



SiS International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00529)

ANNUAL REPORT

2025



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Corporate Information

DIRECTORS

Executive Directors:

Lim Kiah Meng
(Chairman and Chief Executive Officer)
Lim Hwee Hai (Vice chairman)
Lim Hwee Noi
Lim Ee Ray
Lim Yi Alex

Independent Non-executive Directors:

Ng See Wai Rowena
Doe Julianne Pearl
Chu Chung Yi
Tan Song Ping (resigned on 17 August 2025)

COMPANY SECRETARY

Chiu Lai Chun Rhoda

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

PRINCIPAL PLACE OF BUSINESS

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Nine Queen's Road Central
Hong Kong
Telephone: (852) 2138 3938
Fax: (852) 2138 3928

STOCK CODE

00529

INVESTOR RELATIONS

www.sisinternational.com.hk
enquiry@sis.com.hk

AUDITORS

Deloitte Touche Tohmatsu
(Registered Public Interest Entity Auditor)

PRINCIPAL BANKERS

Bank of Ayudhya Public Company Limited
DBS Bank Ltd.
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Kasikornbank Public Company Limited
Krungthai Bank Public Company Limited
MUFG Bank, Ltd.
OCBC Bank
Siam Commercial Bank Public Company Limited
Sumitomo Mitsui Banking Corporation
The Tokyo Star Bank, Limited
TMBThanachart Bank Public Company Limited
United Overseas Bank Limited

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

Appleby Global Corporate Services (Bermuda) Limited
Canon's Court, 22 Victoria Street,
PO Box HM 1179,
Hamilton HM 10
Bermuda

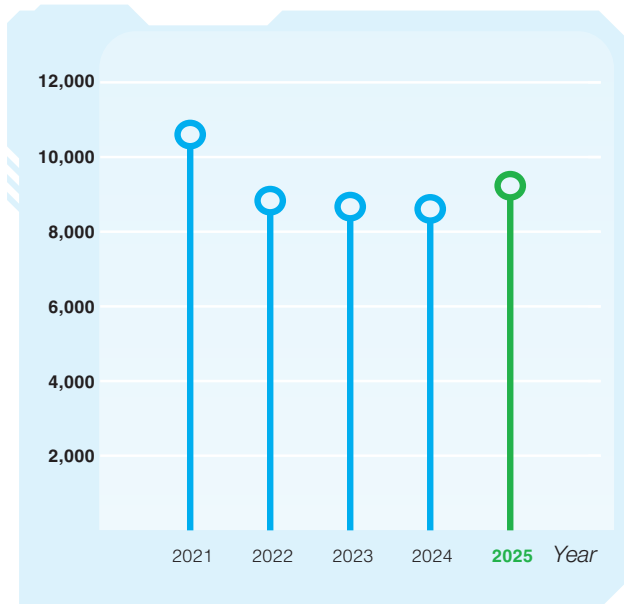
HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Financial Highlights

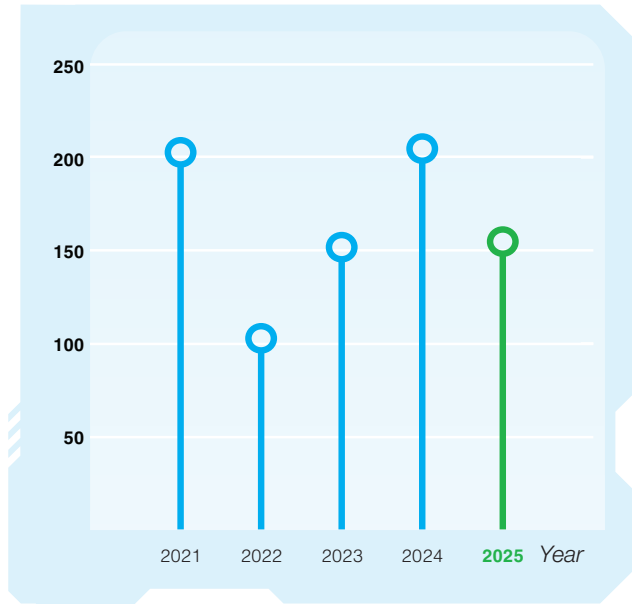
REVENUE

HKD'M



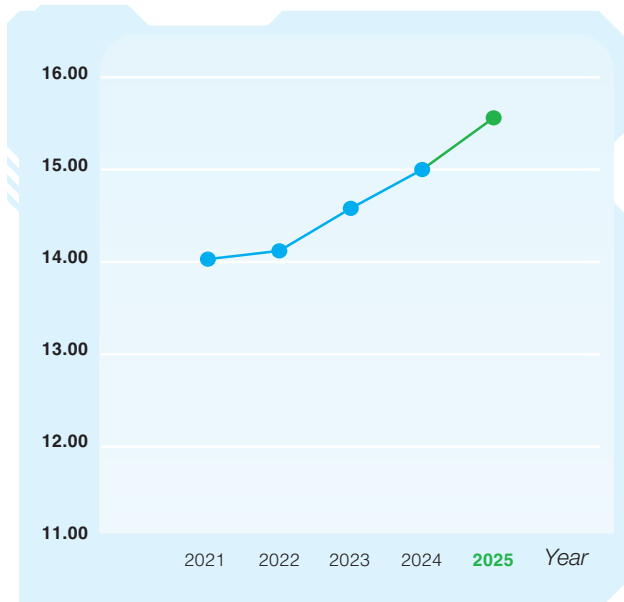
NET PROFIT

HKD'M



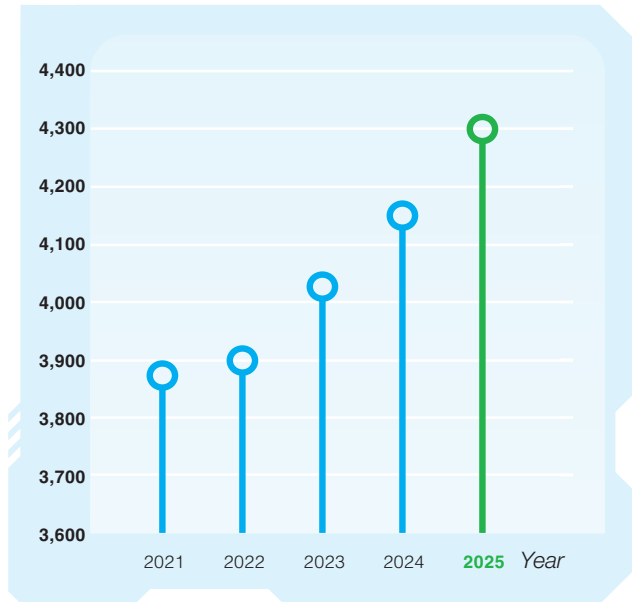
NET ASSET VALUE PER SHARE

HKD

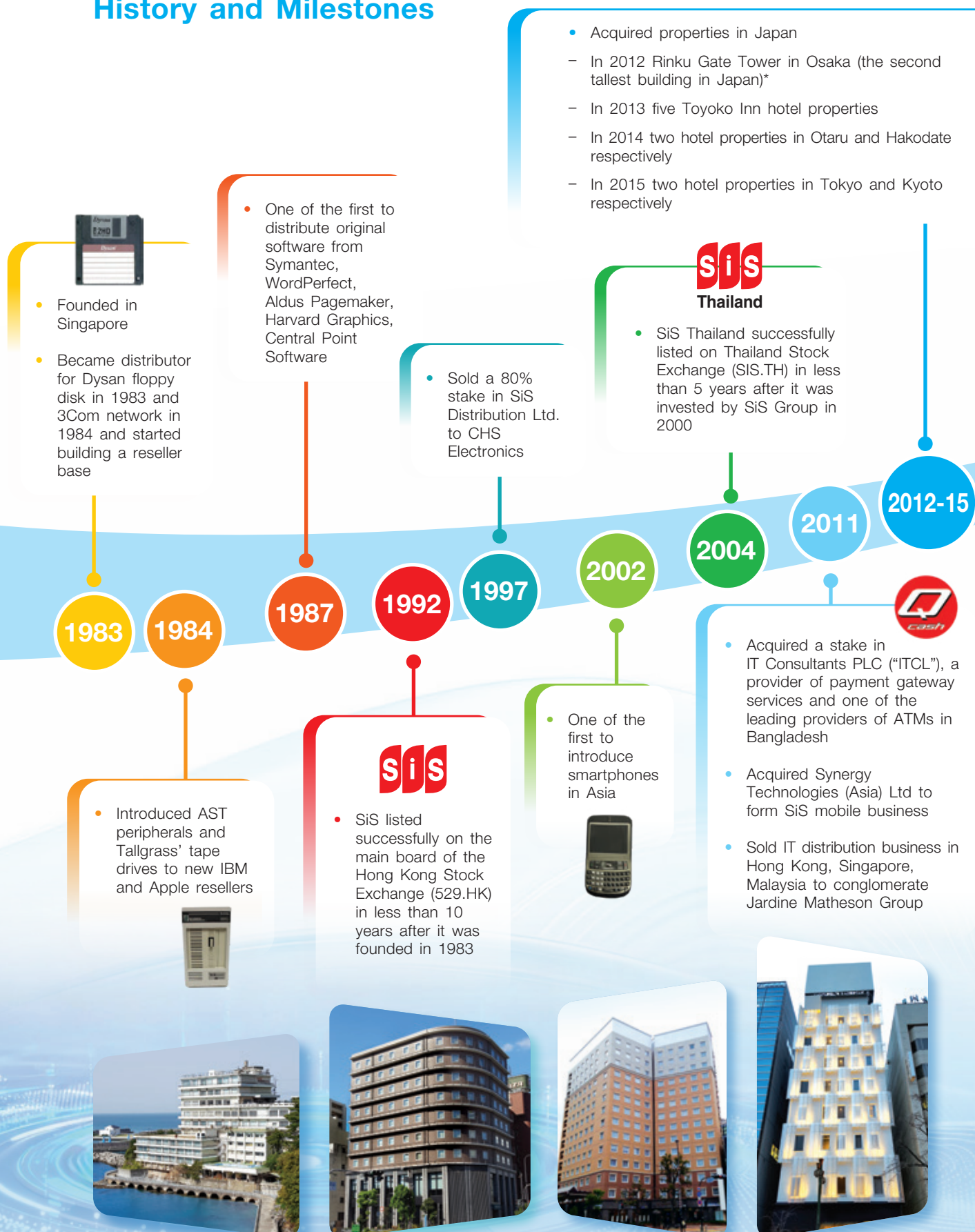


SHAREHOLDERS' EQUITY

HKD'M



History and Milestones





- SiS Mobile Holdings Limited successfully listed on the main board of Hong Kong Stock Exchange (1362.HK)
- Set up SiS Hospitality Holdings Limited to hold all properties in Japan



- Open two self-operated hotel in Osaka and Sapporo
- Acquired a hotel property in Awashima

- Acquired additional interest in SiS Thailand thus it became a subsidiary of SiS Group

2015

2016

2017

2018

2019

2020

2023

2024

2025



- ITCL successfully listed on The Dhaka Stock Exchange and the Chittagong Stock Exchange in Bangladesh
- Acquired properties in Japan
 - In 2016 seven hospitality properties in Tokyo, Osaka, Kyoto, Sapporo and Otaru respectively

- Acquired a hotel property in Sapporo

- Acquired a hotel property in Okinawa and a hostel in Kyoto
- Rinku Gate Tower was renamed to SiS Rinku Tower
- Grand opening of a 258 rooms hotel in SiS Rinku Tower

- Acquired two hotel properties in Nagano and Wakayama respectively
- Commenced first self-operated hotel in Osaka



- Acquired controlling interest in a listed company, Gestetner of Ceylon PLC in Sri Lanka

- Acquired the hotel operation company in Awashima
- Open one self-operated hotel in Okinawa



Message from the Chairman and CEO

Dear Shareholders,

I am pleased to present the performance of our Group for the fiscal year ending 31 December 2025. During the year, turnover grew by 7%, while net profit declined by 24%, primarily due to a lower revaluation gain from financial instruments at FVTPL compared with the previous financial year. Excluding the impact of fair value changes in financial instruments at FVTPL across both years, the Group's net profit was 34% higher than last year.

