Shares of HK$0.50 each				
Balance brought forward and carried forward	**1,200,000**	**600,000**	1,200,000	600,000
Issued and fully paid:				
Shares of HK$0.50 each				
Balance brought forward and carried forward	**747,723**	**373,862**	747,723	373,862

33. RETIREMENT BENEFIT SCHEMES

The Group has established various retirement benefit schemes for the benefit of its staff in Hong Kong and overseas. In Hong Kong, the Group operates several defined contribution schemes for qualifying employees. The schemes are registered under the Occupational Retirement Schemes Ordinance. The assets of the schemes are administered by independent third parties and are held separately from the Group's assets. The schemes are funded by contributions from both employees and employers at rates ranging from 5% to 10% of the employee's basic monthly salary. Arrangements for staff retirement benefits of overseas employees vary from country to country and are made in accordance with local regulations and custom.

The Occupational Retirement Scheme in Hong Kong had been closed to new employees as a consequence of the new Mandatory Provident Fund Pension Legislation introduced by The Government of Hong Kong Special Administrative Region in 2000.

From 1 December 2000 onwards, new staff in Hong Kong joining the Group are required to join the new Mandatory Provident Fund Scheme. The Group is required to contribute 5%, while the employees are required to contribute 5% of their salaries to the scheme, subject to minimum and maximum relevant income levels.

Forfeited contributions to retirement schemes for the year ended 31 December 2025 amounting to HK$2,682,000 (2024: HK$4,878,000) have been used to reduce the existing level of contributions. Total contributions to retirement fund schemes for the year ended 31 December 2025 charged to the consolidated income statement amounted to HK$122,429,000 (2024: HK$114,834,000). As at 31 December 2025, contributions of HK$1,816,000 (2024: HK$2,367,000) due in respect of the year had not been paid over to the schemes.

34. MAJOR NON-CASH TRANSACTIONS

During the years ended 31 December 2025 and 2024, the Group entered into one (2024: two) new lease agreement for the use of leased property from 3 years (2024: 15 to 20 years). On the lease commencement, the Group recognised right-of-use assets and lease liabilities of HK$164,000 and HK$164,000 (2024: HK$202,969,000 and HK$202,969,000) respectively.

During the year ended 31 December 2025, the Group paid a special interim dividend in the form of a distribution in specie of 49,848,223 SSUs of Langham. The distribution is included in the consolidated statement of cash flows as non-cash transactions.

35. PLEDGE OF ASSETS

At 31 December 2025, the Group pledged the following assets for credit facilities granted to its subsidiaries:

(a) the Group's investment properties with a total carrying value of HK$282,200,000 (2024: HK$252,510,000) together with assignments of sales proceeds, insurance proceeds, rental income, revenue and all other income generated from the relevant property;

(b) the Group's freehold land, leasehold land and hotel buildings and furniture and fixtures with a total carrying value of HK$9,373,406,000 (2024: HK$9,548,711,000); and

(c) the Group's stock of properties with a total carrying value of HK$nil (2024: HK$11,683,536,000).

36. SHARE OPTIONS AND SHARE AWARDS

In accordance with a share option scheme of the Company (formerly Executive Share Option Scheme), which was adopted pursuant to an ordinary resolution passed on 10 June 1999 and amended by an ordinary resolution passed on 20 December 2001 (the "1999 Share Option Scheme"), the Board of Directors of the Company may grant options to eligible officers, employees, associates, agents and contractors, including executive directors of the Company and its subsidiaries, to subscribe for shares in the Company.

At the 2009 Annual General Meeting of the Company held on 27 May 2009, ordinary resolutions were proposed to approve the adoption of a new share option scheme (the "2009 Share Option Scheme") and termination of the operation of the 1999 Share Option Scheme. The resolutions were approved by the shareholders of the Company and the 2009 Share Option Scheme became effective for a period of 10 years, commencing on 27 May 2009.

Since the 2009 Share Option Scheme was due to expire on 26 May 2019, at the 2019 Annual General Meeting of the Company held on 22 May 2019, ordinary resolutions were proposed to approve the adoption of a new share option scheme (the "2019 Share Option Scheme") and termination of the operation of the 2009 Share Option Scheme. The resolutions were approved by the shareholders of the Company and the 2019 Share Option Scheme became effective for a period of 10 years, commencing on 22 May 2019.

In order to comply with the requirements of the amended Chapter 17 of the Listing Rules, a Special General Meeting of the Company was held on 29 May 2024, ordinary resolutions were proposed to approve the adoption of a new share option scheme (the "2024 Share Option Scheme") and a new share award scheme (the "2024 Share Award Scheme"). The resolutions were approved by the shareholders of the Company and both 2024 Share Option Scheme and 2024 Share Award Scheme became effective for a period of 10 years, commencing on 29 May 2024. The 2019 Share Option Scheme was terminated upon the adoption of the 2024 Share Option Scheme.

36. SHARE OPTIONS AND SHARE AWARDS (continued)

Further details of the 2009 Share Option Scheme

a. The purpose of the 2009 Share Option Scheme is to motivate officers, employees, associates, agents and contractors of the Company or any of its subsidiaries (the "Participant(s) of the 2009 Share Option Scheme") and to allow them to participate in the growth of the Company.

b. A Participant of the 2009 Share Option Scheme as determined by the Board of Directors of the Company include any person the Board of the Directors of the Company may select to be offered an option, subject to compliance with applicable laws, including, without limitation, any full-time or part-time employee of the Company or any of its subsidiaries, any executive or non-executive directors of the Company or any of its subsidiaries and any associate, agent or contractor of the Company or any of its subsidiaries.

c. The total number of ordinary shares of HK$0.50 each in the share capital of the Company (the "Shares") which may be issued upon exercise of all options to be granted under the 2009 Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the date of adoption of the 2009 Share Option Scheme.

d. The total number of Shares issued and to be issued upon exercise of the options granted to each Participant under the 2009 Share Option Scheme and any other option schemes of the Company (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the total number of Shares in issue.

e. The period within which the Shares must be taken up under an option is 36 months commencing on the expiry of 24 months after the date upon which the option is deemed to be granted and accepted and expiring on the last day of the 36-month period.

f. Any Participant of the 2009 Share Option Scheme who accepts an offer of the grant of an option in accordance with the terms of the scheme shall pay to the Company HK$1.00 by way of consideration for the grant thereof within a period of 28 days from the date on which an option is offered to the Participant ("Date of Grant").

g. The subscription price shall be determined by the Board of Directors of the Company and notified to a Participant of the 2009 Share Option Scheme and shall be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant, which must be a business day ("Business Day") (as defined in the Listing Rules); (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Date of Grant; and (iii) the nominal value of a Share on the Date of Grant, and as subsequently adjusted pursuant to the terms of the 2009 Share Option Scheme, if relevant.

36. SHARE OPTIONS AND SHARE AWARDS (continued)

Further details of the 2009 Share Option Scheme (continued)

h. The 2009 Share Option Scheme has a life of 10 years commenced on 27 May 2009 and was terminated on 22 May 2019.

Further details of the 2019 Share Option Scheme

a. The purpose of the 2019 Share Option Scheme is to motivate officers, employees, business associates, agents, contractors, business partners, consultants, advisers, suppliers, customers, subcontractors, joint venture partners or business alliances (the "Participant(s) of the 2019 Share Option Scheme") of the Company or any subsidiaries, associated companies and/or joint ventures of the Company ("Member(s) of the Group") and to allow them to participate in the growth of the Company.

b. A Participant of the 2019 Share Option Scheme as determined by the Board of Directors of the Company include any person the Board of Directors of the Company may select to be offered an option, subject to compliance with applicable laws, including, without limitation, any full-time or part-time employee of the Company or any Member of the Group, any executive or non-executive directors of the Company or any Member of the Group and any business associate, agent, contractor, business partner, consultant, adviser, supplier, customer, subcontractor, joint venture partner or business alliance of the Company or any Member of the Group.

c. The total number of Shares which may be issued upon exercise of all options to be granted under the 2019 Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the date of adoption of the 2019 Share Option Scheme.

d. The total number of Shares issued and to be issued upon exercise of the options granted to each Participant under the 2019 Share Option Scheme and any other option schemes of the Company (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the total number of shares of the Company in issue.

e. The period within which the Shares must be taken up under an option is 36 months commencing on the expiry of 24 months after the date upon which the option is deemed to be granted and accepted and expiring on the last day of the 36-month period.

f. Any Participant of the 2019 Share Option Scheme who accepts an offer of the grant of an option in accordance with the terms of the scheme shall pay to the Company HK$1.00 by way of consideration for the grant thereof within a period of 28 days from the date on which an option is offered to the Participant.

36. SHARE OPTIONS AND SHARE AWARDS (continued)

Further details of the 2019 Share Option Scheme (continued)

g. The subscription price shall be determined by the Board of Directors of the Company and notified to a Participant of the 2019 Share Option Scheme and shall be at least the higher of (i) the closing price of the Shares of the Company as stated in the Stock Exchange's daily quotations sheet on the Date of Grant, which must be a Business Day (as defined in the Listing Rules); (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Date of Grant; and (iii) the nominal value of a Share on the Date of Grant, and as subsequently adjusted pursuant to the terms of the 2019 Share Option Scheme, if relevant.

h. The 2019 Share Option Scheme has a life of 10 years commenced on 22 May 2019 and was terminated on 29 May 2024.

Further details of the 2024 Share Option Scheme

a. The purpose of the 2024 Share Option Scheme is to enable the Company to grant options to selected Eligible Participants (defined in note b below) as retention incentives or rewards for their contributions to the Group, to attract suitable personnel to enhance the development of the Group and to align the interests of the grantees generally with those of the shareholders of the Company for the benefit of the medium to long term development of the Group.

b. The Share Scheme Committee was set up by the Board and is empowered, in its sole and absolute discretion and based on such factors as it shall consider relevant and subject to approval of the Remuneration Committee, to grant options to any director or employee of, or any person who has accepted an employment offer (whether full time or part time) from, or who is being granted options as an inducement to enter into employment contract with, the Company or any member of the Group (the "Eligible Participant(s) of the 2024 Share Option Scheme") whom it shall select from time to time.

c. The total number of Shares available for issue under all share schemes of the Company is 74,772,334, representing 10% of the issued Shares as at the date of approval for issuance of these consolidated financial statements.

d. The maximum number of Shares which may be issued upon the exercise of all options and vesting of all awards granted and to be granted under all share schemes of the Company, which shall initially not exceed in aggregate 10% of the issued Shares as at the adoption date and thereafter, if refreshed shall not exceed 10% of the Shares in issue at the date of approval of the refreshed limit by the shareholders of the Company.

36. SHARE OPTIONS AND SHARE AWARDS (continued)

Further details of the 2024 Share Option Scheme (continued)

e. No offer of options to an Independent Non-executive Director or a substantial shareholder of the Company, or any of their associates shall result in the new Shares issued and to be issued in respect of all options granted under the 2024 Share Option Scheme together with any awards and/or options granted under any other share scheme to such person in the 12-month period up to and including the date of grant of options under the 2024 Share Option Scheme in aggregate exceeding 0.1% of the Shares in issue on the date of grant.

f. Without prejudice to note e above, no grant of options to any Eligible Participant shall result in the new Shares issued and to be issued upon exercise in respect of all options granted under the 2024 Share Option Scheme together with any awards and/or options granted under any other share scheme to such person in the 12-month period up to and including the date of grant of options under the 2024 Share Option Scheme in aggregate exceeding 1% of the total number of Shares in issue on the date of grant.

g. The minimum vesting period for an option shall not be less than 24 months, unless otherwise determined by the Share Scheme Committee and approved by the Remuneration Committee. The period within which the Shares must be taken up under an option is to be determined by the Share Scheme Committee, such period to expire not later than 10 years from the Date of Grant and subject to earlier termination. The Share Scheme Committee may also specify conditions, restrictions or limitations before the option can be exercised.

h. Any Eligible Participant of the 2024 Share Option Scheme who accepts an offer of the grant of an option in accordance with the terms of the scheme shall pay to the Company HK$1.00 by way of consideration for the grant thereof within a period of 21 days from the date on which an option is offered to the Eligible Participant.

i. The Share Scheme Committee has the sole and absolute discretion to determine the performance, operating and financial targets and other criteria to be satisfied before the option can vest.

j. The subscription price shall be determined by the Share Scheme Committee and notified to an Eligible Participant of the 2024 Share Option Scheme and shall be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant, which must be a Business Day (as defined in the Listing Rules); (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Date of Grant; and (iii) the nominal value of a Share on the Date of Grant, and as subsequently adjusted pursuant to the terms of the 2024 Share Option Scheme, if relevant.

k. The 2024 Share Option Scheme has a life of 10 years commenced on 29 May 2024.

36. SHARE OPTIONS AND SHARE AWARDS (continued)

Further details of the 2024 Share Award Scheme

a. The purpose of the 2024 Share Award Scheme is to enable the Company to grant awards to selected Eligible Participants (defined in note b below) as retention incentives or rewards for their contributions to the Group, to attract suitable personnel to enhance the development of the Group and to align the interests of the grantees generally with those of the shareholders of the Company for the benefit of the medium to long term development of the Group.

b. The Share Scheme Committee was set up by the Board and is empowered, in its sole and absolute discretion and based on such factors as it shall consider relevant and subject to the approval of the Remuneration Committee, to grant awards to any director or employee of, or any person who has accepted an employment offer (whether full time or part time) from, or who is being granted awards as an inducement to enter into employment contract with, the Company or any member of the Group (the "Eligible Participant(s) of the 2024 Share Award Scheme") it shall select from time to time.

c. The total number of awards available for issue under the 2024 Share Award Scheme and any awards and/or options granted under any other share schemes is 74,772,334, representing 10% of the issued Shares as at the date of approval for issuance of these consolidated financial statements.

d. The maximum number of Shares which may be issued upon the exercise of all options and vesting of all awards to be granted and to be granted under all share schemes of the Company, which shall initially not exceed in aggregate 10% of the issued Shares as at the adoption date and thereafter, if refreshed shall not exceed 10% of the issued Shares at the date of approval of the refreshed limit by the shareholders of the Company.

e. No award to a Director (other than an Independent Non-executive Director) or the chief executive of the Company, or any of their associates shall result in the new Shares issued and to be issued in respect of all awards granted under the 2024 Share Award Scheme together with any awards and/or options granted under any other share scheme to such person in the 12-month period up to and including the grant date of awards under the 2024 Share Award Scheme in aggregate exceeding 0.1% of the Shares in issue on the grant date.

36. SHARE OPTIONS AND SHARE AWARDS (continued)

Further details of the 2024 Share Award Scheme (continued)

f. No award to an Independent Non-executive Director or a substantial shareholder of the Company, or any of their associates shall result in the new Shares issued and to be issued in respect of all awards granted under the 2024 Share Award Scheme together with any awards and/or options granted under any other share scheme to such person in the 12-month period up to and including the grant date of awards granted under the 2024 Share Award Scheme in aggregate exceeding 0.1% of the Shares in issue on the grant date.

g. Without prejudice to notes e and f above, no award to any Eligible Participant shall result in the new Shares issued and to be issued in respect of all awards granted under the 2024 Share Award Scheme together with any awards and/or options granted under any other share scheme to such person in the 12-month period up to and including the grant date of awards granted under the 2024 Share Award Scheme in aggregate exceeding 1% of the number of Shares in issue on the grant date.

h. The Share Scheme Committee may from time to time determine and shall specify, the number of Shares in respect of which an offer for the grant of an award ("the Offer") is made, the date of vesting or vesting schedule, which shall not be more than 10 years from grant date, and such other terms and conditions to which the awards shall be subject.

i. An Offer shall remain open for acceptance by the Eligible Participant concerned for a period of 21 days from the date on which the Offer is made or such other period as the Share Scheme Committee may specify in writing.

j. The Share Scheme Committee has the sole and absolute discretion and based on such factors as it shall consider relevant, subject to approval of the Remuneration Committee, to determine (i) the minimum vesting period, which shall not be less than 36 months; (ii) the performance, operating and financial targets and other criteria to be satisfied before the awards can vest; (iii) the amount, if any payable on acceptance of the awards and the period within which payments or calls must or may be made or loans for such purposes must be repaid; (iv) the period, if any, during which Shares allotted and issued or transferred upon vesting of the awards shall be subject to restrictions on dealings, and the terms of such restrictions; and (v) the notification period, if any, to be given to the Company of any intended sale of Shares allotted and issued or transferred upon vesting of the awards.

k. The 2024 Share Award Scheme has a life of 10 years commenced on 29 May 2024.

36. SHARE OPTIONS AND SHARE AWARDS (continued)

The following tables disclose details of the Company's share options held by employees, including Directors, and movements in such holdings under the 2009 Share Option Scheme and 2019 Share Option Scheme during the year:

	In 2025 Number of shares				In 2024 Number of shares			
Year of grant of options	Outstanding options at 1 January	Options granted	Options lapsed	Outstanding options at 31 December	Outstanding options at 1 January	Options granted	Options lapsed	Outstanding options at 31 December
2009 Share Option Scheme								
2019	–	–	–	–	3,717,000	–	(3,717,000)	–
Exercisable at end of the year				–				–
Weighted average exercise price	N/A	N/A	N/A	N/A	HK$39.05	N/A	HK$39.05	N/A
2019 Share Option Scheme								
2020	3,770,000	–	(3,770,000)	–	3,954,000	–	(184,000)	3,770,000
2021	3,530,000	–	(191,000)	3,339,000	3,689,000	–	(159,000)	3,530,000
2022	4,159,000	–	(238,000)	3,921,000	4,378,000	–	(219,000)	4,159,000
2023	4,851,000	–	(245,000)	4,606,000	5,233,000	–	(382,000)	4,851,000
2024	5,468,000	–	(246,000)	5,222,000	–	6,155,000	(687,000)	5,468,000
	21,778,000	–	(4,690,000)	17,088,000	17,254,000	6,155,000	(1,631,000)	21,778,000
Exercisable at end of the year				11,866,000				11,459,000
Weighted average exercise price	HK$18.49	N/A	HK$20.98	HK$17.80	HK$20.89	HK$11.18	HK$16.35	HK$18.49
2024 Share Option Scheme								
2025	–	800,000	–	800,000	–	–	–	–
Exercisable at end of the year				–				–
Weighted average exercise price	N/A	HK$1.55	N/A	HK$1.55	N/A	N/A	N/A	N/A

36. SHARE OPTIONS AND SHARE AWARDS (continued)

Details of the share options held by the Directors under the 2009 Share Option Scheme, 2019 Share Option Scheme and 2024 Share Option Scheme included in the above tables are as follows:

	In 2025 Number of shares				In 2024 Number of shares			
Year of grant of options	Outstanding options at 1 January	Options granted	Options lapsed	Outstanding options at 31 December	Outstanding options at 1 January	Options granted	Options lapsed	Outstanding options at 31 December
2009 Share Option Scheme								
2019	–	–	–	–	1,996,000	–	(1,996,000)	–
2019 Share Option Scheme								
2020 - 2024	9,196,000	–	(1,840,000)	7,356,000	7,176,000	2,020,000	–	9,196,000
2024 Share Option Scheme								
2025	–	800,000	–	800,000	–	–	–	–
Exercisable at end of the year				–				–
Weighted average exercise price	N/A	HK$1.55	N/A	HK$1.55	N/A	N/A	N/A	N/A

No option has been exercised under the 2009 Share Option Scheme, 2019 Share Option Scheme and 2024 Share Option Scheme for the year ended 31 December 2025 and 2024.

Details of options granted under the 2009 Share Option Scheme, the 2019 Share Option Scheme and 2024 Share Option Scheme in each year are as follows:

Year	Date of grant	Exercisable period	Subscription price per share HK$
2009 Share Option Scheme			
2019	14.3.2019	15.3.2021 - 14.3.2024	39.05
2019 Share Option Scheme			
2020	18.3.2020	19.3.2022 - 18.3.2025	21.65
2021	18.3.2021	19.3.2023 - 18.3.2026	28.45
2022	18.3.2022	19.3.2024 - 18.3.2027	19.06
2023	20.3.2023	21.3.2025 - 20.3.2028	16.52
2024	20.3.2024	21.3.2026 - 20.3.2029	11.18
2024 Share Option Scheme			
2025	20.3.2025	21.3.2027 - 20.3.2030	13.364

36. SHARE OPTIONS AND SHARE AWARDS (continued)

Notes:

(i) Consideration paid for each acceptance of grant of options was HK$1.00.

(ii) The vesting period for the option grant is 24 months from date of grant.

(iii) The following significant assumptions were used to derive the fair value, using the Black-Scholes option pricing model:

Date of grant	Closing price per share as at the date of grant HK$	Exercise price HK$	Expected volatility (note a)	Expected dividend yield (note b)	Expected life from grant date	Risk free interest rate (note c)	Fair value per option HK$
14.3.2019	39.05	39.05	19.23%	2.31%	5 years	2.24%	6.24
18.3.2020	20.80	21.65	22.48%	5.13%	5 years	1.50%	2.56
18.3.2021	28.45	28.45	34.58%	3.36%	5 years	1.01%	6.89
18.3.2022	19.06	19.06	33.54%	5.26%	5 years	2.15%	4.24
20.3.2023	16.08	16.52	25.35%	6.28%	5 years	3.17%	2.47
20.3.2024	10.98	11.18	20.55%	13.01%	5 years	3.96%	0.92
20.3.2025	13.32	13.364	10.99%	8.68%	5 years	3.43%	1.55

Notes:

(a) The expected volatility was based on 5-year historical volatility of the Company's shares.

(b) The expected dividend yield was based on 5-year historical dividends of the Company.

(c) Risk free interest rate was approximated the yield of 5-year Exchange Fund Note on the date of grant.

The variables and assumptions used in computing the fair value of the share options are based on the Directors' best estimate. Change in variables and assumptions may result in changes in fair value of the options.

36. SHARE OPTIONS AND SHARE AWARDS (continued)

2024 Share Award Scheme

The following tables disclose details of the Company's share awards held by employees, including Directors, and movements in such holdings under the 2024 Share Award Scheme during the year:

	In 2025 Number of shares				In 2024 Number of shares			
Year of grant of awards	Outstanding awards at 1 January	Awards granted	Awards lapsed	Outstanding awards at 31 December	Outstanding awards at 1 January	Awards granted	Awards lapsed	Outstanding awards at 31 December
2025	–	834,710	(48,059)	786,651	–	–	–	–

Details of the share awards held by the Directors under the 2024 Share Award Scheme included in the above table are as follows:

	In 2025 Number of shares				In 2024 Number of shares			
Year of grant of awards	Outstanding awards at 1 January	Awards granted	Awards lapsed	Outstanding awards at 31 December	Outstanding awards at 1 January	Awards granted	Awards lapsed	Outstanding awards at 31 December
2025	–	153,178	–	153,178	–	–	–	–

During the year ended 31 December 2025, 834,710 shares were awarded on 20 March 2025. The fair value of the awarded shares was HK$13.32, which was determined by using the closing price of the Company's share as at the date of grant. The vesting period for the share awards is 36 months after the date of grant.

The Group recognised the total expense of HK$6,518,000 for the year ended 31 December 2025 (2024: HK$9,164,000) in relation to share options and share awards granted by the Company.