FINANCIAL HIGHLIGHTS

- Revenue: Increased by 7%, from HK\$9,006,657,000 to HK\$9,627,748,000.
- Net Profit for the year: HK\$162,930,000, reflecting a decrease of 24% from HK\$213,360,000.
- Net Asset Value Per Share: Increased by 4%, from HK\$15.0 in 2024 to HK\$15.6 in 2025.
- Earnings Per Share: Decreased by 56%, from HK cents 49.0 to HK cents 21.8.

Distribution Business

Total distribution revenue amounted to HK\$9,225,049,000, increased by 7% when compared to last year's revenue. Segment profit grew 25% to HK\$308,005,000. The notable performance was driven by the distribution business in Thailand.

In Thailand, the business experienced continued growth in both the public and private sectors. Segment profit contribution from this region increased significantly by 30%.

Revenue and segment results from Hong Kong dropped as the decline in smartphone demand continued. At the same time, local demand in IT solution products and value-added services were mainly project-based so it takes time to perform.

Real Estate Investments Business

As of 31 December 2025, the carrying value of our investment properties in Japan amounted to HK\$1,865,098,000, while the combined value of our investment properties in Hong Kong, Singapore, and Thailand stood at HK\$1,176,643,000.

Revenue from rental leases and hotel operations in Japan grew by 12%, driven by strong demand in the tourism industry. In Hong Kong, rental revenue grew when the occupancy rate improved. Market conditions in the office space and commercial property remains severe in Hong Kong. The property portfolio in Hong Kong and other regions recorded a fair valuation loss of HK\$117,354,000 whilst in Japan recorded a fair valuation gain of HK\$27,275,000.



Message from the Chairman and CEO

Investment in IT, Securities and other Businesses

Stocks in the USA experienced vigorous volatility during the year 2025. As a results, the Group achieved a mild segment profit of HK\$7,393,000 compared with a HK\$97,881,000 profit in 2024 from securities investments and holdings.

Our associated company IT Consultants PLC, continues to grow in Bangladesh. It contributed a net profit of HK\$10,689,000 to the Group in 2025. For sustainable growth with the highest standards of speed, security and scalability, it is in the process of upgrading its payment platform and investing in a data centre strategically.

Asset Management

Despite market volatility, our portfolio remained positioned to capture enduring value. While technology markets may be fast-changing and fiercely competitive, they remain one of the most compelling arenas for investment, consistently creating positive value for our investors.

PROSPECT

The past year has unfolded against a backdrop of unprecedented global challenges. Geopolitical tensions, the threat of wars, trade disputes, and the rapid evolution of artificial intelligence have reshaped the business landscape. These forces have disrupted supply chains, influenced currency movements, altered pricing dynamics, and tested control over critical material resources.

Risk and uncertainty often carry within them the seeds of opportunity. Our Group stands on a solid foundation, built over 30 years of resilience and adaptability. Guided by an experienced management team, we have consistently demonstrated the foresight to anticipate change and the agility to seize opportunities ahead of the curve.

We remain confident in our ability to overcome challenges and to transform them into avenues for growth. By leveraging innovation, strengthening operational efficiency, and maintaining disciplined financial management, we continue to create sustainable value for our shareholders.

Looking forward, while the external environment may remain volatile, our commitment to long-term growth and shareholder returns is unwavering. We are well-positioned not only to withstand adversity but to thrive in it.

APPRECIATION

On behalf of the Board, I would like to express sincere appreciation to our management and staff for their dedication and contributions during this challenging year. Their professionalism and commitment have been instrumental in sustaining the Group's resilience. I would also like to express my gratitude to our customers, business partners and shareholders for their continued trust and support. Together, we will strive to overcome current challenges and achieve long-term success.

Lim Kiah Meng

Chairman and Chief Executive Officer

Hong Kong, 20 March 2026



Management Discussion and Analysis

FINANCIAL REVIEW AND ANALYSIS

Significant Investment

As of 31 December 2025, the Group's financial instruments classified as fair value through profit or loss ("FVTPL") accounted for approximately 5.2% or HK\$455,286,000 (2024: 5.5% or HK\$471,206,000) of the Group's total assets. These investments were mainly for long-term strategic purposes and capital appreciation, which in line with the Group's overall business strategy. All transactions were conducted on normal commercial terms, during the ordinary course of business, and were in the best interests of the Group and its shareholders.

The portfolio was well-diversified, with no single investment or financial assets exceeding 5% of the Group's total assets as of 31 December 2025. This diversification mitigated concentration risk, ensuring a balanced and prudent approach to investment management.

The Group's management team, with extensive experience in the information technology and hospitality sectors, leveraged their expertise to identify and evaluate high-potential investment opportunities. Each investment underwent a rigorous process, including detailed analysis and regulatory compliance assessments, prior to execution. Investment performance was closely monitored and reviewed regularly, with results reported to the Board to maintain transparency and oversight.

This disciplined approach reflects the Group's commitment to maximizing returns for shareholders while adhering to sound risk management principles and corporate governance standards.

Liquidity and Financial Resources

As at 31 December 2025, the Group had total assets of HK\$8,743,246,000 which were financed by total equity of HK\$4,325,809,000 and total liabilities of HK\$4,417,437,000. The Group had a current ratio of approximately 1.10 compared to that of approximately 1.26 at 31 December 2024.

As at year end 2025 the Group had HK\$1,377,576,000 (2024: HK\$1,438,647,000) bank deposits balances and cash of which HK\$286,296,000 (2024: HK\$289,915,000) was pledged to banks to secure bank borrowings. The Group's working capital requirements were mainly financed by internal resources, bank borrowings and bonds. As at 31 December 2025, the Group had short term borrowings and bonds of HK\$2,156,707,000 (2024: HK\$1,894,561,000) and long term borrowings and bonds of HK\$326,508,000 (2024: HK\$952,580,000). The borrowings were mainly denominated in Japanese Yen, Thai Baht, United States Dollar and Hong Kong Dollar, and were charged by banks at floating interest rates.

At the end of December 2025, the Group had a net cash deficit (total bank borrowings and bonds, less bank balances and cash and pledged deposits) of HK\$1,105,639,000 (2024: HK\$1,408,494,000).

Gearing ratio, as defined by total bank borrowings and bonds less bank balances and cash and pledged deposits to total equity as at 31 December 2025 was 26% (2024: 34%).

Management Discussion and Analysis

Charges on Group Assets

At the balance sheet date, the Group's had pledged deposits of HK\$286,296,000 (2024: HK\$289,915,000), investment properties with carrying value of HK\$2,949,469,000 (2024: HK\$3,013,081,000) and property, plant and equipment with carrying value of HK\$551,105,000 (2024: HK\$563,303,000) were pledged to banks to secure general banking facilities granted to the Group and for purchase of real estates and working capital. Certain shares of subsidiaries have been pledged to the banks as at 31 December 2024 and 2025 to secure several banking facilities available to the Group.

Number and Remuneration of Employees, Remuneration Policies, Bonus and Share Option Schemes

The number of staff of the Group as at 31 December 2025 was 1,552 (2024: 1,233) and the salaries and other benefits paid and payable to employees, excluding Directors' emoluments and share option expenses, amounted to HK\$335,497,000 (2024: HK\$296,991,000) for the year ended 31 December 2025. In addition to the contributory provident fund and medical insurance in the Group and Employee Joint Investment Programme to motivate and retain employees in long term in Thailand, the Company adopts share option scheme and may grant shares to eligible employees of the Group. The Directors believe that the Company's share option schemes could create more incentives and benefits for the employees and therefore increase employees' productivity and contribution to the Group. During the year ended 31 December 2025, 2,010,000 share options were lapsed. Other than that, no share options have been granted or exercised. The Group's remuneration policy is to relate performance with compensation. The Group's salary and discretionary bonus system is reviewed annually. There are no significant changes in staff remuneration policies from last year.

Currency Risk Management

Certain purchase of goods of the Group are dominated in United States dollar. Certain bank balances are dominated in United States Dollar, Australian Dollar, Singapore Dollar, Japanese Yen and Renminbi, while certain bank borrowings are dominated in United States Dollar and Japanese Yen. These currencies are other functional currencies of the relevant group entities. The Group currently does not have comprehensive currency hedging policy. However, the management monitors the currency fluctuation exposure and has entered into foreign currency forward contracts. At 31 December 2025, the Group had outstanding forward contracts of notional amount HK\$317,733,000 (2024: HK\$306,610,000) which were measured at fair value at the reporting date.

Contingent Liabilities

At 31 December 2025, the Group did not have any contingent liabilities or guarantees (31 December 2024: Nil).

Corporate Governance Report

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to upholding high standard of corporate governance with a view to safeguarding the interests of the shareholders. The Company has adopted its own corporate governance code (with subsequent amendments) which is substantially similar or in exceeds as the Code on Corporate Governance Practices (the “Code”) as set out in the Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”). Exception of the deviations from the Code are explained in the report below.

BOARD OF DIRECTORS, CHAIRMAN AND CHIEF EXECUTIVE

The Board is responsible for formulating business strategies, and monitoring the performance of the business of the Group. Other than the daily operational decisions which are delegated to the management of the Group, most of the decisions are taken by the Board. All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The Board currently comprised of five Executive Directors, namely Messrs. Lim Kiah Meng (Chairman and Chief Executive Officer), Lim Hwee Hai, Madam Lim Hwee Noi, Lim Ee Ray, and Lim Yi Alex, and three Independent Non-Executive Directors (the “INED”), namely, Ms. Ng See Wai Rowena, Ms. Doe Julianne Pearl and Ms. Chu Chung Yi. Messrs. Lim Kiah Meng and Madam Lim Hwee Noi are brother and sister. Mr. Lim Hwee Hai is spouse of Madam Lim Hwee Noi. Mr. Lim Ee Ray is the son of Mr. Lim Hwee Hai and Madam Lim Hwee Noi. Mr. Lim Yi Alex is the son of Mr. Lim Kiah Meng. Biographical details of each Director and relationship between board members are set out on pages 35 to 37 of the annual report.