All the options and awards forfeited before expiry of the options and awards were treated as lapsed options and awards under the relevant share option scheme and share award scheme.

37. COMMITMENTS AND CONTINGENT LIABILITIES

At 31 December 2025, the Group has authorised capital expenditure for investment properties and property, plant and equipment which is not provided for in these consolidated financial statements amounting to HK$3,388,161,000 (2024: HK$7,562,999,000) of which HK$958,081,000 (2024: HK$807,631,000) was contracted for.

Other than that, the Group did not have any significant commitments and contingent liabilities at the end of the reporting period.

38. OPERATING LEASE ARRANGEMENTS

The Group as lessor

Property rental income earned during the year was HK$2,124,356,000 (2024: HK$2,342,286,000). The properties held had committed leases mainly running for the next one to six years for both years.

Contingent rental income was calculated based on the excess of certain percentage of revenue of the relevant operation that occupied certain of the properties over the fixed portion of the monthly rentals. Included in property rental income is contingent rental income earned during the year ended 31 December 2025 amounted to HK$172,460,000 (2024: HK$196,691,000).

Minimum lease payments receivable on leases are as follows:

	2025 HK$'000	2024 HK$'000
Within one year	**1,540,210**	1,716,069
In the second year	**1,167,801**	914,323
In the third year	**672,619**	492,599
In the fourth year	**300,410**	179,630
In the fifth year	**100,705**	75,816
After five years	**71,303**	51,362
	3,853,048	3,429,799

Where leases are negotiated at a fixed rate for the first few years, but subject to renegotiation for the remaining contracted lease terms, the minimum lease payments are calculated based on the latest negotiated rent, if any.

The Group as lessee

At the end of reporting period, the Group has lease commitments of HK$2,177,000 (2024: HK$2,210,000) for short-term leases which fall due within one year and lease commitments of HK$24,000 (2024: HK$120,000) for short-term leases which fall due in second year.

39. CONNECTED AND RELATED PARTY DISCLOSURES

The Group had the following significant related party balances and transactions during the year. The transactions were carried out in the normal course of the Group's business on terms mutually agreed between the parties. Dr. Lo Ka Shui is the chairman and managing director of the Company. Transactions with the Group were disclosed as related party transactions.

	2025 HK$'000	2024 HK$'000
Transaction with a related party for the year ended 31 December		
Dr. Lo Ka Shui		
Management fee income	**1,248**	1,527

	2025 HK$'000	2024 HK$'000
Transactions with related companies for the year ended 31 December		
Shui On Land Limited and its subsidiaries[1]		
Hotel income	**2,567**	2,403
Building management fee expenses	**1,267**	–
Management fee expenses	**3,100**	3,100
Global marketing fee	**980**	652
Rental and licence fee expenses	**739**	–
SOCAM Development Limited and its subsidiaries[1]		
Trading income	–	294
Shui Sing (BVI) Limited and its subsidiaries[2]		
Management fee income	**264**	264
Repair and maintenance income	**302**	309
Agency fee income	**74**	66
Healthy Seed[3]		
Management fee income	**167**	196
Rental income	**97**	127
Building management fee income	**180**	180
Repair and maintenance income	–	43

Transactions with related companies and a related party are also connected transactions as defined in the Chapter 14A of the Listing Rules.

39. CONNECTED AND RELATED PARTY DISCLOSURES (continued)

	2025 HK$'000	2024 HK$'000
Balances with related companies and parties as at 31 December		
Amounts due from related companies (included in debtors, deposits and prepayments)		
Shui On Land Limited and its subsidiaries[1]	**602**	1,035
Shui Sing (BVI) Limited and its subsidiaries[2]	**17**	21
	619	1,056
Amounts due from related parties (included in debtors, deposits and prepayments)		
Dr. Lo Ka Shui	**–**	21
Mr. Lo Kai Shui	**664**	664
	664	685
Amounts due to related companies (included in creditors, deposits and accruals)		
Shui Sing (BVI) Limited and its subsidiaries[2]	**59**	148
Healthy Seed[3]	**73**	73
	132	221

Balances with related companies and parties are unsecured, interest-free and repayable on demand. Other than the above balances and amounts due from joint ventures as disclosed in note 16, the Group has no other related company balances.

Notes:

1 Mr. Lo Hong Sui, Vincent, being a director and controlling shareholder of these companies, is an associate of Dr. Lo Ka Shui (a substantial shareholder of the Company), Madam Lo To Lee Kwan, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Dr. Lo Ying Sui and Mr. Lo Chun Him, Alexander, all being Directors of the Company, and Mr. Lo Kai Shui.

2 Dr. Lo Ka Shui, Madam Lo To Lee Kwan, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, all being Directors of the Company, and Mr. Lo Kai Shui, are among the discretionary beneficiaries under a discretionary trust, being a substantial shareholder of this company, holding 34.06% (2024: 34.06%) interest of the Company.

3 Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander, are directors of this company.

The remuneration of the Directors and members of key management during the year were disclosed in note 11. The remuneration of the Directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

40. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which include borrowings and medium term notes disclosed in notes 28 and 29 respectively, and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associate with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include equity instruments at FVTOCI, notes and loan receivables, trade debtors, other receivables and deposits, retention money receivables, amounts due from joint ventures, financial assets at FVTPL, restricted cash, bank balances and cash, trade creditors, other payables, rental deposits received, construction fee payable and retention money payable, distribution payable, borrowings and medium term notes. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and lease liabilities and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Market risk

(i) Interest rate risk

The Group's fair value interest rate risk relates primarily to fixed-rate short term bank deposits, time deposits with original maturity over three months, restricted cash, notes and loan receivables, fixed-rate borrowings, certain medium term notes and lease liabilities.

The Group's exposure to cash flow interest rate risk is resulted primarily from adverse change in interest rates determined by benchmark interest rates of various currencies arising from floating-rate borrowings and certain medium term notes.

The Group will continue to maintain a reasonable mix of floating-rate and fixed-rate borrowings and take actions such as using interest rate swap to hedge against any foreseeable interest rate exposure, if necessary.

The interest rate and terms of the financial assets and financial liabilities are set out in respective notes.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

(i) Interest rate risk (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates, including derivatives which are designated as effective hedging instruments for floating-rate borrowings, certain medium term notes, mortgage loan receivables and bank balances at the end of the reporting period. The analysis is prepared assuming the amounts of liabilities outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2024: 50 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit before tax for the year ended 31 December 2025 would decrease/increase by HK$63,848,000 (2024: HK$99,201,000).

(ii) Currency risk

The Group has certain bank deposits, medium term notes, financial assets at FVTPL, equity instruments at FVTOCI, notes and loan receivables that are denominated in foreign currencies which expose the Group to foreign currency risk. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rate and where necessary, using cross currency swaps and foreign currency derivative contracts.

The Group has certain medium term notes denominated in a foreign currency (i.e. US$) and such foreign currency risk is managed by entering into cross currency swaps to hedge against its exposures to changes in foreign exchange rate on part of its medium term notes amounted to US$300,000,000 (2024: US$300,000,000). The cross currency swaps are designated as effective hedging instruments and hedge accounting is used (see note 21 for details). The Group reviewed the continuing effectiveness of hedging instruments at least at the end of each reporting period. The Group mainly uses regression analysis and comparison of change in fair value of the hedging instruments and the hedged items for assessing the hedge effectiveness. As the foreign currency risk of part of its medium term notes is hedged, no sensitivity analysis has been prepared accordingly.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	2025 HK$'000	2024 HK$'000	2025 HK$'000	2024 HK$'000
US$	**1,042,191**	809,787	–	–
Renminbi ("RMB")	**236,398**	251,083	–	–
Pound Sterling	**762,450**	644,908	–	–
Euro	**9,077**	31,294	–	4,901
AU$	**165,954**	148,361	–	–
Macau pataca	–	15	–	–
Singapore dollars	**107,640**	99,623	–	–
Canadian dollars	**194,863**	180,804	–	–
Japanese Yen	**115,435**	122,679	–	–

Sensitivity analysis

The following table details the Group's sensitivity to a 10% (2024: 10%) increase and decrease in the HK$ against the relevant foreign currencies. As HK$ are pegged to US$, no material currency risk exposure is expected on US$ denominated monetary assets and monetary liabilities and the cross currency swaps. Therefore they are excluded from the sensitivity analysis below. 10% (2024: 10%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% (2024: 10%) change in foreign currency rate. A positive number below indicates a decrease in loss before tax where HK$ weaken 10% (2024: 10%) against the relevant currency. For a 10% (2024: 10%) strengthening of HK$ against the relevant currency, there would be an equal and opposite impact on the loss before tax for the year, and the balances below would be negative.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

Sensitivity analysis (continued)

	2025 HK$'000	2024 HK$'000
RMB	**23,640**	25,108
Pound Sterling	**76,245**	64,491
Euro	**908**	2,639
AU$	**16,595**	14,836
Macau pataca	**–**	2
Singapore dollars	**10,764**	9,962
Canadian dollars	**19,486**	18,080
Japanese Yen	**11,544**	12,268

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(iii) Other price risk

The Group's listed and certain unlisted equity instruments at FVTOCI, listed equity securities held for trading, and equity linked notes at FVTPL are measured at fair value at the end of the reporting period. Therefore, the Group is exposed to equity price risk in relation to these financial assets. In order to mitigate such risk, the Group would monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date.

If the prices of the listed and unlisted equity instruments at FVTOCI measured at fair value had been 10% (2024: 10%) higher/lower, investment revaluation reserve would increase/decrease by HK$149,753,000 (2024: HK$131,938,000) for the Group as a result of the changes in fair value of listed and unlisted equity instruments at FVTOCI.

If the prices of the listed equity securities held for trading measured at fair value had been 10% (2024: 10%) higher/lower, fair value changes on financial assets at FVTPL would increase/decrease by HK$56,338,000 (2024: HK$48,087,000) for the Group as a result of the changes in fair value of listed equity securities held for trading.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings, maintains sufficient availability of banking facilities and ensures compliance with loan covenants as well as by continuously monitoring forecast and actual cash flows.

The Group has cash and cash equivalents of HK$8,845,189,000 as at 31 December 2025 (2024: HK$6,769,320,000). In addition to the cash resources, the Group has available borrowing facilities of which undrawn committed facility in the form of revolving bank loans amounted to HK$7,011,940,000 as at 31 December 2025 (2024: HK$9,281,404,000).

The Group established a US$1 billion guaranteed medium term note programme, under which unsecured notes may be issued from time to time in various currencies and amounts with fixed or floating rates to be set upon issuance of notes and will be guaranteed. The Group issued an aggregate principal amounts of HK$275,000,000 and US$300,000,000 as at 31 December 2025 (2024: HK$1,500,000,000 and US$300,000,000).

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities, which has been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is calculated based on effective interest rate at the end of the reporting period.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

	Interest rate	Within 1 year HK$'000	1 to 2 years HK$'000	2 to 3 years HK$'000	3 to 4 years HK$'000	Over 4 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount as at 31 December HK$'000
2025								
Rental deposit received	–	207,845	97,628	120,110	18,332	84,664	528,579	528,579
Non-interest bearing	–	1,667,687	–	–	–	–	1,667,687	1,667,687
Financial liability designated at fair value	–	–	–	–	–	36,103	36,103	36,103
Fixed interest rate instruments	1.00% to 4.00%	94,621	79,120	348,991	68,784	2,363,559	2,955,075	2,606,686
Variable interest rate instruments	0.50% to 6.37%	5,379,809	17,851,475	5,286,903	677,669	538,387	29,734,243	27,722,422
Lease liabilities	1.07% to 5.97%	47,286	49,245	49,375	50,855	708,942	905,703	595,588
		7,397,248	18,077,468	5,805,379	815,640	3,731,655	35,827,390	33,157,065
2024								
Rental deposit received	–	323,939	93,138	78,313	45,606	26,987	567,983	567,983
Non-interest bearing	–	1,159,608	–	–	–	–	1,159,608	1,159,608
Financial liability designated at fair value	–	–	–	–	–	61,600	61,600	61,600
Fixed interest rate instruments	1.00% to 4.00%	121,378	1,536,527	78,964	73,836	2,707,110	4,517,815	4,038,023
Variable interest rate instruments	0.49% to 7.08%	4,217,389	5,151,768	19,278,108	2,171,403	640,561	31,459,229	27,790,536
Lease liabilities	1.07% to 5.97%	36,832	42,422	44,295	45,446	701,874	870,869	548,657
		5,859,146	6,823,855	19,479,680	2,336,291	4,138,132	38,637,104	34,166,407

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments based on their contractual maturities. For derivative financial instruments settled on a net basis, undiscounted net cash inflows (outflows) are presented. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

	Within 1 year HK$'000	1 to 2 years HK$'000	2 to 5 years HK$'000	Over 5 years HK$'000	Total amount HK$'000	Total carrying amount HK$'000
2025						
Derivatives net settlement						
Interest rate swaps	(36,526)	(29,528)	(2,097)	–	(68,151)	(62,709)
Cross currency swaps	16,757	81,647	(194)	–	98,210	(3,128)
Currency forward contracts	(42,129)	–	–	–	(42,129)	(42,129)

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

	Within 1 year HK$'000	1 to 2 years HK$'000	2 to 5 years HK$'000	Over 5 years HK$'000	Total amount HK$'000	Total carrying amount HK$'000
2024						
Derivatives net settlement						
Interest rate swaps	(9,826)	(8,594)	883	–	(17,537)	(14,373)
Cross currency swaps	(24,634)	(22,874)	(58,490)	143	(105,855)	5,079
Currency forward contracts	(38,675)	(47,722)	–	–	(86,397)	(86,397)

(c) Credit risk and impairment assessment

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 December 2025 and 2024 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

The Group measures the loss allowance on liquid funds equal to 12m ECL. The credit risk on liquid funds is limited because most of the cash and deposits are placed with reputable banks with external credit rating of at least A1 assigned by an international credit-rating agency.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts.	Lifetime ECL - not credit-impaired	12m ECL
Watch list	Debtor repays by frequent instalments and usually makes full settlement after due date.	Lifetime ECL - not credit-impaired	12m ECL
Doubtful	There have been significant increase in credit risk since initial recognition through information developed internally or external resources.	Lifetime ECL - not credit-impaired	Lifetime ECL - not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off	Amount is written off

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk and impairment assessment (continued)

The table below details the credit risk exposures of the Group's financial assets and other item, which are subject to ECL assessment.

	Notes	Internal credit rating	12m or lifetime ECL	Gross carrying amount	
				2025 HK$'000	2024 HK$'000
Financial assets					
Notes receivables	19	Low risk	12m ECL	**46,594**	46,150
		Loss	Lifetime ECL (credit-impaired)	**106,681**	168,249
				153,275	214,399
Loan receivables and mortgage loan receivables	19	Low risk	12m ECL	**61,172**	298,678
Trade debtors	24	Low risk	Lifetime ECL (not credit-impaired)	**272,254**	266,430
		Loss	Lifetime ECL (credit-impaired)	**44,004**	40,208
				316,258	306,638
Other receivables	24	Low risk	12m ECL	**222,349**	848,888
		Loss	Lifetime ECL (credit-impaired)	**1,542**	5,351
				223,891	854,239
Amounts due from joint ventures	16	Low risk	12m ECL	**983,067**	839,911
Restricted cash	26	Low risk	12m ECL	**181,208**	113,166
Bank balances	26	Low risk	12m ECL	**8,837,919**	6,750,940
Other item					
Deferred lease receivables	24	Low risk	Lifetime ECL (not credit-impaired)	**87,564**	91,415

Notes:

(i) For the purposes of internal credit risk management, the Group uses past due information (if applicable) to assess whether credit risk has increased significantly since initial recognition.

(ii) For trade debtors and deferred lease receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk and impairment assessment (continued)

The trade debtors presented in the consolidated statement of financial position are net of allowances for doubtful debts. In determining the recoverability of a trade debtor, the Group considers any change in the credit quality of the trade debtor from the date credit was initially granted up to the reporting date.

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures which are carried out to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade and other debtors at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9.

Based on the ECL assessment, the credit exposures for certain trade and other receivables, loan receivables, amounts due from joint ventures are considered as low risk of internal credit rating because the counterparties have a low risk of default and does not have material past-due amounts. During the year ended 31 December 2025, loss allowance provision of HK$3,796,000 (2024: HK$15,136,000) for trade debtors was recognised.

For notes receivables and the related interest receivables (included in other receivables), the Group measures the credit risk by referencing to the credit-ratings of the issuers assigned by international credit-rating agencies. For notes receivables with gross carrying amount of HK$46,594,000 (2024: HK$46,150,000), the Directors considered that the credit risk is limited because the counterparties are listed entities with high credit-ratings.

For the remaining notes receivables with gross carrying amount of HK$106,681,000 (2024: HK$168,249,000), the Group measures the loss allowance at lifetime ECL, in view of the significant deterioration in credit-ratings of the issuers or recent evidences for default payments. During the year ended 31 December 2025, the Group has provided HK$58,355,000 (2024: nil) allowance for credit losses (lifetime (credit-impaired)) on notes receivables.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk and impairment assessment (continued)

The following table shows the movement in lifetime ECL that has been recognised as trade debtors under the simplified approach.

	Lifetime ECL (not credit-impaired) HK$'000	Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
As at 1 January 2024	2,276	25,072	27,348
Allowance recognised in profit or loss	–	15,773	15,773
Amounts recovered	–	(637)	(637)
As at 31 December 2024	2,276	40,208	42,484
Allowance recognised in profit or loss	–	**5,648**	**5,648**
Amounts recovered	–	**(1,852)**	**(1,852)**
As at 31 December 2025	**2,276**	**44,004**	**46,280**

Except for the amounts due from joint ventures, the Group has no other significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

The following table shows reconciliation of loss allowance that has been recognised for notes receivables.

	Lifetime ECL (not credit-impaired) HK$'000	Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
As at 1 January 2024	–	174,890	174,890
Amounts written off	–	(5,559)	(5,559)
Exchange difference	–	(1,082)	(1,082)
As at 31 December 2024	–	168,249	168,249
Allowance recognised in profit or loss	–	**58,355**	**58,355**
Amounts written off	–	**(120,316)**	**(120,316)**
Exchange difference	–	**393**	**393**
As at 31 December 2025	–	**106,681**	**106,681**

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk and impairment assessment (continued)

The following table shows reconciliation of loss allowance that has been recognised for interest receivables included in other receivables.

	Lifetime ECL (credit-impaired) HK$'000
As at 1 January 2024	6,545
Amounts written off	(1,164)
Exchange difference	(30)
As at 31 December 2024	5,351
Amounts written off	**(3,817)**
Exchange difference	**8**
As at 31 December 2025	**1,542**

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Categories of financial instruments

	2025 HK$'000	2024 HK$'000
Financial assets		
Financial assets at amortised cost		
Trade debtors	**269,978**	264,154
Other receivables	**222,349**	848,888
Notes receivables	**46,594**	46,150
Loan receivables	**304**	217,925
Mortgage loan receivables	**60,868**	80,753
Amounts due from joint ventures	**983,067**	839,911
Restricted cash	**181,208**	113,166
Bank balances and cash	**8,845,189**	6,769,320
	10,609,557	9,180,267
Financial assets mandatorily measured at FVTPL		
Equity linked notes	**84,324**	68,217
Liquidity funds	**–**	28,475
Listed equity securities held for trading	**563,377**	480,869
	647,701	577,561
Equity instruments at FVTOCI	**1,497,528**	1,319,381
Derivative financial instruments	**95,145**	95,716
Derivative instruments in designated hedge accounting relationships		
Derivative financial instruments	**–**	1,503
Financial liabilities		
Financial liabilities at amortised costs		
Trade creditors	**304,769**	335,548
Other payables	**401,868**	671,840
Rental deposits received	**528,579**	567,983
Construction fee payable and retention money payable	**859,817**	41,592
Distribution payable	**101,233**	110,628
Borrowings	**27,737,924**	28,023,098
Medium term notes	**2,591,184**	3,805,461
	32,525,374	33,556,150
Derivative financial instruments	**61,269**	89,372
Financial liability designated as at fair value	**36,103**	61,600
Derivative instruments in designated hedge accounting relationships		
Derivative financial instruments	**141,842**	103,538

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) Fair value

The fair values of financial assets and financial liabilities, including equity instruments at FVTOCI, derivative financial instruments, financial assets at FVTPL and financial liability designated as at fair value are determined as detailed in note 41(f). The fair value of other financial assets and financial liabilities which are at amortised cost are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions. The Directors consider the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the consolidated financial statements approximate to their fair values.

(f) Fair value measurements recognised in the consolidated statement of financial position

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group establishes the appropriate valuation techniques and inputs to the model as detailed in note 41(f). The management reports the findings to the Board of Directors of the Company half yearly to explain the cause of fluctuations in the fair value of the assets and liabilities.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(f) Fair value measurements recognised in the consolidated statement of financial position (continued)

	2025				2024			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets								
Financial assets mandatorily measured at FVTPL								
Equity linked notes	–	–	84,324	84,324	–	–	68,217	68,217
Derivative financial instruments	–	95,145	–	95,145	–	95,716	–	95,716
Derivative financial instruments under hedge accounting	–	–	–	–	–	1,503	–	1,503
Liquidity funds	–	–	–	–	28,475	–	–	28,475
Listed equity securities held for trading	563,377	–	–	563,377	480,869	–	–	480,869
Equity investments at FVTOCI								
Listed equity securities	308,622	–	–	308,622	542,594	–	–	542,594
Unlisted equity securities	633,953	–	554,953	1,188,906	480,209	–	296,578	776,787
Total	1,505,952	95,145	639,277	2,240,374	1,532,147	97,219	364,795	1,994,161
Financial liabilities								
Financial liabilities at FVTPL								
Derivative financial instruments	–	61,269	–	61,269	–	89,372	–	89,372
Derivative financial instruments under hedge accounting	–	141,842	–	141,842	–	103,538	–	103,538
Financial liability designated as at fair value	–	–	36,103	36,103	–	–	61,600	61,600
Total	–	203,111	36,103	239,214	–	192,910	61,600	254,510

There were no transfers between Level 1 and 2 in both years.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(f) Fair value measurements recognised in the consolidated statement of financial position (continued)

The following table gives information about how the fair values of these financial assets and liabilities are determined (in particular, the valuation techniques and inputs used).