Each of the INED has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all INEDs meet the independent guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

According to the Bye-Laws of the Company, at each annual general meeting one-third (or the number nearest to one-third) of the Directors at the time being shall retire from office provided that notwithstanding anything therein, the Chairman of the Board and Managing Directors of the Company shall not be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. This deviates from the provision in Code B.2.2 which requires every Director to be subject to retirement by rotation at least once every three years. The Directors consider the deviation acceptable as the position of chairman shall be elected after the next Annual General Meeting. Also in view of the small number of the total Directors of the Company, the deviation is not material.

The positions of the Chairman and Chief Executive Officer are held by the same individual, Mr. Lim Kiah Meng who is responsible for the charting of corporate strategies and direction of the Group. As Chairman of the Board, Mr. Lim provides leadership and plays a pivotal role fostering constructive dialogue between the Board, shareholders and management. As the Vice Chairman of the Board, Mr. Lim Hwee Hai plays a key role in developing operating policies and business development and ensures the effectiveness and efficiency of the business operations of the Group. According to the Bye-Laws of the Company, the position of chairman and vice-chairman shall be elected after next Annual General Meeting to be held on 5 June 2026. The deviation from the Code C.2.1 is considered acceptable.

Corporate Governance Report

DIRECTORS NOMINATION POLICY

The nomination, appointment and removal of Directors are considered by the Nomination Committee. The Nomination Committee shall made recommendation to the Board whenever they consider appropriate.

The Company consolidated its nomination procedures and selection criteria of directors into the nomination policy of the Company (the “Directors Nomination Policy”), which was approved and adopted by the Company, and was effective on 1 January 2019. The summary of the Nomination Policy is as follows:

When considering a candidate nominated for directorship or a director’s proposed re-appointment, the Board will take into account the following factors as a reference:

- the candidate’s character and honesty;
- whether the qualification, skills, experience, industry knowledge of the candidate meet the business needs or are in line with the long term development of the Company;
- effect on the board’s composition and diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, and the compliance with the board diversity policy of the Company;
- commitment of the candidate to devote sufficient time to effectively discharge his/her duties. In this regard, the number and nature of offices held by the candidate in public companies or organizations, and other executive appointments or significant commitments will be considered;
- the requirement of appointing independence non-executive directors to the board under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the independence of a candidate pursuant to Rule 3.13 of the Listing Rules;
- any potential/actual conflicts of interest that may arise if the candidate is selected;
- for the appointment or re-appointment of independent non-executive directors, the independence of the candidate and his/her immediate family from the Company; and
- in the case of a proposed re-appointment of an independent non-executive director, the number of years he/she has already served.

the above factors are for reference only, and not meant to be exhaustive and decisive.

Corporate Governance Report

Subject to the provisions in the Company's Bye-laws, if the Board recognizes the need to appoint an additional director, the following procedures should be adopted:

- the Board shall call a meeting and invite nominations of candidates from the Nomination Committee of the Company for consideration by the Board prior to its meeting;
- the Board may use any process it deems appropriate to assess the suitability of and the potential contribution to the Board by the candidates based on (but not limited to) the criteria set out above, which may include personal interviews, background checks, presentations or written submissions by the candidates and third party references;
- the Board shall hold a physical meeting to consider the matter and avoid the making of decisions by written resolutions unless it is impractical that a physical meeting be held; and
- the Board shall provide to the Shareholders for its consideration with all the information required, including information set out in Rule 13.51(2) of the Listing Rules in relation to the candidates.

In order to provide information of the candidates nominated by the Board to stand for election at a general meeting, and to invite nominations from shareholders, a circular accompanying the notice of the relevant general meeting will be sent to shareholders of the Company. The circular will set out the lodgment period for shareholders to make the nominations. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates will be included in the notice to shareholders of the Company in due course.

BOARD DIVERSITY

The Company recognizes and embraces the benefits of having a diverse Board, and sees diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the talents, skills, regional and industry experience, background, gender and other qualities of the members of the Board. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All appointments of the members of the Board are made on merit, in the content of the talents, skills and experience the Board as a whole requires to be effective.

For 2025, (i) at least one third of the Board shall be independent non-executive Directors; (ii) 50% of the Directors are female and (iii) at least one Director has obtained accounting or other professional qualifications.

Nomination Committee considered that the Board had achieved gender diversity and processed skill and expertise and a diverse mix appropriate for the business of the Company and will review the composition and diversity of the Board annually to ensure its continue effectiveness.

Current Board composition and diversity details as at 31 December 2025 were disclosed in table below. The details of workforce composition and diversity were disclosed under the section Environmental, Social and Governance Report.

Corporate Governance Report

Current Board Composition at 31 December 2025

Composition	Executive	INEDs			
	5	3			
Gender	Male	Female			
	4	4			
Ethnicity	Singaporean	Chinese	Australian		
	5	2	1		
Age group	below 50	50-55	56-60	60-65	over 70
	2	0	1	2	3
Years of service	<1	1-2	3-4	5-6	> 9
	0	4	1	0	3
Directorship with HKEX (excluding the Company)	0	1			
	2	6			
Other Public Co Directorship	0	1	2	3	
	3	1	3	1	

BOARD COMMITTEES

The Board has established three Committees. The table below provides membership information of these Committees on which certain Board members serve:

Directors	Audit Committee	Nomination Committee	Remuneration Committee
Mr. Lim Kiah Meng	—	C	M
Ms. Ng See Wai Rowena	M	M	M
Ms. Doe Julianne Pearl	M	M	M
Ms. Chu Chung Yi ("Ms. Chu")	C*	M	C
Ms. Tan Song Ping (resigned on 17 August 2025)	C*	M	M

Notes:

C — Chairman/Chairlady of the relevant Committee

M — Member of the relevant Committee

*Ms. Chu became the Chairlady of the Audit Committee from 17 August 2025 after resignation of Ms. Tan Song Ping.

Corporate Governance Report

AUDIT COMMITTEE

The Audit Committee was set up with written terms of reference and is comprised of all INED. After the resignation of Ms. Tan Song Ping, Ms. Chu Chung Yi was appointed as the Chairlady of the Audit Committee on the same day.

The main duties of the Audit Committee include:

- to consider the appointment, reappointment and removal of the external auditors, the audit fee and terms of engagements, and any questions of resignation or dismissal of that auditors;
- to monitor integrity of half-year and annual financial statements before submission to the Board;
- to review the Company's financial controls, internal control and risk management systems; and
- to review the Group's financial and accounting policies and practices.

The Audit Committee has met four times during the year ended 31 December 2025 and has reviewed the managements accounts, half-year, and annual financial results of the Group and its subsidiaries. Certain recommendations have been made to the internal control of the Company and its subsidiaries. Audit Committee had met the external auditors without the presence of Executive Directors on reviewing the half year and annual financial results.

NOMINATION COMMITTEE

The Nomination Committee was set up with written terms of reference with effect from 28 March 2012 and is comprised of all INED and an Executive Director, namely Mr. Lim Kiah Meng. Mr. Lim is the Chairman of the Nomination Committee.

The duties of the Nomination Committee shall be:

- 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;
- identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- assess the independency of independent non-executive directors;
- 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;
- to assess annually 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, taking into account professional qualifications and work experience, existing directorships of the Company and other significant external time commitments of such director and other factors or circumstances relevant to the director's character, integrity, independence and experience;

Corporate Governance Report

- to support the Company's regular evaluation of the Board's performance; and
- develop and review a policy concerning diversity of Board members and a policy concerning the nomination of directors of the Company, and shall disclose the policy or a summary of the policies in the corporate governance report of the Company.

Two meetings were held during the year ended 31 December 2025 to review and discuss the composition of the Board of the Company, and to assess the independency of independent non-executive directors. The Nomination Committee considered that the experience, expertise, leadership and qualification of the existing Directors are sufficient to maintain corporate governance of the Company and manage the operations of the Group.

REMUNERATION COMMITTEE

The Remuneration Committee was set up with written terms of reference on 23 September 2005 and is comprised of all INED, and an Executive Director, namely Mr. Lim Kiah Meng, with Ms. Chu Chung Yi as Chairlady from 1 October 2024 onwards.

The Committee is mainly responsible for making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management, and reviewing and approving the compensation payable to Executive Directors and senior management. A meeting was held during the year ended 31 December 2025, and the members had reviewed the remuneration policy and determined remuneration of Directors.

Pursuant to Code Provision E.1.5 of the Code, details of the annual remuneration of the directors and senior management by band for the year ended 31 December 2025 are as follows:

Remuneration band	Year 2025 Number of individuals
HK\$nil to HK\$1,000,000	4
HK\$1,000,001 to HK\$2,000,000	2
HK\$2,000,001 to HK\$3,000,000	1
HK\$3,000,001 to HK\$4,000,000	—
HK\$4,000,001 to HK\$5,000,000	2
	9

Details of the remuneration of each director for the year ended 31 December 2025 are set out in note 12 to the consolidated financial statements.

BOARD AND COMMITTEE PERFORMANCE REVIEW

In late 2025, the Board and Committees conducted its first performance review. The review was facilitated internally using a questionnaire for all directors, covering overall Board and Committee effectiveness, including composition and qualifications, meetings practices, director's roles and responsibility.

Overall, the review concluded that the Board and its Committees continued to operate effectively. The review did not identify any material notable areas for improvement except for the enhancement in the risk management review. However, ensuring business continuity and long-term success, the management and Board of the Company should continue identifying and developing internal talent or recruiting of experienced candidates to fill key leadership roles in the Company. Nomination committee will monitor the progress and optimize the skill matrix of Board composition when required.

Corporate Governance Report

CORPORATE GOVERNANCE FUNCTIONS

The Board is collectively responsible for performing the corporate governance duties which have been formalised into the terms of reference of the Board, a summary of which are as follows:

- develop and review the Company's policies and practices on corporate governance and make recommendation to the Board;
- review and monitor the training and continuous professional development of Directors and senior management;
- review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- develop, review and monitor the code of conduct and compliance manual (if any) applicable to Directors and employees; and
- review the Company's compliance with the code and disclosure in the Corporate Governance Report.

The Board performed its corporate governance duties. The Board has reviewed the code of corporate governance of the Company for adoption of amendments to the Listing Rules, approval of the Dividend Policy, Directors Nomination Policy, Board Diversity Policy and the procedures for shareholders to propose a person for election as director (which has been disclosed in the Company's website). Corporate Governance Report contained in this Annual Report has been approved by the Board.

DIRECTORS' SECURITIES TRANSACTION

The Company adopted its own code of conduct regarding Directors' dealing in securities on 23 September 2005 (the "Code of Conduct") with subsequent amendments thereafter. The term of the Code of Conduct are no less exacting than the required standard set out in the Model Code set out in Appendix C3 of the Listing Rules. Having made specific enquiry of all Directors, the Directors of the Company have complied with the Model Code and the Company's Code of Conduct.

DIRECTORS' AND AUDITORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledged their responsibility for preparing the financial statements which give a true and fair view of the state of affair of the Group. The statement of the external auditors of the Company about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 49 to 54.

AUDITORS' REMUNERATION

During the year ended 31 December 2025, the Group had engaged external auditors, Deloitte Touche Tohmatsu, to provide the following services.

	Service fee HK\$'000
Audit services (<i>Note 1</i>)	5,304
Tax advisory	190
Other services	652
	6,146

Corporate Governance Report

Note 1: Auditors' remuneration paid for component audits of subsidiaries in different jurisdiction amounted approximately HK\$1,548,000 and under accrual of audit fee in previous year amounted approximately HK\$724,000 are excluded in this section.