Financial assets (liabilities)	Fair value as at 31 December		Fair value hierarchy	Valuation technique and key inputs
	2025 HK$'000	2024 HK$'000		
Listed equity securities classified as equity instruments at FVTOCI in the consolidated statement of financial position.	**308,622**	542,594	Level 1	Quoted market bid prices in an active market.
Listed equity securities held for trading in the consolidated statement of financial position.	**563,377**	480,869	Level 1	Quoted market bid prices in an active market.
Unlisted equity securities classified as equity instruments at FVTOCI in the consolidated statement of financial position.	**633,953**	480,209	Level 1	Broker's quote which reflects the Group's share of fair value of the underlying investments which are publicly traded equity investments.
Liquidity funds as financial assets at FVTPL in the consolidated statement of financial position.	–	28,475	Level 1	Broker's quote which reflects the Group's share of fair value of the underlying investments which are publicly traded equity investments.
Interest rate swaps classified as derivative financial instruments in the consolidated statement of financial position.	– **(62,709)**	1,503 (15,876)	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable forward interest rates at the end of the reporting period) and contracted interest rates, discounted at a rate that reflects the credit risk of various counterparties.
Cross currency swaps classified as derivative financial instruments in the consolidated statement of financial position.	**95,145** **(98,273)**	95,716 (90,637)	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates and interest rates (from observable forward exchange rates and interest rates at the end of the reporting period) and contracted forward rates and interest rates, discounted at a rate that reflects the credit risk of various counterparties.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(f) Fair value measurements recognised in the consolidated statement of financial position (continued)

Financial assets (liabilities)	Fair value as at 31 December		Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs
	2025 HK$'000	2024 HK$'000			
Unlisted equity securities classified as equity instruments at FVTOCI in the consolidated statement of financial position.	**554,953**	296,578	Level 3	Market approach. It is based on the best information available in the circumstances and includes appropriate risk adjustments for lack of marketability.	Multiples of several comparable companies and risk adjustments for lack of marketability. (note a)
Equity linked notes classified as financial assets at FVTPL in the consolidated statement of financial position.	**84,324**	68,217	Level 3	Discounted cash flow.Future cash flows are estimated based on share price (from observable share price at the end of the reporting period) and contracted share price, discounted at a rate that reflects the credit risk of various counterparties.	Volatility of underlying share prices. (note b)
Other payable classified as financial liability designated as at fair value in the consolidated statement of financial position.	**36,103**	61,600	Level 3	Discounted cash flow. Future cash flows are estimated based on the forecast sales and budgeted costs to completion, discounted at a rate that reflects the risk of counterparty.	Forecast sales, budgeted costs to completion and discount rate. (note c)

Notes:

(a) The higher the multiples, the higher the fair value of unlisted equity securities. The higher the risk adjustments, the lower the fair value of unlisted equity securities. A reasonably possible change in the unobservable input would result in a significant higher or lower fair value measurement.

(b) The higher the volatility, the higher the fair value of equity linked notes. A reasonably possible change in the unobservable input would result in a significant higher or lower fair value measurement.

(c) The higher the forecast sales, the higher the fair value of other payable. The higher the budgeted costs to completion, the lower the fair value of other payable. The higher the discount rate, the lower the fair value of other payable. A reasonably possible change in the unobservable input would result in a significant higher or lower fair value measurement.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(g) Reconciliation of Level 3 fair value measurements

	Other payable HK$'000	Equity linked notes HK$'000	Unlisted equity securities HK$'000
As at 1 January 2024	220,000	31,828	304,398
Increase	–	177,895	29,688
Decrease	–	(139,225)	(135)
Change in fair value	(158,400)	(2,281)	(37,373)
As at 31 December 2024	61,600	68,217	296,578
Increase	–	**118,746**	**309,296**
Decrease	–	**(103,445)**	**(6,411)**
Change in fair value	**(25,497)**	**806**	**(44,510)**
As at 31 December 2025	**36,103**	**84,324**	**554,953**

The above changes in fair value of equity linked notes and unlisted equity securities are included in "fair value changes on financial assets at FVTPL" in the consolidated income statement and "fair value loss on equity instruments at FVTOCI" in the consolidated statement of comprehensive income, respectively.

42. RECONCILIATION OF LIABILITIES AND RELATED ASSETS ARISING FROM FINANCING ACTIVITIES

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

	Derivative financial instrument HK$'000	Interest payable HK$'000	Borrowings HK$'000	Medium term notes HK$'000	Lease liabilities HK$'000	Dividend payables HK$'000	Distribution payable HK$'000	Total HK$'000
At 1 January 2024	(13,416)	77,726	30,243,756	4,013,617	343,320	–	139,821	34,804,824
Distribution declared	–	–	–	–	–	650,520	258,816	909,336
Interest expenses (note)	–	1,432,350	50,140	6,198	24,494	–	–	1,513,182
Fair value adjustment	198,141	–	–	–	–	–	–	198,141
New leases entered/lease modified	–	–	–	–	217,228	–	–	217,228
Financing cash flows	(1,381)	(1,682,316)	(2,043,997)	(200,000)	(36,370)	(650,520)	(288,086)	(4,902,670)
Operating cash flows	(87,653)	–	–	–	–	–	–	(87,653)
Foreign exchange translations	–	–	(226,457)	(14,354)	(15)	–	–	(240,826)
Interest capitalisation	–	257,508	–	–	–	–	–	257,508
Other non-cash changes	–	–	(344)	–	–	–	77	(267)
At 31 December 2024	95,691	85,268	28,023,098	3,805,461	548,657	–	110,628	32,668,803
Distribution declared	–	–	–	–	–	705,353	227,557	932,910
Interest expenses (note)	–	1,184,195	53,190	5,230	29,498	–	–	1,272,113
Fair value adjustment	38,446	–	–	–	–	–	–	38,446
New leases entered/lease modified	–	–	–	–	44,833	–	–	44,833
Financing cash flows	–	(1,278,170)	(573,445)	(1,225,000)	(37,064)	(705,353)	(237,432)	(4,056,464)
Operating cash flows	(26,637)	–	–	–	–	–	–	(26,637)
Foreign exchange translations	466	(615)	234,799	5,493	9,664	–	–	249,807
Interest capitalisation	–	41,337	–	–	–	–	–	41,337
Other non-cash changes	–	–	282	–	–	–	480	762
At 31 December 2025	107,966	32,015	27,737,924	2,591,184	595,588	–	101,233	31,165,910

Note: The amounts reclassified from hedging reserve are excluded in the reconciliation.

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 December 2025 and 2024 are set out below:

Direct subsidiary	Issued and paid up equity share capital	Principal activity	Percentage of issued equity share capital held by the Company	
			2025	2024
Incorporated and operating in the British Virgin Islands				
Jolly Trend Limited	2 shares of US$1 each	Investment holding	**100%**	100%

Indirect subsidiaries	Share capital issued		Principal activities	Percentage of issued equity share capital held by the Company	
	Number of share(s)	Issued and paid up share capital HK$		2025	2024
Incorporated and operating in Hong Kong					
Able Wise (China) Limited	1	1	Investment holding	**100%**	100%
Best Come Limited	1	1	Flexible workspace operation	**100%**	100%
Bon Project Limited	2	2	Property investment	**100%**	100%
Brilliant Loyalty Program Limited	1	1	Hospitality service	**100%**	100%
Champion Global Services Limited	1	1	Provision of procurement services	**94.5%**	94.5%
Clever Gain Investment Limited	2	2	Restaurant operation	**100%**	100%
Eagle Asset Management (CP) Limited	16,000,000	16,000,000	Manager of real estate investment trust	**100%**	100%
Eagle Property Management (CP) Limited	1	1	Property management	**100%**	100%
Ease Treasure Finance Limited	1	1	Financing	**100%**	100%
Ease Treasure Finance (PSK) Limited	1	1	Financing	**100%**	100%
Ease Treasure Investment Limited	1	1	Property development	**100%**	100%
Eaton Club Limited	1	1	Flexible workspace operation	**100%**	100%
Eaton Hotels International Limited	1	1	Hotel & restaurant management	**100%**	100%
Eaton Residences Management Limited	1,000	10,000	Management of furnished apartments	**100%**	100%
Food Plus Company Limited	1	1	Restaurant operation	**100%**	100%

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Indirect subsidiaries	Share capital issued		Principal activities	Percentage of issued equity share capital held by the Company	
	Number of share(s)	Issued and paid up share capital HK$		2025	2024
Incorporated and operating in Hong Kong (continued)					
Frequent Investments Limited	2	2	Holding of recreational club membership debenture	100%	100%
G.E. Secretaries Limited	2	2	Provision of secretarial services	100%	100%
GE Hospitality Asset Management Limited	1	1	Hospitality asset management	100%	100%
GE (LHIL) Lessee Limited	1	1	Hotel operation	100%	100%
Golden Arch Limited	1	1	Property development and investment	100%	100%
Golden Blissful Limited	1	1	Property development and investment	100%	100%
Golden Cove Limited*	1	1	Property development and investment	100%	–
Great Eagle (China) Investment Limited	1	1	Investment holding and provision of property consultancy and advisory service	100%	100%
Great Eagle Project Advisory Company Limited	1	1	Provision of project advisory services	100%	100%
Great Eagle Real Estate Agency Limited	1	1	Provision of real estate agency services	100%	100%
Great Eagle Trading Holdings Limited	1,000	82,992,841	Investment holding	94.5%	94.5%
Great Eagle Venture Capital (HK) Limited	200,000	200,000	Asset management	100%	100%
Ka Yick Company Limited	100,000	100,000	Securities investment	100%	100%
Keysen Engineering Company, Limited	2	2	Repairs and maintenance services	100%	100%
Keysen Properties Management Company Limited	1	1	Property management	100%	100%
Keysen Property Management Services Limited	1,800,000	1,800,000	Property management and investment holding	100%	100%

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Indirect subsidiaries	Share capital issued		Principal activities	Percentage of issued equity share capital held by the Company	
	Number of share(s)	Issued and paid up share capital HK$		2025	2024
Incorporated and operating in Hong Kong (continued)					
Kindway Express Limited	1	1	Investment holding	100%	100%
LP Beauty Limited	1	1	Management services	100%	100%
Landton Limited	2	2	Investment holding	100%	100%
Langham Hospitality Group Limited	1	1	Investment holding	100%	100%
Langham Hotels International Limited	5,000	5,000	Hotel management	100%	100%
Langham Hotels Management (HK) Limited	1	1	Provision of hotel management service	100%	100%
Langham Hotels Services Limited	1	1	Hospitality management and marketing service	100%	100%
Langham Hotels (China) Limited	1	1	Hotel management	100%	100%
Langham Hotels (Cordis) Limited	1	1	Provision of staff services	100%	100%
Langham Hotels (EHK) Limited	1	1	Provision of staff services	100%	100%
Langham Hotels (LHK) Limited	1	1	Provision of staff services	100%	100%
Leader Treasure Limited	1	1	Warehousing and property investment	100%	100%
LHIL Manager Limited	1	1	Trustee-Manager of Langham Hospitality Investments	100%	100%
Longworth Management Limited	10,000	10,000	Property management	100%	100%
Magic Energy Limited	1	1	Property development	100%	100%
Minato Holdings Limited	1	1	Restaurant operation	100%	100%
Moon Yik Company, Limited	10,000,000	10,000,000	Property investment	100%	100%
Profit Lord Limited	2	2	Investment holding	100%	100%
Rising Asset Limited*	1	1	Property investment	100%	100%
Rising Brilliant Limited	1	1	Property investment	100%	100%
Rising Cheerful Limited	1	1	Property investment	100%	100%
Rising Dynamic Limited	1	1	Property investment	100%	100%
Rising Excellence Limited*	1	1	Property investment	100%	100%
Rising Fleet Limited	1	1	Property investment	100%	100%
Rising Glow Limited*	1	1	Property investment	100%	100%

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Indirect subsidiaries	Share capital issued		Principal activities	Percentage of issued equity share capital held by the Company	
	Number of share(s)	Issued and paid up share capital HK$		2025	2024
Incorporated and operating in Hong Kong (continued)					
Rising Harmony Limited*	1	1	Property investment	100%	100%
Rising Impact Limited*	1	1	Property investment	100%	100%
Rising Joyful Limited*	1	1	Property investment	100%	100%
Rising Kinetic Limited*	1	1	Property investment	100%	100%
Ropark Company Limited	2	2	Investment holding	100%	100%
Selex Engineering Services Limited	2	2	Repairs and maintenance services	100%	100%
Sharp Bloom Limited	1	1	Treasury management	100%	100%
Shung Kai Development Company Limited	1,000	100,000	Investment holding	100%	100%
Sunlight Fortune Limited	1	1	Investment holding	100%	100%
Sunlight Honour Limited	1	1	Property investment	100%	100%
Sunrise Success Limited	1	1	Warehousing and property investment	100%	100%
Sunshine Gain Limited	1	1	Property development and investment	100%	100%
Sunshine Horizon Limited	1	1	Investment holding	100%	100%
Sunshine Prospect Limited	1	1	Property investment	100%	100%
Sunshine Stream Limited	1	1	Warehousing and property investment	100%	100%
Sunshine Strength Limited	1	1	Property investment	100%	100%
The Great Eagle Company, Limited	2,000,000	1,000,000	Investment holding and property investment	100%	100%
The Great Eagle Development and Project Management Limited	2	20	Project management	100%	100%
The Great Eagle Estate Agents Limited	2	20	Provision of real estate agency services	100%	100%
The Great Eagle Finance Company, Limited	100,000	10,000,000	Financing	100%	100%
Topstar Investment Holdings Limited	1	1	Investment holding	94.5%	94.5%
Toptech Co. Limited	2,000,000	2,000,000	Trading of building materials	94.5%	94.5%

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Indirect subsidiaries	Share capital issued		Principal activities	Percentage of issued equity share capital held by the Company	
	Number of share(s)	Issued and paid up share capital HK$		2025	2024
Incorporated and operating in Hong Kong (continued)					
Totipotent Investment Limited	1	1	Treasury management	100%	100%
VCB Limited	1	1	Investment holding	100%	100%
VCN Limited	1	1	Investment holding	100%	100%
Wai Cheong Company Limited	5,000	500,000	Property investment	100%	100%
YNF Hotels IP Limited	1	1	Investment holding	100%	100%
YNF Hotels Management & Services (HK) Limited	1	1	Hotel management	100%	100%
YNF Hotels Management & Services Holdings Limited	1	1	Investment holding	100%	100%
YNF Hotels Operation & Leasee Holdings Limited	1	1	Investment holding	100%	100%
YNF Hotels Operation (Admiralty) Limited	1	1	Hotel management	100%	100%
YNF Membership Loyalty Program Holdings Limited	1	1	Investment holding	100%	100%
Zamanta Investments Limited	100	1,000	Property investment	100%	100%
Incorporated and operating in Hong Kong and indirectly owned and controlled by Champion REIT					
CP (A1) Limited	1	1	Property investment	70.63%	70.30%
CP (B1) Limited	1	1	Property investment	70.63%	70.30%
CP (MC) Limited	1	1	Property investment	70.63%	70.30%
CP (PH) Limited	1	1	Property investment	70.63%	70.30%
CP (SH) Limited	1	1	Property investment	70.63%	70.30%
CP (WC) Limited	1	1	Property investment	70.63%	70.30%
CP Finance Limited	1	1	Financing	70.63%	70.30%
CP Success Limited	1	1	Financing	70.63%	70.30%
Elegant Wealth Limited	1	1	Property investment	70.63%	70.30%
Langham Beauty Limited	1	1	Beauty store operations	70.63%	70.30%
Renaissance City Development Company Limited	2	20	Property investment	70.63%	70.30%
Shine Hill Development Limited	1,000,003	741,000,000	Property investment	70.63%	70.30%
Trump Treasure Limited	1	1	Treasury	70.63%	70.30%

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Indirect subsidiaries	Share capital issued		Principal activities	Percentage of issued equity share capital held by the Company	
	Number of share(s)	Issued and paid up share capital HK$		2025	2024
Incorporated and operating in Hong Kong and indirectly owned and controlled by Langham					
Cordis Hong Kong Limited	2	2	Property investment	70.26%	71.22%
Grow On Development Limited	5,000	5,000	Property investment	70.26%	71.22%
Harvest Star International Limited	2	2	Property investment	70.26%	71.22%
LHIL Finance Limited	1	1	Financing	70.26%	71.22%
LHIL Treasury (HK) Limited	1	1	Financing	70.26%	71.22%
LHIL Treasury Company Limited	1	1	Treasury management	70.26%	71.22%

Indirect subsidiaries	Issued and paid up equity share capital	Principal activities	Percentage of issued equity share capital held by the Company	
			2025	2024
Incorporated in the British Virgin Islands				
Achiever Wealth Limited	1 share of US$1	Investment holding	100%	100%
Amazing Rise Limited	1 share of US$1	Investment holding	100%	100%
Amazing Wealth Limited	1 share of US$1	Investment holding	100%	100%
Best Style Investment Limited	1 share of US$1	Investment holding	100%	100%
Bright Form Investments Limited	1 share of US$1	Investment holding of Champion REIT units	100%	100%
Choice Wealth Limited	1 share of US$1	Treasury management	100%	100%
Delight Chance Limited	1 share of US$1	Investment holding	94.5%	94.5%
Delight Bloom Limited	1 share of US$1	Investment holding	100%	100%
Delight Prosperity Limited	1 share of US$1	Investment holding	100%	100%
Eagle Property Management Holdings Limited	1 share of US$1	Investment holding	100%	100%
Ease Elegant Limited	1 share of US$1	Investment holding	100%	100%
Ease Tresure (BVI) Limited	1 share of US$1	Investment holding	100%	100%
Ecobest Ventures Limited	1 share of US$1	Treasury management	100%	100%
Elite Trend Limited	1 share of US$1	Investment holding	100%	100%
Fabulous Treasure Limited	1 share of US$1	Investment holding	100%	100%
Fine Noble Limited	1 share of US$1	Treasury management	100%	100%

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Indirect subsidiaries	Issued and paid up equity share capital	Principal activities	Percentage of issued equity share capital held by the Company	
			2025	2024
Incorporated in the British Virgin Islands (continued)				
G.E. Investments Holdings Limited	1 share of US$1	Investment holding	100%	100%
GE (MTN) Limited	1 share of US$1	Medium term notes issuer	100%	100%
GEVC AIC II Limited	1 share of US$1	Investment holding	100%	100%
GEVC AZ Diagnostic Limited	1 share of US$1	Investment holding	100%	100%
Great Eagle (BVI) Limited	1 share of US$1	Investment holding	100%	100%
Great Eagle Capital Limited	1 share of US$1	Investment holding	100%	100%
Great Eagle China (Investment) Limited	1 share of US$1	Investment holding	100%	100%
Great Eagle Nichemusic Limited	1 share of US$1	Treasury management	100%	100%
Great Eagle VC (Gene Edit Base) Limited	1 share of US$1	Investment holding	100%	100%
Great Eagle VC (Window Materials) Limited	1 share of US$1	Investment holding	100%	100%
Great Eagle Venture Capital Limited	1 share of US$1	Investment holding	100%	100%
Jumbo Energy Limited	1 share of US$1	Investment holding	100%	100%
Jumbo Power Limited	1 share of US$1	Investment holding	100%	100%
Keen Flow Investments Limited	1 share of US$1	Investment holding of Champion REIT units	100%	100%
LHIL Assets Holdings Limited	1 share of US$1	Investment holding of Langham share stapled units	100%	100%
Lucky Wheel Investments Limited	1 share of US$1	Treasury management	100%	100%
Morewise Enterprises Limited	1 share of US$1	Investment holding	100%	100%
Nelsprite Limited	1 share of US$1	Treasury management	100%	100%
Queenbrook Investments Limited	1 share of US$1	Investment holding	100%	100%
Rising Vantage Limited	1 share of US$1	Investment holding	100%	100%
Super Joy Investments Limited	1 share of US$1	Investment holding	100%	100%
Top Domain International Limited	1 share of US$1	Investment holding of Champion REIT units	100%	100%
Total Delight Limited	1 share of US$1	Investment holding	100%	100%
Ultra New Investments Limited	1 share of US$1	Investment holding	100%	100%

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Indirect subsidiaries	Issued and paid up equity share capital	Principal activities	Percentage of issued equity share capital held by the Company	
			2025	2024
Incorporated in the British Virgin Islands (continued)				
Vital Prosperity Limited	1 share of US$1	Investment holding	**100%**	100%
Venture Amber Limited	1 share of US$1	Investment holding	**100%**	100%
Venture Bronze Limited	1 share of US$1	Investment holding	**100%**	100%
Venture Lithium Limited*	1 share of US$1	Investment holding	**100%**	–
Venture Silver Limited	1 share of US$1	Investment holding	**100%**	100%
Venture Tin Limited*	1 share of US$1	Investment holding	**100%**	–
Wellsmart Assets Limited	1 share of US$1	Investment holding	**100%**	100%
Incorporated in the British Virgin Islands and directly owned and controlled by Champion REIT				
EAM-Champion REIT Limited	1 share of US$1	Securities investment	**70.63%**	70.30%
Incorporated in the British Virgin Islands and indirectly owned and controlled by Champion REIT				
CP Investments (UK) Limited	1 share of US$1	Investment holding	**70.63%**	70.30%
Incorporated in the British Virgin Islands and operating in Australia				
Katesbridge Group Limited	1 share of US$1	Investment holding	**100%**	100%
Ruby Dynasty Limited	1 share of US$1	Investment holding	**100%**	100%
Incorporated in the British Virgin Islands and operating in Hong Kong				
Raychen Investments Limited	1 share of US$1	Provision of computer system solutions and investment holding	**100%**	100%
Incorporated in the British Virgin Islands and operating in New Zealand				
Great Eagle Hotels (New Zealand) Limited	1 share of US$1	Hotel ownership	**100%**	100%
Incorporated in the British Virgin Islands and operating in the United Kingdom				
Great Eagle Hotels (UK) Limited	1 share of US$1	Hotel ownership and operation	**100%**	100%
Incorporated in the Cayman Islands and indirectly owned and controlled by Champion REIT				
Champion MTN Limited	1 share of US$1	Medium term notes issuer	**70.63%**	70.30%

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Indirect subsidiaries	Issued and paid up equity share capital	Principal activities	Percentage of issued equity share capital held by the Company	
			2025	2024
Incorporated and operating in Australia				
Langham Hotels Management (Aust) Pty Limited	1 share of AU$1	Hotel management	**100%**	100%
NSW Hotel Management Pty Ltd	2 shares of AU$1 each	Hotel operation	**100%**	100%
Southgate Hotel Management Pty. Ltd.	17,408 shares of AU$2 each	Hotel operation	**100%**	100%
The Great Eagle Hotels (NSW) Trust	100 units of AU$1 each	Hotel ownership	**100%**	100%
The Great Eagle Hotels (Victoria) Trust	108,688,206 shares of AU$1 each	Hotel ownership	**100%**	100%
Incorporated and operating in Canada				
Great Eagle Hotels (Canada) Limited	10 common shares of C$1 each	Hotel ownership and operation	**100%**	100%
Incorporated and operating in Indonesia				
PT. Langham Hotels Management Indonesia	IDR10,000,000,000	Hotel management	**100%**	100%
Incorporated and operating in Italy				
Rio dei Vetrai S.r.l.	EUR100,000	Hotel development and ownership	**100%**	100%
Rio dei Vetrai (Operation) S.r.l.*	EUR10,000	Hotel management and operation	**100%**	–
Incorporated and operating in Luxembourg				
Yeni International Investments S.á.r.l.	12,000 shares of EUR1 each	Investment holding	**100%**	100%
Incorporated and operating in Japan				
Great Eagle Tokyo TMK	JPY27,356,100,000	Hotel development	**100%**	100%
Great Eagle Japan KK	JPY20,000,000	Hotel management and property development	**100%**	100%
Incorporated and operating in New Zealand				
Great Eagle Hotels (Auckland) Limited	1,000 shares of no par value	Hotel operation	**100%**	100%