ATTENDANCE OF MEETINGS

The following table shows the attendance of each Director at general meeting, meetings of the Board and the above committees during the year 2025:

	General Meeting	Board	Audit Committee	Nomination Committee	Remuneration Committee
Number of meeting during the year	(1)	(6)	(4)	(2)	(1)
Executive Directors					
Lim Kiah Meng	1	6	N/A	2	1
Lim Hwee Hai	1	6	N/A	N/A	N/A
Lim Hwee Noi	1	6	N/A	N/A	N/A
Lim Ee Ray	1	6	N/A	N/A	N/A
Lim Yi Alex	1	6	N/A	N/A	N/A
Independent Non-Executive Directors					
Ng See Wai Rowena	1	6	4	2	1
Doe Julianne Pearl	1	6	4	2	1
Chu Chung Yi	1	6	4	2	1
Tan Song Ping (resigned on 17 August 2025)	1	3	2	1	1

RISK MANAGEMENT AND INTERNAL CONTROLS

System of internal controls is defined as a system of internal controls procedures which is used to help the achievement of business objectives, and safeguard the Group's assets; to ensure proper maintenance of accounting records and compliance with relevant legislation and regulations.

The management of the Group would evaluate the risk management and internal control system periodically and enhance the system when necessary. The Company has internal audit functions. The internal auditors reviewed the risk management and internal controls system on an ongoing basis covering all major operations of the Group on a rotational basis, and reported directly to the Audit Committee and Board on a regular basis.

Through the internal control functions of the Group, the Directors conduct two reviews of the effectiveness of the system of the internal control and risk management of the Group during the year. The Directors considered that the systems are adequate and effective.

Corporate Governance Report

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

The Company is responsible for arranging and funding suitable training for its directors. During the year 2025, the Company had organised two seminars regarding the latest developments in listing rules and other applicable regulatory requirement for the directors, to ensure compliance and enhance their awareness of good corporate governance practices. In addition, individual directors also participated in other courses relating to the roles, functions and duties of a listed company director or further enhancement of their professional development by way of attending training courses or reading relevant materials. The Company Secretary reports from time to time the latest changes and development of the Listing Rules, corporate governance practices and other regulatory regime to the Directors with written materials. The Company has devised a training record to assist the Directors to record the training they have undertaken.

During the year, the Directors participated in continuous professional development activities as set out below:

Directors	Topics										Total Training Hours
	Directors duties	Listing rules & laws	Corporate governance & ESG	Risk management & internal control		Industry & business update	other				
Executive Director											
Lim Kiah Meng	0.5	1.0	0.2	0.3	2.0	—	4.0				
Lim Hwee Hai	0.5	3.0	1.2	0.3	2.0	—	7.0				
Lim Hwee Noi	0.5	3.5	1.7	0.3	2.0	—	8.0				
Lim Ee Ray	0.5	1.0	1.2	0.3	2.0	—	5.0				
Lim Yi Alex	0.5	1.0	0.2	0.3	2.0	6.0	10.0				
Independent Non-Executive Directors											
Ng Sze Wai Rowena	0.5	3.0	4.2	0.3	2.0	—	10.0				
Doe Julianne Pearl	3.5	3.0	4.2	0.3	2.0	—	13.0				
Chu Chung Yi	4.5	9.5	8.7	4.8	2.0	25.5	55.0				
Tan Song Ping Christine	—	—	—	—	2.0	—	2.0				

Methods of attendance:

Webinar	○
Physical	●
Reading materials	●

Corporate Governance Report

COMPANY SECRETARY

Ms. Chiu Lai Chun Rhoda has been appointed as company secretary of the Company since 2004. She is a Certified Public Accountant in Hong Kong. She has fulfilled the 15 hours of relevant professional training requirements under the Rule 3.29 of the Listing Rules for the year ended 31 December 2025.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

To enhance the communication with investors, or shareholders, the Company has established several communication channels, including (a) the annual and extraordinary general meetings which provide a forum for shareholders to communicate directly with the Board; (b) printed corporate documents mailing to shareholders; (c) announcement disseminating the latest activities of the Group on the web-sites of the Company and the Stock Exchange of Hong Kong; (d) meeting with investment fund manager and investors; and (e) the Company's web-site providing an electronic means of communication.

The shareholders' meeting in 2025 was the annual general meeting held on 13 June 2025 at 27/F Club Lusitano, 16 Ice house Street, Central, Hong Kong to receive and consider the audited financial statements for the year ended 31 December 2024; to re-elect directors; and approve the general mandates for the issue and repurchase of the Company's share.

During the year under review, the Company has not made changes to its Bye-Laws. A copy of the Company's Bye-Laws is available on web-sites of the Company and the Stock Exchange of Hong Kong. Shareholders may refer to the Company's Bye-Laws for further details of their rights.

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors, for shareholders' consideration and voting. Besides, pursuant to the Company's Bye-Laws, any one or more shareholders holding at the date of the deposit of the requisition in aggregate at least one-tenth of the voting rights (on a one vote per share basis) in the share capital of the Company may also make a requisition to convene a special general meeting and add resolutions to the agenda of the meeting so convened. Such requisition must state the objects of the meeting and must be signed by the shareholders and deposited at the Company's office.

For avoidance of doubt, a meeting called for the passing of a special resolution shall be called by 21 days' notice in writing at the least and a meeting other than an annual general meeting shall be called by 14 days' notice in writing at the least.

Shareholders may send written enquiries to the Company for putting forward any enquiries or proposals to the Board. Contact details are as follows:

803 Nine Queen's Road Central, Hong Kong
Fax: (852) 2138 3928
Email: enquiry@sis.com.hk

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and the poll voting results will be posted on the web-sites of the Company (www.sisinternational.com.hk) and the Stock Exchange of Hong Kong (www.hkexnews.hk) immediately after the relevant general meetings.

Environmental, Social and Governance Report

ABOUT THIS REPORT

SiS International Holdings Limited (“SiS International” or “the Group”) was founded in 1983. We are principally engaged in real estate investment, mobile and IT products distribution as well as investments in assets and businesses. SiS International has been listed on the Main Board of the Stock Exchange of Hong Kong Limited (“Stock Exchange”) since 1992 (Stock Code: 00529). The Group has also successfully listed three investee companies — SiS Distribution (Thailand) Public Co. Ltd on the Thailand Stock Exchange since 2004; SiS Mobile Holdings Limited on the Main Board of Hong Kong Stock Exchange in 2015; and IT Consultants PLC (“ITCL”) on two stock exchanges — Dhaka and Chittagong — in Bangladesh in 2016. Near end of 2025, the Group acquired a listed group Gestetner of Ceylon PLC in Sri Lanka.

With our strong commitment to the well-being of stakeholders and the environment, stringent standards are endorsed in the entire product manufacturing value stream in order to deliver enduring value to our major stakeholders. The Group is pleased to present our 8th environmental, social and governance (“ESG”) report (the “Report”).

REPORTING SCOPE

The Report presents the Group’s ESG management approach, environmental and social performance and material topics within our operational boundaries listed below during the period from 1 January 2025 to 31 December 2025 (the “Reporting Period” or “FY2025”). The scope of this Report includes the environmental and social performance of the main operations of the Group in Hong Kong and Japan. The Group’s operation in Thailand, as a subsidiary of the Group, is listed in Thailand with its own ESG report, the data from Thailand business was excluded from this report. The Group operates asset management business in Singapore. However, we consider this business to be non-core and relatively small in scale compared to our main operations. Operation contribution from Sri Lanka was immaterial during 2025. Therefore, the data from Singapore and Sri Lanka were also excluded from this report. There were no material changes in the reporting scope as compared to previous year.

REPORTING GUIDELINE

In preparing this Report, the Group has complied with the “mandatory disclosure requirements” and the “Comply or Explain” provisions in accordance with the Environment, Social and Governance Reporting Code (the “ESG Reporting Code”) as set out in Appendix C2 to the Rules Governing the Listing of Securities on Main Board of the Stock Exchange (the “Main Board Listing Rules”) and in accordance with the practical circumstances of the Company.

Environmental, Social and Governance Report

In the course of the Report's preparation, we have adhered to the following reporting principles set out in the ESG Reporting Code:

Materiality

The Report contains issues that reflect material ESG impact or substantially affect stakeholders.

Consistency

The Report uses consistent methodologies of ESG data over time. Any changes to the methods used or any other relevant factors affecting the methodologies have been disclosed in the Report.

Balance

The Report provides an unbiased picture of our performance. The Report avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the Report reader.

Quantitative

The Report discloses key performance indicators in ways that can be measured so that the effectiveness of ESG policies and management systems can be evaluated and validated.

FEEDBACK

Any comments or suggestions on this Report or the Group's sustainable development management are welcome. If you have any comments or suggestions, please feel free to contact us at:

- Address: 803 Nine Queen's Road Central, Hong Kong
- Telephone: (852) 2138 3938
- Email: enquiry@sis.com.hk
- Website: www.sis.com.hk

BOARD STATEMENT

Adhering to its vision of sustainability, the Company is committed to generating maximum value for its shareholders as well as balancing interests of the environment, society and other aspects to promote harmony and prosperity for different kinds of stakeholders.

To strengthen our management on sustainable development, an ESG governance structure was established. The Board takes full accountability for the Group's ESG governance and sustainable development. They are responsible for monitoring the Group's material ESG issues, performance, and evaluating the ESG-related risks and opportunities regularly. Under the authorization of the Board, the management considers and evaluates various stakeholders' concerns and interests by materiality assessment to determine the Group's ESG management approach, strategy, priorities, and objectives.

Environmental, Social and Governance Report

STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their views relating to its businesses and environmental, social and governance issues. To understand the concerns of various stakeholders, the Group have engaged and discussed with various business functions and management personnel to communicate with its key stakeholders, including but not limited to employees, investors, customers, suppliers, government bodies and communities through different channels such as conferences, electronic platforms and public events. In formulating operational strategies and environmental, social and governance measures, the Group takes into account the stakeholders' expectations and strives to improve its performance through mutual cooperation with the stakeholders, with a view to driving long-term prosperity and creating greater value for the community.