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Indirect subsidiaries	Issued and paid up equity share capital	Principal activities	Percentage of issued equity share capital held by the Company	
			2025	2024
*Incorporated and operating in the Mainland China***				
卓環管理諮詢(上海)有限公司	US$100,000	Provision of procurement services	94.5%	94.5%
朗廷酒店管理 (上海)有限公司	US$5,835,000	Hotel management	100%	100%
朗虹(上海)酒店有限公司	RMB1,100,000,000	Hotel ownership and operation	100%	100%
上海禮興酒店有限公司	US$79,575,000	Hotel ownership and operation	100%	100%
上海哈比鵬網絡科技有限公司	RMB10,600,200	Investment holding	100%	100%
高端(上海)貿易有限公司	US$350,000	Trading of building materials	94.5%	94.5%
高端星(上海)貿易有限公司	RMB1,000,000	General trading business	94.5%	94.5%
奕風酒店(上海)有限公司	RMB30,000,000	Hospitality service	100%	100%
奕風酒店管理(上海)有限公司	RMB70,000,000	Hotel management	100%	100%
毅風酒店(武漢)有限公司	RMB32,000,000	Hotel operation	100%	100%
毅風酒店(杭州)有限公司	RMB45,000,000	Hotel operation	100%	100%
毅風酒店(南京)有限公司*	RMB30,000,000	Hotel operation	100%	–
毅風紅山酒店(南京)有限公司*	RMB30,000,000	Hotel operation	100%	–
毅風卓逸企業發展(上海)有限公司*	RMB2,000,000	Hospitality service	100%	–
毅風酒店(大連)有限公司*	RMB30,000,000	Hotel operation	100%	–
Incorporated and operating in the USA				
Langham Hotels Pacific Corporation	100 shares of US$0.001 each	Hotel management	100%	100%
Pacific Boston Holdings Corporation	100 shares of US$0.001 each	Hotel management	100%	100%
Pacific Chicago LLC	US$34,626,714	Hotel ownership	100%	100%
Pacific Dolphin Corporation	100 shares of no par value	Property investment	100%	100%
Pacific Eagle China Orient (US) Real Estate GP, LLC	US$68,397	Investment fund management	80%	80%
Pacific Eagle Holdings Corporation	100 shares of no par value	Real estate management	100%	100%
Pacific Fifth Avenue Corporation	100 shares ofUS$0.01 each	Hotel ownership	100%	100%
Pacific Howard Corporation	100 shares ofUS$0.01 each	Hotel development	100%	100%
Pacific Huntington Hotel Corporation	100 shares of US$0.001 each	Hotel ownership	100%	100%

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Indirect subsidiaries	Issued and paid up equity share capital	Principal activities	Percentage of issued equity share capital held by the Company	
			2025	2024
Incorporated and operating in the USA (continued)				
Pacific Langham Chicago Corporation	100 shares of US$0.001 each	Hotel management	**100%**	100%
Pacific Langham NY Management Corporation	100 shares ofUS$0.01 each	Hotel management	**100%**	100%
Pacific 1125 Market Corporation	100 shares of US$0.01 each	Hotel development	**100%**	100%
Pacific 2014 Second Avenue LLC	US$7,559,883	Property development	**100%**	100%
Pacific Virginia LLC	US$18,272,402	Property development	**100%**	100%
Pacific Washington DC Corporation	100 shares of US$0.01 each	Hotel ownership	**100%**	100%
Pacific Washington DC Manger Corporation	100 shares of US$0.01 each	Hotel management	**100%**	100%
Peak Project Management Limited	100 shares of US$0.01 each	Project management	**100%**	100%
Shorthills NJ, Inc.	100 shares of US$1 each	Property investment	**100%**	100%

* All these subsidiaries commenced its business during the year ended 31 December 2025.

** All these subsidiaries are registered as wholly foreign-owned enterprise in the Mainland China.

The Directors are of the opinion that a complete list of the particulars of all subsidiaries will be of excessive length and therefore the above list contains only the particulars of the subsidiaries which principally affect the results or assets or liabilities of the Group or whose business activities are representative of the Group's business portfolio.

Except for Champion MTN Limited which has issued medium term notes as detailed in note 29, no other subsidiaries had issued any debt securities at 31 December 2025 and 2024 at any time during both years.

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests/unitholders as at 31 December 2025 and 2024:

Indirect subsidiaries	Place of incorporation and principal activities	Proportion of ownership interests and voting rights held by non-controlling interests/unitholders		Loss allocated to non-controlling interests/unitholders		Accumulated non-controlling interests/unitholders	
		2025	2024	2025 HK$'000	2024 HK$'000	2025 HK$'000	2024 HK$'000
Champion REIT	HK/Property investment	**29.37%**	29.70%	**(961,680)**	(625,987)	**11,629,367**	12,935,014
Langham	Cayman Islands/ Property investment	**29.74%**	28.78%	**(29,569)**	(41,323)	**(985,306)**	(915,811)

The above information is based on the financial information of Champion REIT and its subsidiaries and Langham and its subsidiaries for the relevant years respectively.

Champion REIT and Langham are listed on the Stock Exchange. The Group as at 31 December 2025 has 70.63% and 70.26% (2024: 70.30% and 71.22%) ownership interest in Champion REIT and Langham, respectively. The Group additionally achieves control over Champion REIT and Langham through the REIT Manager and Trustee-Manager, respectively, who are wholly owned subsidiaries of the Group.

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests/unitholders is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Champion REIT and its subsidiaries

	2025 HK$'000	2024 HK$'000
Current assets	**849,579**	926,802
Non-current assets	**56,449,352**	60,425,837
Current liabilities	**(4,639,511)**	(4,181,446)
Non-current liabilities, excluding net assets attributable to unitholders	**(13,063,349)**	(13,618,956)
Net assets attributable to non-controlling unitholders of Champion REIT	**11,629,367**	12,935,014
Revenue	**2,254,600**	2,458,731
Expenses	**(1,442,973)**	(1,555,611)

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Champion REIT and its subsidiaries (continued)

	2025 HK$'000	2024 HK$'000
Loss for the year, before distribution to unitholders	**(3,266,527)**	(2,086,574)
Distribution to unitholders	**(776,319)**	(867,277)
Loss for the year, after distribution to unitholders (note a)	**(4,042,846)**	(2,953,851)
Other comprehensive expense for the year (note b)	**(18,256)**	(24,845)
Total comprehensive expense for the year (note c)	**(4,061,102)**	(2,978,696)
Attributable to non-controlling unitholders of Champion REIT:		
Loss for the year, before distribution to unitholders	**(961,680)**	(625,987)
Other comprehensive expense for the year	**(5,117)**	(6,854)
Total comprehensive expense for the year	**(966,797)**	(632,841)
Distributions to non-controlling unitholders of Champion REIT	**227,557**	258,816
Net cash inflow from operating activities	**711,557**	872,400
Net cash inflow from investing activities	**6,472**	65,015
Net cash outflow from financing activities	**(818,678)**	(1,109,584)
Net cash outflow	**(100,649)**	(172,169)

Notes:

		2025 HK$'000	2024 HK$'000
(a)	Loss for the year, after distributions to unitholders		
	attributable to owners of the Company	**(2,853,609)**	(2,069,048)
	attributable to non-controlling unitholders of Champion REIT	**(1,189,237)**	(884,803)
		(4,042,846)	(2,953,851)
(b)	Other comprehensive expense for the year		
	attributable to owners of the Company	**(13,139)**	(17,991)
	attributable to non-controlling unitholders of Champion REIT	**(5,117)**	(6,854)
		(18,256)	(24,845)
(c)	Total comprehensive expense for the year		
	attributable to owners of the Company	**(2,866,748)**	(2,087,039)
	attributable to non-controlling unitholders of Champion REIT	**(1,194,354)**	(891,657)
		(4,061,102)	(2,978,696)

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Langham and its subsidiaries

	2025 HK$'000	2024 HK$'000
Current assets	**394,111**	333,598
Non-current assets	**15,909,484**	15,904,746
Current liabilities	**(80,889)**	(87,180)
Non-current liabilities	**(6,694,425)**	(6,648,753)
Equity attributable to non-controlling interests before intragroup eliminations	**2,833,711**	2,734,794
Equity attributable to non-controlling interests after intragroup eliminations (note)	**(985,306)**	(915,811)
Revenue	**401,839**	401,806
Expenses	**(291,770)**	(358,697)
Profit and total comprehensive income for the year	**54,154**	231,724
Attributable to non-controlling interests of Langham: Loss and total comprehensive expense for the year (note)	**(29,569)**	(41,323)
Distributions to non-controlling interests of Langham	**–**	–
Net cash inflow from operating activities	**146,317**	114,750
Net cash outflow from investing activities	**(78,207)**	(47,405)
Net cash (outflow) inflow from financing activities	**(58,921)**	103,541
Net cash inflow	**9,189**	170,886

Note: The amounts have been adjusted for intragroup eliminations which primarily represent the elimination of fair value changes on properties and related deferred taxation and depreciation on Langham's properties and other service fees.

44. PARTICULARS OF THE PRINCIPAL JOINT VENTURES

Details of the Group's principal joint ventures at 31 December 2025 and 2024 are set out below:

Indirect joint ventures	Issued and paid up equity share capital/ contribution paid	Principal activities	Percentage of issued equity share capital held by the Group	
			2025	2024
Incorporated in the British Virgin Islands				
Wealth Joy Holdings Limited	2 shares of US$1 each	Investment holding of subsidiaries which are inactive	N/A	50%
Incorporated in the British Virgin Islands and indirectly owned by Champion REIT				
Athene Investment (BVI) Limited	100 shares of US$1 each	Property investment	19.07%	18.98%
Incorporated in the USA				
8701 Collins Avenue, LLC	US$26,112,500	Investment holding of a subsidiary which is engaged in property development	33%	33%
Incorporated in Hong Kong				
Fansway Limited	1,000 shares of HK$1 each	Investment holding of a subsidiary which is engaged in property development	20%	20%
Excel Hope Limited	100 shares of HK$1 each	Investment holding of a subsidiary which is engaged in property development	15%	15%

45. PARTICULARS OF THE ASSOCIATES

Details of the Group's associates at 31 December 2025 and 2024 are set out below:

Indirect associates	Issued and paid up equity share capital	Principal activities	Percentage of issued equity share capital held by the Group	
			2025	2024
Incorporated in the British Virgin Islands				
City Apex Ltd.	3,500 shares of US$1 each	Investment holding	23%	23%
IEH Holdings Limited	1,025 shares of US$1 each	Investment holding	44.72%	44.72%
Tonkichi Holdings Limited	5,714,286 shares of HK$1 each	Investment holding	30%	30%
Incorporated in the Cayman Islands				
Redwood Peak Partners	50,000 shares of US$1 each	General partner of investment fund	25%	25%
Incorporated in Malaysia				
Artisan Hospitality Sdn. Bhd	10 shares of MYR1 each	Hotel development	30%	30%

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Statement of financial position of the Company

	2025 HK$'000	2024 HK$'000
Non-current assets		
Investment in a subsidiary	4,290,402	4,290,402
Amount due from a subsidiary	19,344,896	19,252,895
	23,635,298	23,543,297
Current assets		
Prepayments	554	525
Amount due from a subsidiary	373,862	373,862
Bank balances and cash	6,541	12,885
	380,957	387,272
Current liability		
Accruals and other payables	11,965	13,669
Net current assets	368,992	373,603
NET ASSETS	24,004,290	23,916,900
Share capital and reserves		
Share capital	373,862	373,862
Reserves	23,630,428	23,543,038
TOTAL EQUITY	24,004,290	23,916,900

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Movement in the Company's reserves

	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000 (note)	Share based payment HK$'000	Retained profits HK$'000	Total HK$'000
At 1 January 2024	7,059,099	3,054	424,627	81,135	15,635,547	23,203,462
Lapse of share options	–	–	–	(25,612)	25,612	–
Recognition of equity-settled share-based payments	–	–	–	9,164	–	9,164
Profit and total comprehensive income for the year	–	–	–	–	980,932	980,932
Dividend paid	–	–	–	–	(650,520)	(650,520)
At 31 December 2024	7,059,099	3,054	424,627	64,687	15,991,571	23,543,038
Lapse of share options	–	–	–	(12,536)	12,536	–
Forfeiture of unclaimed dividend	–	–	–	–	7,625	7,625
Purchase for share award scheme	–	–	–	(10,977)	–	(10,977)
Recognition of equity-settled share-based payments	–	–	–	6,518	–	6,518
Profit and total comprehensive income for the year	–	–	–	–	789,577	789,577
Dividend paid	–	–	–	–	(705,353)	(705,353)
At 31 December 2025	7,059,099	3,054	424,627	47,692	16,095,956	23,630,428

Note: The contributed surplus is available for distribution to shareholders under the Bermuda Companies Act. Contributed surplus represents the surplus arising under the Scheme of Arrangement undertaken by the Group in 1989/90. At 31 December 2025, total profits (including contributed surplus) available for distribution to shareholders was HK$13,999,841,000 (2024: HK$13,895,459,000).