Key Stakeholder Groups	Major Engagement Channels	Topics of interest/concern
Shareholders	Investor relations communication, Shareholder meeting	Business strategies and sustainability Financial performance Corporate governance
Employees	Meeting and Staff interview	Training Promotion Employee remuneration Safety and respectful workplace
Customers	Business relationship/Feedback	Produce quality and consistent service Client data security
Government	Disclosures and Statutory filings	Compliance with laws and regulations Environment protection
Suppliers and business partners	Business relationship	Fair competition Business ethics

MATERIALITY ASSESSMENT

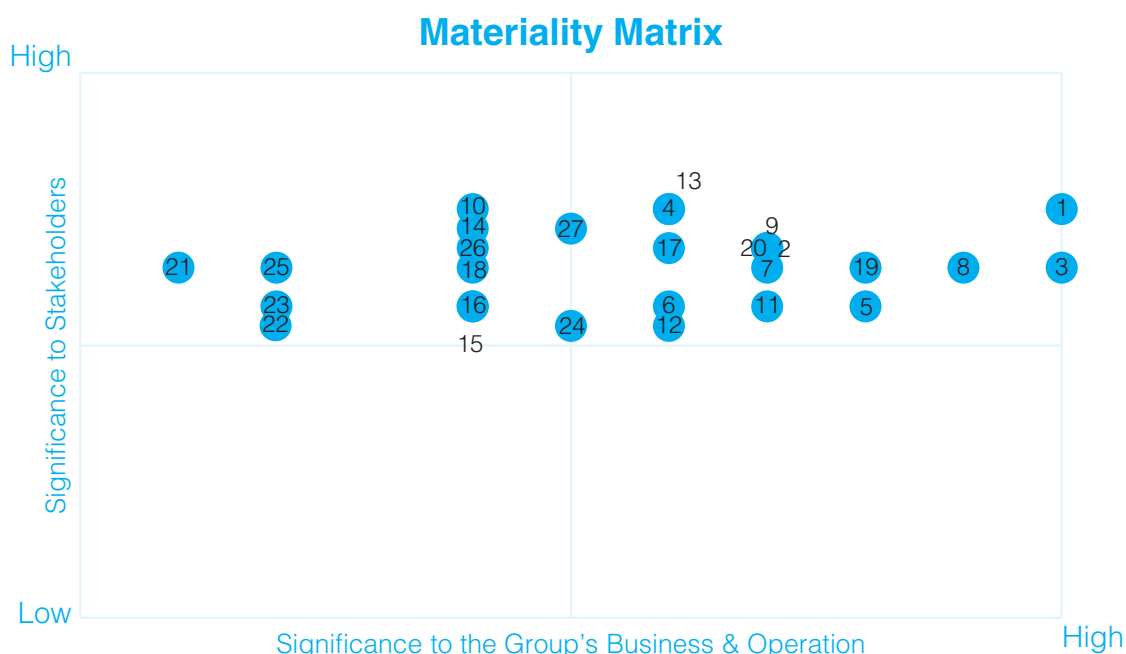
The Group has conducted an extensive survey with the primary objective of delving into the paramount significance associated with various ESG components concerning the stakeholders and the seamless functioning of the Group's intricate Business and Operation.

Through this meticulous inquiry, the Group sought to discern and comprehend the intricate interplay between these ESG elements and their impact on the relevant stakeholders, as well as the overall functioning and sustenance of the Group's multifaceted business undertakings. This comprehensive analysis allowed the Group to garner deep insights into the multifarious dimensions of ESG and how they intertwine with the interests and expectations of the discerning stakeholders.

Furthermore, by conducting this far-reaching survey, the Group aimed to underscore the potential influence that ESG elements exert on the Group's long-term viability and competitiveness within the dynamic business landscape. The results of this undertaking will enable the Group to make well-informed decisions and formulate effective strategies that align with the ever-evolving needs and aspirations of its diverse stakeholders, ultimately contributing to the Group's sustainable growth and success.

Environmental, Social and Governance Report

A number of environmental, social and operation topics were identified for the material assessment after performing desktop research. Significance of the topics for the Group and its stakeholders are assessed to help the Group understand the gap between its development direction and the stakeholders' expectations. The Group's and stakeholders' matters of concern are presented in the following materiality matrix:



Social — Operation/Employment		Social — Operation/Employment		Environment	
1.	Product and Service Quality	10.	Anti-Corruption Policy and Whistleblower Procedures	20.	Climate Change Risk
2.	Customer Experience and Satisfaction	11.	Intellectual Property Rights Protection	21.	Greenhouse Gas Emission Reduction
3.	Customer Data and Privacy Protection	12.	Safeguard Network Security	22.	Waste (Hazardous and Non-Hazardous Waste) Reduction
4.	Optimise Cooperation with Supplier	13.	Protect Employee's Rights and Interests	23.	Energy Consumption Reduction
5.	Supply Chain ESG Management	14.	Occupational health and safety	24.	Water Consumption Reduction
6.	Responsible supply chain management	15.	Staff Training and Employment Development	25.	Packaging Materials Consumption Reduction
7.	Anti-COVID 19 Epidemic	16.	Equal Opportunity, Diversity and Anti-Discrimination	26.	Environmentally Friendly Products
8.	Operate in a Credible and Compliant Manner	17.	Prohibit Child Labour and Forced Labour	27.	Environmental Compliance
9.	Corporate Governance and Risk Management	18.	Compliance Employment		
		19.	Community Charity and Investment		

Environmental, Social and Governance Report

According to the results of the materiality matrix, the Group should focus on Social — operation/employment aspects. Looking forward, the Group will continue to review and develop corresponding ESG policies and targets, as well as optimizing the ESG reporting disclosure in order to pursue continuous improvement in our ESG performance in future.

ENVIRONMENTAL

The Group has done everything within its power to safeguard the environment at work and from its commercial operations throughout the year. The Group also provides awareness training to its staff on the importance of supporting the environment. The Group works to minimize any negative effects on the environment that may be linked to its operations by identifying and managing those effects.

A1. Emissions

The Group invests in income generating properties or properties with the potential to appreciate in value. Most of the properties are for hospitality and office usage purposes. Properties are mainly leased to tenants/hotel operators for stable lease income. Certain properties have been operated by the Group as hospitality business. Therefore, the hospitality operation attributes greenhouse emission for the Group. The Group has taken steps to closely monitor and minimize environmental impacts in its hospitality operation.

For our 56-storey iconic building involving hospitality, office and conventional centre located in Japan, an energy system was installed by an Energy Service Company ("ESCO") for energy saving purpose. The ESCO is engaged to monitor the effectiveness of heat source system regularly. Electricity, heating and gas ("Energies") was consumed in an effective way.

For hospitality business, Japan's tourism industry indicated robust recovery and growth, and there was a significant influx of tourists from around the world visiting Japan for sightseeing. Our Group has been making continuous efforts to develop the hotel business in Japan. The hospitality business benefited from high travel demand. Occupancy rates climbed lead to higher usage of utilities. During the Reporting Period, the energy indirect emissions were mainly from our hospitality business in Japan.

For mobile phone and IT products distribution business, we are also the leaders in Asia when it comes to the distribution of technological products, having a vast reseller channel network that includes several well-known manufacturers. Since we are not producers, there is no creation of hazardous waste.

CO ₂ Emission (Tonnes)	FY2025	FY2024
Scope 1: GHG emission from mobile combustion	0 tonnes	0 tonnes
Scope 2: Energy Indirect Emissions	8,570 tonnes	6,689 tonnes
Scope 3: Other Indirect Emissions	46 tonnes	64 tonnes
— Category 5: Waste Generated in Operations	11 tonnes	14 tonnes
— Category 6: Business Travel	35 tonnes	50 tonnes
Total greenhouse gas emission from scope 1 to 3	8,616 tonnes	6,753 tonnes
Carbon Intensity (tCO ₂ per employee) ¹	24 tCO₂	19 tCO ₂

Note:

- As at 31 December 2025, the Group has a total of 366 employees (as at 31 December 2024: 362 employees) in Hong Kong and Japan, which will be used to calculate other intensity data.

Environmental, Social and Governance Report

The primary contributors to the Group's greenhouse gas emissions were the acquired electricity, gas, and heating used in the hospitality business in Japan. An increase in the scale of operations leading to an overall increase in energy consumption compared to FY2024.

During the Reporting Period, the Group did not have air emissions and direct GHG emissions (Scope 1) generated from fuel consumption. The Group's GHG emissions are mainly from indirect emissions (Scope 2 and Scope 3), with the main sources of emissions being electricity use during operations, waste paper disposed of in landfills and business travel.

Other indirect emissions (Scope 3) mainly arise from senior management's air travel and waste generated from operations. For FY2025, Scope 3 emissions totaled 46 tonnes of CO₂ (2024: 64 tonnes of CO₂). Of this total, 11 tonnes of CO₂ came from waste generated in operations (Category 5), and 35 tonnes of CO₂ from business travel (Category 6). We are of the view that other categories are immaterial to overall Scope 3 emissions.

Non-hazardous waste produced (paper waste, printer cartridges, tonner bottle) was 2,228 kg for FY2025 (2024: 2,873 kg) with non-hazardous waste intensity of 6.1 kg per employee.

A2. Use of Resources

Electricity consumption and water consumption were mainly attributable to our hospitality business. For FY2025, total energy consumption was 14,473,000 kWh (2024: 14,106,000 kWh) with energy intensity of 39,544 kWh per employee.

For FY2025, the water usage was 180,980 cubic metre (2024: 180,782 cubic metre), with water consumption intensity of 494 cubic meters per employee. The increase in water usage is primarily due to growth in occupancy in hospitality business.

For distribution business, most of the goods were delivered to our resellers at original packaging. No material additional packaging materials were required.

Air conditioners, computers and office lights are switched off during non-business hours, to minimize light pollution and reduce energy consumption.

Environmental, Social and Governance Report

A3. The Environment and Natural Resources

Creating a green workplace is an essential step towards reducing our environmental impact and promoting sustainability. One of the keyways to achieve this is by encouraging the reduction, reuse, and recycling of materials to minimize wastage in daily operations. This can be achieved through various initiatives such as energy-saving measures, proper waste disposal, and electronic document handling.

In our iconic building in Japan, we have installed an energy system to save energy and reduce greenhouse emissions. This initiative not only helps in minimizing our environmental footprint but also sets an example for other organizations to follow suit. Additionally, in Hong Kong and Japan, we have provided recycling bins at our offices for waste paper and used toner cartridges, which are collected for recycling. This not only reduces the amount of waste going to landfills but also promotes a circular economy by reusing materials.

Furthermore, we encourage our employees to handle documents electronically, reducing the need for paper usage. When the use of paper is unavoidable, we require double-sided printing to minimize paper consumption. Additionally, we reduce in-person meetings by arranging conference calls or video conferences whenever possible. This not only saves time and resources but also reduces the carbon footprint associated with travel.

Moreover, our commitment to sustainability extends to our products, including mobile phones, tablets, laptops, televisions or monitors, which are covered under the Producer Responsibility Scheme (PRS) on waste electrical and electronic equipment (WEEE) in Hong Kong. As a distributor or reseller, we are required to provide a free removal service for customers to dispose of their old equipment when purchasing new ones. We also provide recycling labels and receipts containing prescribed wording on recycling levies to promote proper disposal and recycling of electronic equipment.

In addition to these initiatives, we have ensured compliance with relevant statutory requirements when selling REE, demonstrating our commitment to responsible and sustainable business practices. By adhering to these guidelines, we can contribute to the proper disposal and recycling of electronic equipment, reducing the environmental impact of e-waste.

A4. Climate Change Response

Commitment to Climate Action

The Group acknowledges the profound impact of climate change on global economies and ecosystems. Recognizing our responsibility, we are committed to integrating climate resilience and sustainability into our business strategies across all operational regions, particularly in Hong Kong, Thailand, Singapore, and Japan.

Environmental, Social and Governance Report

Climate-Related Risks and Financial Implications

The Group has identified key climate-related risks and their potential financial impacts across its IT distribution and real estate investment businesses.

Climate Risks	Time Horizon	Trend	Potential Financial Impact	Mitigation Strategies
Physical Risks:				
Acute Risks (Extreme Weather Events)	Short term	Increasing	- Supply chain disruptions affecting IT distribution due to typhoons and floods in Hong Kong - Damage to real estate assets, leading to increased repair costs and insurance premiums	- Diversifying supply chain to mitigate disruptions - Implementing flood-resistant infrastructure in real estate properties
Chronic Risks (Rising Temperatures & Sea Levels)	Long term	Increasing	- Higher cooling costs for IT facilities - Potential devaluation of coastal real estate properties in Japan	- Implementing energy-saving technologies to improve operational efficiency - Enhancing climate resilience measures for property assets
Transition Risks:				
Policy & Legal	Short to Medium term	Increasing	- Rising compliance costs due to stricter environmental regulations in Hong Kong & Japan - Potential penalties for non-compliance with new sustainability policies	- Strengthening ESG governance and compliance - Aligning business practices with evolving climate policies
Market	Short term	Increasing	- Changing client demands towards sustainable IT products - Decreased competitiveness if sustainability expectations are not met	- Expanding eco-friendly product offerings - Engaging suppliers to ensure sustainability in IT distribution
Reputation	Short to Medium term	Increasing	- Investor concerns over inadequate climate response impacting stock performance - Reduced customer trust in non-sustainable business practices	- Enhancing ESG transparency through comprehensive sustainability reporting - Actively communicating sustainability initiatives to stakeholders

Environmental, Social and Governance Report

Mitigation and Adaptation Strategies

To address these risks, the Group is implementing the following strategic climate actions:

1. Enhancing Operational Resilience

- **Supply Chain Diversification:** Expanding supplier networks and logistics solutions to minimize disruptions.
- **Infrastructure Fortification:** Strengthening flood and weather-resistant measures in property assets.

2. Sustainable Investment and Development

- **Energy-Efficient Facilities:** Implementing energy-saving technologies and advanced monitoring systems to enhance operational efficiency.
- **Renewable Energy Integration:** Exploring solar and alternative energy solutions in our real estate portfolio.

3. Product and Service Adaptation

- **Eco-Friendly IT Distribution:** Increasing partnerships with manufacturers offering energy-efficient and sustainable IT products.
- **Promoting Digital Solutions:** Encouraging cloud-based and paperless technologies to reduce carbon footprints.

4. Stakeholder Engagement and Transparency

- **Employee Sustainability Training:** Raising awareness on climate responsibility across all levels of the organization.
- **ESG & Climate Disclosure Enhancement:** Strengthening sustainability reporting to align with global best practices.

Opportunities Arising from Climate Action

The Group is also leveraging climate-related opportunities to enhance long-term value:

- **Market Differentiation:** Positioning itself as a leader in distributing sustainable IT solutions.
- **Risk Mitigation:** Addressing climate-related risks to ensure business continuity and long-term profitability.
- **Cost Optimization:** Implementing energy efficiency measures to reduce operational expenses.

The Group is committed to integrating climate-conscious strategies into its operations, supply chains, and investment decisions. By addressing both risks and opportunities, the Group aims to enhance its resilience while contributing positively to global sustainability efforts and ensuring long-term stakeholder value.

Environmental, Social and Governance Report

SOCIAL

B1. Employment and Labour Practices

Employment, Remuneration and Benefits, Recruitment and promotion

The Group is always complying with the labour regulations and associated guidelines. Our full-time staffs are entitled to paternity and compassionate leaves, healthcare and mandatory provident fund in respective jurisdiction. We apply equal opportunity and non-discrimination in recruitment, promotion and all other aspects of our employment practices. We encourage a healthy work-life balance among staffs. As at 31 December 2025, the Group had a total of 366 (2024: 362) permanent staffs. 61% and 39% (2024: 62% and 38%) are located in Japan and Hong Kong respectively. To attract, motivate and retain experience staffs, we reviewed their pay packages annually with prevailing market conditions to ensure they are competitive under volatile and severe market. To create incentives for directors and senior staffs to work with commitment toward enhancing the value of the Group and its shareholders, the Company adopted share option scheme and grant share options to eligible staffs of the Group.

Workforce by gender and location:

	Hong Kong	Japan	FY2025 Total	FY2024 Total
Male	49%	43%	46%	47%
Female	51%	57%	54%	53%

Workforce by age group and location:

	Hong Kong	Japan	FY2025 Total	FY2024 Total
below 30	24	75	99	106
31–50	68	63	131	134
Over 50	50	86	136	122
Total	142	224	366	362

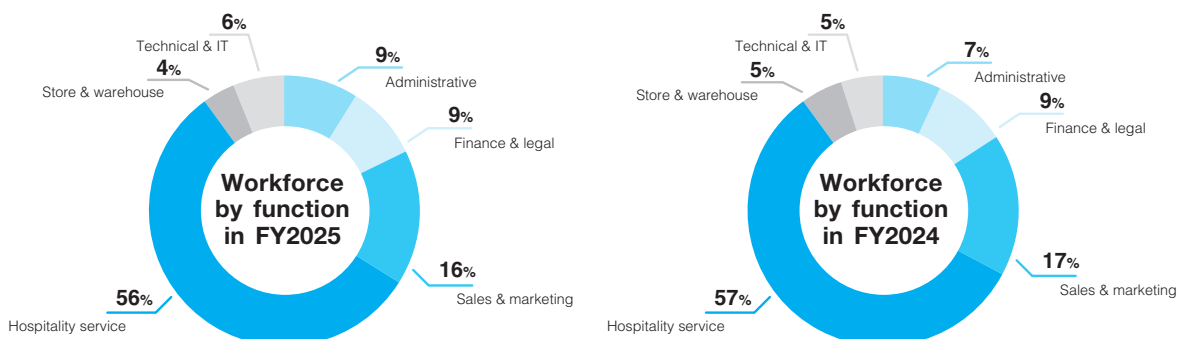
Turnover rate² by age group and gender in FY2025:

Age/Gender	Male	Female	Total
Below 30	24.0%	15.4%	18.5%
31–50	12.1%	7.6%	10.6%
Over 50	7.7%	6.3%	7.0%

Note:

- Calculation method of turnover rate: $\text{number of employees lost during the year} \div (\text{number of employees at the beginning of the year} + \text{number of employees at the end of the year}) / 2 \times 100\%$

Environmental, Social and Governance Report



Diversity and Equal Opportunities

The diversity of our employees provides us with a valuable mix of perspectives, skills, experience and knowledge for addressing contemporary business issues. At a senior management level, our board diversity policy guides the Group's approach to selection of candidates taking into account an extensive range of characteristics, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service.

B2. Health and Safety

In the Employees Code of Conduct, the Group has required employees to actively cooperate with various safety and hygiene measures implemented by the Group, and has implemented the following measures to ensure the health and safety of employees:

- Check the office area carefully before leaving, turn off the unnecessary power, close the doors and windows and eliminate dangers;
- Keep the workplaces with good ventilation;
- Keep the workplaces clean and tidy;
- Avoid overcrowded workplaces;
- Keep basic first aid equipment in the office;
- Report immediately to the relevant people and handle properly when there is an accident; and
- Propose adjustment plans to avoid the similar incidents, etc.

The Group provided a safe and healthy environment in the work places for all staffs. Air purifiers were placed in workplace to improve air circulation.

The Group did not experience any major safety incidents or work-related fatalities during the past three years. No claims or compensation were paid to employees in relation to such events. In 2025, the Group recorded four work-related injuries, resulting in a total of 30 lost workdays. These incidents were primarily associated with food and beverage service activities within the hospitality segment.

The relevant entity issued safety reminders and strengthen safety culture to minimise these incidents.

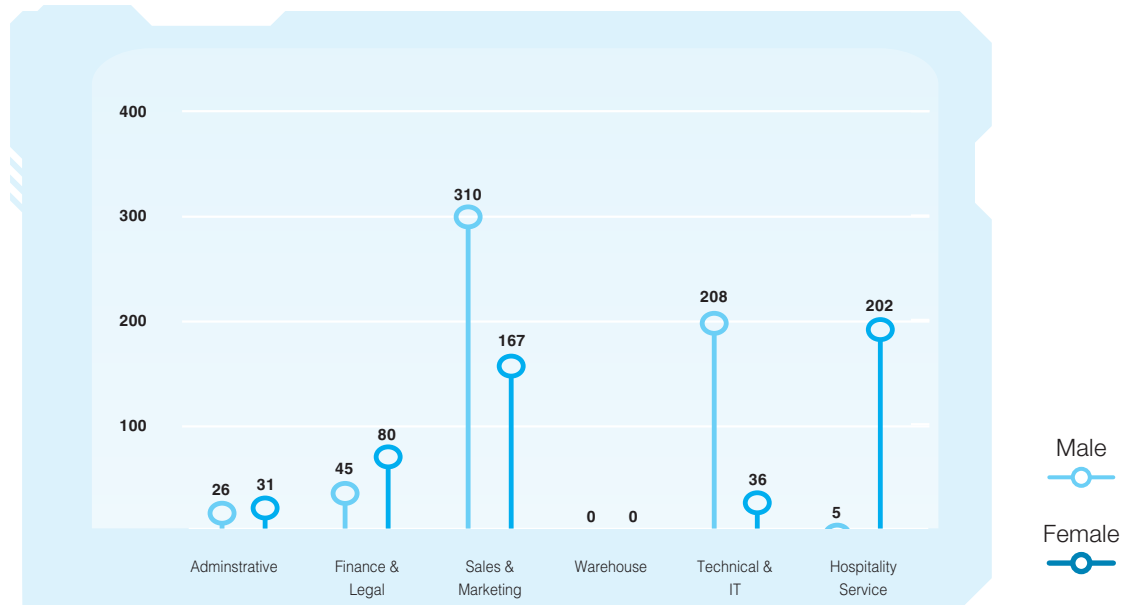
Environmental, Social and Governance Report

B3. Development and Training

As a distributor of renowned brands mobile phones, IT and related products in Hong Kong, our sales force and technical staffs processes broad knowledge of mobile phones and IT in order to provide the best services to our resellers. We work closely with suppliers to keep our sales teams updated on the latest technology and features of new products before product launches. Technical staff and the product and sales teams attended trainings provided by suppliers, gaining relevant certificates or new product knowledge. The Group understands training and development is one of the keys to success. We offer both internal and external training to our key staffs. In daily operations, the Group provides induction training for new employees. Experienced employees will act as mentors to guide the new comers on jobs. Furthermore, the Group conducts specialized training sessions tailored for staff at our self-operated hotels to elevate their service quality and boost operational efficiency.

The Group believes that planned trainings can directly enhance the competitiveness of the employees. We listen to the opinions and needs of our employees, and standardise targeted internal training opportunities to each employee in order to construct an enterprise that is full of developmental opportunities. The Group has established a policy, stipulating that the Group will provide employees with appropriate on-the-job training to improve their existing job performance and promotion opportunities. For FY2025, about 59%³ employees of the Group participated in training related to career development, with an average training time per employee of approximately 3.0 hours⁴.

Total training hours by gender and function for FY2025



Notes:

- Percentage of total employees trained: $\text{Number of employees trained during the year} \div \text{Total employees at the end of the year} \times 100\%$.
- Average training hours per employee: $\text{Total training hours of employees during the year} \div \text{Number of employees at the end of the year}$.