APPENDIX I - LIST OF MAJOR PROPERTIES

PROPERTIES HELD FOR INVESTMENT

Name and location	Use	Approximate gross floor area (sq. ft.)	Group's interests
ON LAND UNDER LONG LEASES			
Eaton Residence 100 Blue Pool Road, Happy Valley, Hong Kong	Furnished apartments	34,000	100%
Great Eagle Centre 23 Harbour Road, Wanchai, Hong Kong	Commercial/Office	270,000	100%
Unit No. 1 & 1A, Ground Floor, Tak Woo House, 17 - 19 D'Aguilar Street, and 1 - 3 Wo On Lane, Central, Hong Kong	Commercial	1,500	100%
ON LAND UNDER MEDIUM-TERM LEASES			
Apartment Tower on the Western Side of Convention Plaza 1 Harbour Road, Wanchai, Hong Kong	Apartments	6,000	100%
Eaton Residence 4H Village Road, Happy Valley, Hong Kong	Furnished apartments	23,000	100%
Ying'n Flo 3-5 Wan Chai Gap Road, Wan Chai, Hong Kong	Furnished apartments	35,000	100%
Eaton HK 380 Nathan Road, Yau Ma Tei, Kowloon, Hong Kong	Hotel/Commercial	339,000	70.26%
The Langham, Hong Kong 8 Peking Road, Tsimshatsui, Kowloon, Hong Kong	Hotel/Commercial	375,000	70.26%
Cordis, Hong Kong 555 Shanghai Street, Mongkok, Kowloon, Hong Kong	Hotel	580,000	70.26%

PROPERTIES HELD FOR INVESTMENT (continued)

Name and location	Use	Approximate gross floor area (sq. ft.)	Group's interests
ON LAND UNDER MEDIUM-TERM LEASES (continued)			
The Langham, Shanghai, Xintiandi 99 Madang Road, Xintiandi, Shanghai 200021, the Mainland China	Hotel/Commercial	575,000	100%
Three Garden Road 3 Garden Road, Central, Hong Kong	Commercial/Office	1,638,000	70.63%
Langham Place 8 Arygle Street, Mongkok, Kowloon, Hong Kong	Commercial/Office	1,293,000	70.63%
Cordis, Shanghai Hongqiao 333 Shen Hong Road, Minhang District, Shanghai 201106, the Mainland China	Hotel/Commercial	505,000	100%
ON FREEHOLD LAND			
The Langham, London 1B & 1C Portland Place, Regent Street, London, W1B 1JA, the United Kingdom	Hotel/Commercial	363,000	100%
Chelsea Hotel, Toronto 33 Gerrard Street West, Toronto, Ontario M5G 1Z4, Canada	Hotel/Commercial	1,130,000	100%
The Langham, Melbourne One Southgate Avenue, Southbank, Melbourne, Victoria 3006, Australia	Hotel/Commercial	385,000	100%
Cordis, Auckland 83 Symonds Street, Auckland 1140, New Zealand	Hotel/Commercial	606,000	100%
The Langham, Boston 250 Franklin Street, Boston, MA 02110, the USA	Hotel/Commercial	289,000	100%
The Langham Huntington, Pasadena, Los Angeles 1401 South Oak Knoll Avenue, Pasadena, California 91106, the USA	Hotel/Commercial	489,000	100%

PROPERTIES HELD FOR INVESTMENT (continued)

Name and location	Use	Approximate gross floor area (sq. ft.)	Group's interests
ON FREEHOLD LAND (continued)			
The Langham, Sydney 89-113 Kent Street, Sydney, NSW 2000, Australia	Hotel	129,000	100%
The Langham, Chicago 330 North Wabash, Chicago, IL 60611, the USA	Hotel	342,000	100%
The Langham, New York, Fifth Avenue 400 Fifth Avenue, New York 10018, the USA	Hotel	297,000	100%
Eaton Washington D.C. 1201 K. Street, N.W., Washington DC, DC 20005, the USA	Hotel	173,000	100%

PROPERTIES HELD FOR/UNDER DEVELOPMENT

Name and location	Use	Approximate gross floor area (sq. ft.)	Group's interests
ON FREEHOLD LAND			
555 Howard Street, San Francisco, CA 94105, the USA (note a)	Hotel	406,000	100%
1125 Market Street, San Francisco, CA 94103, the USA (note b)	Hotel	140,000	100%
1931 Second Avenue, Seattle, WA 98101, the USA (note a)	Hotel/Condominium	588,000	100%
Various lots on Roppongi 4-Chome, Minato-ku, Tokyo, Japan (note c)	Hotel	380,000	100%
Fondamenta Daniele Manin no. 1,2,5, Murano, Venezia, Italy (note d)	Hotel	143,000	100%

PROPERTIES HELD FOR SALE

Name and location	Use	Approximate gross floor area (sq. ft.)	Group's interests
ON LAND UNDER MEDIUM-TERM LEASE			
ONTOLO 7 Fo Yin Road, Pak Shek Kok, Tai Po, New Territories, Hong Kong (note e)	Residential	730,000	100%
ONMANTIN 1 Chung Hau Street, Ho Man Tin, Kowloon, Hong Kong (note f)	Residential	742,000	(note f)
New Kowloon Inland Lot No. 6590 Kai Tak, Kowloon, Hong Kong (note g)	Residential/Commercial/ Government Accommodation	992,000 (note h)	20%
Kowloon Inland Lot No. 11290 Kowloon City, Kowloon, Hong Kong (note g)	Residential/Commercial	415,000	15%

Notes:

(a) Currently on hold but entitlement will be continued to be monitored.

(b) Currently on hold.

(c) Review of development/exit strategy in progress.

(d) Shell & Core Contract in progress. Fit-out contract commenced.

(e) Construction has been completed. Sales in progress. As at 31 December 2025, 0.8% of residential units, representing 13,472 sq. ft. of saleable area, are remaining unsold.

(f) The Group has development rights in this project. Occupation Permit and Certificate of Compliance issued. As at 31 December 2025, 28.4% of residential units, representing 249,134 sq. ft. of saleable area, are remaining unsold.

(g) Foundation works are in progress.

(h) Excluding government accommodation.

APPENDIX II - FIVE YEARS' FINANCIAL SUMMARY

	For the year ended 31 December				
	2021 HK$'000	2022 HK$'000	2023 HK$'000	2024 HK$'000	**2025 HK$'000**
RESULTS					
Revenue	7,830,429	8,884,832	10,644,158	10,878,541	**19,658,139**
(Loss) profit before tax	(482,999)	59,339	1,326,028	(1,814,534)	**(2,361,374)**
Income taxes	(309,019)	(470,153)	(497,991)	(582,239)	**(273,158)**
(Loss) profit for the year	(792,018)	(410,814)	828,037	(2,396,773)	**(2,634,532)**
Attributable to:					
Owners of the Company	(499,034)	(181,404)	763,511	(1,734,209)	**(1,654,344)**
Non-controlling unitholders of Champion REIT	(271,048)	(236,748)	68,184	(625,987)	**(961,680)**
Non-controlling interests	(21,936)	7,338	(3,658)	(36,577)	**(18,508)**
	(792,018)	(410,814)	828,037	(2,396,773)	**(2,634,532)**
(Loss) earnings per share					
Basic	(HK$0.69)	(HK$0.25)	HK$1.02	(HK$2.32)	**(HK$2.21)**
Diluted	(HK$0.69)	(HK$0.25)	HK$1.02	(HK$2.32)	**(HK$2.21)**
ASSETS AND LIABILITIES					
Total assets	119,251,235	112,886,533	111,163,169	109,589,081	**100,479,695**
Total liabilities	(42,635,404)	(41,705,701)	(40,724,450)	(43,171,480)	**(37,701,919)**
	76,615,831	71,180,832	70,438,719	66,417,601	**62,777,776**
Attributable to:					
Owners of the Company	61,448,660	56,820,056	56,778,857	54,088,859	**52,087,950**
Non-controlling unitholders of Champion REIT	15,785,548	14,980,648	14,281,956	12,935,014	**11,629,367**
Non-controlling interests	(618,377)	(619,872)	(622,094)	(606,272)	**(939,541)**
	76,615,831	71,180,832	70,438,719	66,417,601	**62,777,776**

GLOSSARY OF TERMS

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings:

Term	Definition
"2019 Share Option Scheme"	the share option scheme of the Company adopted by an ordinary resolution passed on 22 May 2019
"2024 Share Award Scheme"	the share award scheme of the Company adopted by an ordinary resolution passed on 29 May 2024
"2024 Share Option Scheme"	the share option scheme of the Company adopted by an ordinary resolution passed on 29 May 2024
"2024 Share Schemes"	2024 Share Award Scheme and 2024 Share Option Scheme
"AGM"	the annual general meeting of the Company
"Board"	Board of Directors of the Company
"Bye-laws"	the bye-laws of the Company as may be amended from time to time
"CG Code"	Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Champion REIT"	Champion Real Estate Investment Trust (Stock Code: 2778), a Hong Kong collective investment scheme authorised under section 104 of SFO, in which the Group has an interest of approximately 70.63% as at 31 December 2025
"Code of Conduct for Securities Transactions"	Code of Conduct regarding Securities Transactions by Directors and Relevant Employees
"Company" or "Great Eagle"	Great Eagle Holdings Limited
"Director(s)"	the director(s) of the Company
"EBITDA"	earning before interest, taxes, depreciation and amortisation
"Group"	the Company and its subsidiaries
"HITL"	HSBC International Trustee Limited

Term	Definition
"HKAS"	Hong Kong Accounting Standard
"HKFRS Accounting Standards"	Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards, and HK (IFRIC) Interpretations, HK Interpretations and HK (SIC) Interpretations issued by the HKICPA
"HKICPA"	Hong Kong Institute of Certified Public Accountants
"Langham" or "LHI"	Langham Hospitality Investments and Langham Hospitality Investments Limited (Stock Code: 1270), the share stapled units of which are listed on the Stock Exchange, in which the Group had an interest of approximately 70.26% as at 31 December 2025
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"RevPAR"	revenue per available room
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company
"Shareholder(s)"	holder(s) of ordinary share(s) in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"U.S. Fund" or "U.S. Real Estate Fund"	Pacific Eagle (US) Real Estate Fund, L.P., in which the Group had an interest of approximately 49.97% as at 31 December 2025
"We" or "us"	the Group, unless the content otherwise requires, i.e. the Company only (Exclude in the Report on Review of Condensed Consolidated Financial Statements and Condensed Consolidated Financial Statements)

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