Environmental, Social and Governance Report

The average training hours and the percentage of employees trained by gender and employee category of the Group in FY2025 are summarised as follows:

	Average training hours ⁴	Percentage of employee trained ⁵
By gender		
Male	3.6	75%
Female	2.6	46%
By employee category		
Administrative	1.8	38%
Finance & Legal	3.9	75%
Sales and Marketing	8.4	84%
Store & Warehouse	0.0	0%
Technical & IT	10.2	63%
Hospitality service	1.0	57%

B4. Labour Standards

The Group has complied with relevant labour regulations, government regulations in Hong Kong and Japan. The Group does not employ staffs who are below 18 years of age. The Group demonstrates a steadfast commitment to compliance with labor regulations and governmental mandates across its operations in Hong Kong and Japan. In Hong Kong, the Group ensures adherence to minimum age requirements, minimum wage standards, and timely payment practices, including contributions to the Mandatory Provident Fund Scheme. In Japan, the Group strictly complies with labor laws concerning minimum age, minimum wage, and timely salary payments. These measures reflect the Group's dedication to ethical employment practices and the well-being of its workforce across diverse jurisdictions.

During recruitment process, verification of applicant's identity information is required and recruitment of child labour is strictly prohibited. Applicant is also required to provide document proofs of academic qualifications and working experience for verifications, applicant who is suspected to have false academic qualifications and working experience would not be employed. The Group enters employment contract with each of its employee in accordance with relevant laws and regulations in its operating jurisdiction and also prohibits forced labour.

Note:

5. *Percentage of employees trained: Number of employees trained during the year ÷ Total employees at the end of the year*100%.*

Environmental, Social and Governance Report

B5. Supply chain management

Sound supply chain management ensures the Group to sustain its business operations and development. As well as leveraging our extensive network of information technology distribution, we have maintained strong relationships with our suppliers. When selecting suppliers, the Group takes factors into account such as quality of products and functionality, price, reliability and anticipated market acceptance. The Group expects suppliers to observe the environmental, social, health and safety and governance considerations in their operations.

For mobile phone and IT products distribution business, we mainly procured over 40 (2024: over 60) internationally renowned brands from our suppliers for FY2025. 80% (2024: 80%) of finished goods were supplied from Hong Kong for FY2025. The remaining were supplied from Mainland China, USA, Japan and Europe.

For hospitality business, our hotel operators leverage years of experience and expertise in the hospitality sector to cultivate strong partnerships throughout the supply chain. This includes collaborative endeavors with:

Property Asset Managers: We maintain close collaborations with experienced property asset managers to optimize the utilization of our assets, streamline maintenance processes, and enhance the overall guest experience. Through proactive communication and strategic alignment, we ensure that our properties are managed efficiently, contributing to sustainable operations and value creation.

Lenders and Financial Institutions: Our relationships with lenders and financial institutions are instrumental in facilitating access to capital for strategic investments and operational initiatives. By engaging with reputable financial partners, we mitigate financial risks and uphold transparency and accountability in our financial dealings.

Accounting and Tax Advisors: We engage reputable accounting and tax advisors to ensure compliance with regulatory requirements, optimize tax efficiencies, and uphold the highest standards of corporate governance. Through proactive financial management and adherence to industry best practices, we mitigate risks associated with financial reporting and taxation, fostering investor confidence and long-term sustainability.

B6. Product responsibility

The marketing of information technology, mobility and related products to general public are usually devised by suppliers and the Group is also providing marketing services to our suppliers. During holidays and festivals, we work with our suppliers to offer products at promotional prices through print and media advertising campaigns.

Suppliers provide warranty on the products they supplied to the Group for distribution. Suppliers are responsible for providing or procuring the provision of in-warranty service to the end users. Generally, the warranty provided by the suppliers has a term from one to three years. The Group also adopts following quality control policies on the products to be sold:

- Inventory management team performs a series of inspection upon the receipt of the products in our warehouse regarding, among others, their appearance, packaging, specification and brand logo, etc. on a sampling basis; and
- If any defects are identified, the relevant product will be returned to the supplier for replacement.

Environmental, Social and Governance Report

End users' safety is always in the top priority. The Group takes speedy action together with our suppliers for any quality issues at all time. During the Reporting Period, no products sold/shipped recall due to safety concerns/complaints were received (2024: Nil).

The Group is committed to abide by the laws and regulations in relation to intellectual property protection. During the year, we have not received any cases of infringement of intellectual property rights. We are also not aware of any suspected cases of infringement of intellectual property rights of the products that we were distributed in FY2025.

The Group is also committed to abide by the Personal Data (Privacy) Ordinance. Personal data shall be highly protected. Privacy policy and personal information collection statements in our websites demonstrate a commitment to safeguarding each personal data privacy. Employees are committed not to disclose confidential information, including information related to suppliers and customers whether orally or in writing or in any other media which are not publicly known.

B7. Anti-corruption

In our comprehensive and diligently crafted Code of Conduct and Whistle-blowing Policy, we have meticulously outlined the Group's unwavering stance regarding matters concerning conflicts of interest, intellectual property rights, privacy and confidentiality of information, bribery, corruption, and non-competition. It serves as the beacon of ethical guidelines that all employees are mandated to strictly adhere to.

The Company will constantly keep itself updated with the regulations in relation to the prevention of commercial bribery, money laundering, fraud and extortion. It will also enhance education to all staff of the Company in this regard in order to forbid different kinds of commercial misbehaviour. During the Reporting Period, the Company has arranged an anti-corruption session for all staff in Hong Kong, reinforcing the relevant rules and regulations.

By combining the framework of our Code of Conduct and Whistle-blowing Policy with the enlightening seminars, we strive to foster a workplace environment that upholds the highest ethical values and principles. This concerted effort underscores our unwavering commitment to conduct business in a professional, just, and transparent manner, resonating with our core philosophy that guides our every action.

During the Reporting Period, there were no incidents of corruption reported within the Group (2024: nil).

B8. Community

We contribute to the community to show our deep care and awareness of the society. The physical health, mental health and the need of labour are the focused topics of the Group. We also encourage our employees to take part in volunteering activities to build a closer connection with different community groups.

In view of the work force and size of the Group, serving the community by way of cash and in-kind donations are considered most direct and effective.

In FY2025, donation of HK\$9,500 (2024: HK\$30,000) was made to charitable organizations in Hong Kong.

Directors' Profiles

EXECUTIVE DIRECTORS

LIM Kiah Meng, aged 72, brother of Madam Lim Hwee Noi, brother-in-law of Mr. Lim Hwee Hai, father of Mr. Lim Yi Alex and uncle of Mr. Lim Ee Ray, joined the Group in 1986. He has nearly forty years' experience in the I.T. industry, and is responsible for the Group's operations in Hong Kong, Singapore and Japan. Mr. Lim holds a Bachelor's Degree in Commerce from Nanyang University, Singapore and a Master's Degree in International Management from the American Graduate School of International Management, US. Prior to joining the Group, Mr. Lim had six years' experience in finance and banking.

Mr. Lim is also an executive director of SiS Mobile Holdings Limited ("SiS Mobile"), a company whose shares are listed on Stock Exchange of Hong Kong on 15 January 2015 (HK stock code: 1362). Since 2013, he has also been a non-executive director of SiS Distribution (Thailand) Public Co., Ltd. ("SiS Thai"), a company whose shares are listed on the Stock Exchange of Thailand (BKK stock code: SIS). Mr. Lim is also a director of IT Consultants PLC. ("ITCL"), a company whose shares are listed on The Dhaka Stock Exchange and The Chittagong Stock Exchange on 10 January 2016 (DSE stock code: ITC, CSE stock code: ITC). From 20 January 2026, he has been a director of Gestetner of Ceylon PLC whose shares are listed on the Colombo Stock Exchange (CSE stock code: GEST). He is also a director of Gold Sceptre Limited which holds approximately 51% shareholdings in the Company as at 31 December 2025.

LIM Hwee Hai, aged 76, the spouse of Madam Lim Hwee Noi, and brother-in-law of Mr. Lim Kiah Meng, father of Mr. Lim Ee Ray and uncle of Mr. Lim Yi Alex, is one of the co-founders of the Group. Mr. Lim holds a Bachelor's Degree in Commerce from Nanyang University, Singapore and a Master's Degree in Business Administration from the National University of Singapore. Prior to joining the Group, Mr. Lim had six years' experience in finance and banking. He has over forty years' experience in the I.T. industry and is responsible for the Group's operations in Thailand and the Asia-Pacific region.

Mr. Lim is also a non-executive director of SiS Mobile. Since 2004, he has been a non-executive director of SiS Thai. Mr. Lim is also a director of ITCL. During September 2013 to May 2018, Mr. Lim was an independent non-executive director of Valuemax Group Limited, a company whose shares are listed on the Stock Exchange of Singapore (SG stock code: T6I). He is also a director of Gold Sceptre Limited which holds approximately 51% shareholdings in the Company as at 31 December 2025.

LIM Hwee Noi, aged 75, the sister of Mr. Lim Kiah Meng, spouse of Mr. Lim Hwee Hai, mother of Mr. Lim Ee Ray and aunt of Mr. Lim Yi Alex, joined the Group in 1983 and is the Finance Director of the Group. Madam Lim holds a Bachelor's Degree in Commerce from Nanyang University, Singapore. She has been a Chartered Accountant in Singapore for more than thirty years. Madam Lim is also a director of ITCL. Since December 2017, she has been a non-executive director of SiS Thai. She is also a director of Gold Sceptre Limited which holds approximately 51% shareholdings in the Company as at 31 December 2025.

LIM Ee Ray, aged 40, appointed as an Executive Director of the Company in 2024, the son of Mr. Lim Hwee Hai and Madam Lim Hwee Noi, nephew of Mr. Lim Kiah Meng and cousin of Mr. Alex Lim, and joined the Group in 2023 as Business Director and is tasked with developing and executing strategies to drive growth of the Group. Prior to joining the Group, Mr. Ray Lim was the Business Development Director of a Singapore MedTech Startup from 2017 to 2023. From 2011 to 2017, he was involved in various roles at ExxonMobil Asia Pacific Pte. Ltd., from Business Analyst to Sales and Management to Strategic Initiatives Advisor. Mr. Ray Lim has been appointed as a non-executive director of SiS Mobile with effect from 1 October 2024 and a director of ITCL since 24 October 2024. Mr. Ray Lim obtained a Double Bachelor's Degree in Chemical Engineering and Business Administration from the National University of Singapore in February 2011. Mr. Ray Lim has been a Professional Member of the Singapore Computer Society since July 2024.

Directors' Profiles

LIM Yi Alex, aged 32, appointed as an Executive Director of the Company in 2024, and is the Business Operations Manager to assist in overseeing the Group's operations since January 2024. He is the son of Mr. Lim Kiah Meng, nephew of Mr. Lim Hwee Hai and Madam Lim Hwee Noi, and cousin of Mr. Ray Lim. Mr. Alex Lim joined the Group through the Management Trainee Program in 2018 immediately after graduation with a degree from the University of British Columbia. In 2020, he left the Group and pursued advanced studies, obtaining a Master's degree in International Business and Management from the University of Westminster, London in November 2021. In 2022, Mr. Alex Lim expanded his professional experience by joining an early stage SaaS Start-up where he worked until 2023. This role allowed him to gain industry-specific insights. Mr. Alex Lim has been appointed as a non-executive director in SiS Mobile with effect from 1 October 2024, a director of ITCL and SiS THAI since 24 October 2024 and 8 November 2024 respectively.

INDEPENDENT NON-EXECUTIVE DIRECTORS

NG See Wai Rowena, aged 63, appointed as an independent non-executive director of the Company in 2023, and has over twenty years of experience in corporate finance and investment banking. From July 1999 to May 2001, Ms. Ng served as an executive director of Lai Fung Holdings Limited, a company listed in Hong Kong (HK stock code: 1125). From June 2001 to April 2004, Ms. Ng worked at BOCI Asia Limited where she served as a managing director of the corporate finance department. From May 2004 to January 2007, Ms. Ng acted as a director in Cazenove Asia Limited, responsible for deal origination and transaction execution. From August 2011 to December 2013, Ms. Ng served as an executive director and deputy CEO of China Nickel Resources Holdings Co., Ltd., a company listed in Hong Kong (HK stock code: 2899). From February 2014 to February 2015, Ms. Ng was an independent non-executive director of Greater China Professional Services Ltd., a company listed in Hong Kong (HK stock code: 8193). From August 2015 to February 2023, Ms. Ng was a managing director and the head of Financial Solution Specialists Team of BOCI Asia Limited. She was an independent non-executive director of SiS Mobile from 16 December 2014 to 31 December 2022.

Ms. Ng has been an ordinary member of the Hong Kong Securities and Investment Institute since 1999. She obtained a bachelor's degree in science from the Victoria University of Manchester, U.K. in July 1984 and a master's degree in Investment & Finance from the University of Hull, U.K. in July 1998.

DOE Julianne Pearl, aged 63, appointed as an independent non-executive director of the Company in 2024, and has been a solicitor of the High Court of Hong Kong since September 1988 and she is currently a partner of Hui Doe & Sum Law Firm LLP. She is engaged in corporate and commercial legal practice. Ms. Doe is an independent non-executive director of Sunwah Kingsway Capital Holdings Limited, a Hong Kong listed company (HK stock code: 188), from 28 November 2024. She was an independent non-executive director of SiS Mobile for the period from 16 December 2014 to 30 September 2024.

Ms. Doe obtained the bachelor's degree in laws and postgraduate certificate in laws from the University of Hong Kong in November 1984 and in July 1985, respectively. Ms. Doe also obtained the master's degree in laws from the University of Cambridge, U.K. in October 1986.

Directors' Profiles

CHU Chung Yi, aged 59, appointed as an independent non-executive director of the Company in 2024, and is an independent non-executive Director of SiS Mobile since 16 December 2014. Ms. Chu worked for Deloitte Touche Tohmatsu from August 1991 to December 1994. From January 1995 to July 1996, Ms. Chu acted as an accounting manager in the finance and accounts department at Moulin Optical Manufactory Limited. From August 1996 to January 2005, she worked as the financial controller and company secretary of the Company. Ms. Chu has been an associate of the Chartered Association of Certified Accountants, the Hong Kong Institute of Certified Public Accountants, The Hong Kong Chartered Governance Institute, the Institute of Chartered Secretaries and Administration and a fellow of the Association of Chartered Certified Accountants. Ms. Chu obtained a bachelor's degree in accountancy from City Polytechnic of Hong Kong in November 1991 and a master's degree in business administration from The Chinese University of Hong Kong in December 1999.

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company acts as an investment trading and investment holding company and provides corporate management services. The principal activities of its subsidiaries and associates are set out in notes 45 and 19 respectively, to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss on page 55.

The Board now recommends the payment of final dividend of 2.5 HK cents per share to the shareholders on the register of members on 7 July 2026, amounting to totally HK\$6,949,000.

BUSINESS REVIEW

A fair review of business of the Group during the year, the description of the principal risks and uncertainties the Group faces and the future development of the business of the Group are contained in the sections headed "Message from the Chairman and CEO" on pages 6 and 7 and "Management Discussion and Analysis" on pages 8 and 9 of this annual report. Particulars of important events affecting the Group that have occurred since the end of the financial year set out in the sections headed "Events After the Reporting Period" on page 48.

In addition, discussions on the Group's environmental policies and performance, compliance with the relevant laws and regulations and an account of the Group's key relationship with its employees, customers and suppliers are contained under the section headed "Environmental, Social and Governance Report" on pages 20 to 34 of this annual report.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five financial years, as extracted from the audited consolidated financial statements, is set out on page 153. The summary does not form part of the audited consolidated financial statements.

INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

During the year, the Group spent HK\$22,144,000 and HK\$27,018,000 on acquisition of investment properties and property, plant and equipment respectively.

The Group has revalued all its investment properties at the year ended date. The loss from change in fair value amounted to HK\$90,079,000, which had been debited to the consolidated statement of profit or loss directly.

Particulars of investment properties and properties held for hotel operation of the Group at 31 December 2025 are set out on pages 154 to 158.

Details of the movements during the year in the investment properties and property, plant and equipment of the Group are set out in notes 15 and 16 respectively to the consolidated financial statements.

Directors' Report

SHARE CAPITAL

Details of the share capital of the Company are set out in note 36 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme disclosed in the section headed "Share Option" below, no equity-linked agreement (as defined in section 6 of the Companies (Directors' Report) Regulation (Chapter 622D of the Laws of Hong Kong)) was entered into by the Group during the financial year or subsisted at the end of the financial year.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2025 were as follows:

	2025 HK\$'000	2024 HK\$'000
Contributed surplus	29,186	29,186
Retained profits	<u>1,096,442</u>	<u>1,078,318</u>
	<u>1,125,628</u>	<u>1,107,504</u>

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if there are reasonable grounds for believing that:

- (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

DIVIDEND POLICY

The Board of the Company may declare and distribute dividends to the shareholders of the Company, provided that the Company records a profit and that the declaration and distribution of dividends do not affect the normal operations of the Company and its subsidiaries (the "Group"). The Board may, subject to the Company's Bye-Laws, make recommendation to the shareholders on the distribution of final dividends and may from time to time pay to the shareholders interim dividends based on the financial position of the Company. The Company's ability to declare dividends will depend on, among others, the operating results and earnings, capital requirements, general financial condition, prevailing economic environment and other factors of the Company which the Board then consider relevant, and the interest of the shareholders and the Company as a whole.

Directors' Report

DIRECTORS OF THE COMPANY

The directors of the Company during the year 2025 and up to the date of this report were:

Executive directors:

Mr. Lim Kiah Meng
Mr. Lim Hwee Hai
Madam Lim Hwee Noi
Mr. Lim Ee Ray
Mr. Lim Yi Alex

Independent non-executive directors:

Ms. Ng See Wai Rowena
Ms. Doe Julianne Pearl
Ms. Chu Chung Yi
Ms. Tan Song Ping (resigned on 17 August 2025)

In accordance with the provisions of the Company's Bye-Laws 99(B), Mr. Lim Hwee Hai, Mr. Lim Ee Ray and Ms. Ng See Wai Rowena will retire by rotation and, being eligible, offer themselves for re-election in the coming annual general meeting in 2026.

All the directors except for founders Mr. Lim Kiah Meng and Mr. Lim Hwee Hai, and Madam Lim Hwee Noi are appointed with service contracts or letters of appointment with the Company for a specific terms of two years. All directors except for Chairman are also subject to the retirement by rotation in accordance with the Company's Bye-laws.

Biographical information of the Directors is set out in the section headed "Directors' Profiles" on pages 35 to 37 of this annual report.

Directors' Report

DIRECTORS OF SUBSIDIARIES OF THE COMPANY

The names of all persons who, during the financial year and up to the date of this report, serve as directors of the companies included as subsidiaries of the Company for the financial year ended 31 December 2025 are set out below:

Mr. Cheng Tak Chung
Ms. Chiu Lai Chun Rhoda
Ms. Chu Chung Yi
Mr. Daiki Sugimori
Mr. Fong Po Kiu
Ms. Leung Pui Yee Sharina
Madam Lim Hwee Noi
Ms. Lo Wing Pui
Mr. Ma Shiu Sun Michael
Mr. Naoki Yoshiyama (resigned on 23 December 2025)
Ms. Rika Nakamura
Mr. Tsukasa Takai
Mr. Takao Ando
Ms. Tam Wai Man Vivian
Mr. Tatsuya Nada
Ms. Wong Yi Ting
Assoc. Prof. Dr. Rojanasak Chomvilailuk
Mr. Albert Rasakantha Rasiah
Ms. A.P.G. Anusha P. Geethanjalee
Mr. Keki Minoo Wadia
Mr. Panuwat Chalongkuamdee
Mr. S.M.S. Sanjaya Bandara
Mr. Somchai Sittichaisrichart
Ms. Sudaporn Tawapee
Mr. U.L. Asoka Bandara

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during the year ended 31 December 2025.

Directors' Report

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Bye-Laws and subject to the provisions of and so far as may be permitted by the Companies' Act of Bermuda, every Director shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses, and liabilities incurred by him or her in the execution and discharge of his or her duties or in relation thereto, except for those incurred through their own fraud or dishonesty. The Directors and Officers Liability Insurance (D&O Insurance) undertaken by the Company provides such indemnities to all the directors of the Company and its subsidiaries. The above indemnity provision was in force during the course of the Year and remained in force as of the date of this report.

DIRECTORS' INTERESTS IN SHARES

At 31 December 2025, the interests of the directors and their associates, in the shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited ("HKEX") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

(i) Long positions in ordinary shares of HK\$0.10 each of the Company

Name of Directors	Personal interests	Family interests	Joint interests (Note 1)	Corporate Interests (Note 2)	Total number of issued ordinary shares held	Percentage of the issued share capital of the Company
Lim Kiah Meng	5,403,200	250,000	534,000	178,640,000	184,827,200	66.49%
Lim Hwee Hai (Note 3)	4,545,200	4,751,158	—	—	9,296,358	3.34%
Lim Hwee Noi (Note 3)	4,751,158	4,545,200	—	—	9,296,358	3.34%
Lim Ee Ray	100,000	—	—	—	100,000	0.04%
Lim Yi Alex	200,000	—	—	—	200,000	0.07%
Chu Chung Yi	1,662,000	—	—	—	1,662,000	0.60%

Notes:

(1) 534,000 shares are jointly held by Mr. Lim Kiah Meng and his spouse.

(2) Gold Sceptre Limited holds 140,360,000 shares and Kelderman Limited, Valley Tiger Limited and Swan River Limited each holds 12,760,000 shares in the issued share capital of the Company. Mr. Lim Kiah Meng and his spouse together own 41.5% of the issued share capital of Summertown Limited which owns the entire issued share capital of each of the above-mentioned companies.

(3) 4,545,200 shares and 4,751,158 shares are beneficially owned by Mr. Lim Hwee Hai and Madam Lim Hwee Noi respectively. Mr. Lim and Madam Lim are spouse, so they have deemed interest in their spouse's shares under the SFO.

(ii) Share Options

Directors of the Company and their associates did not have any interest in share options under the Company's share option scheme, detail of which are set out in "Share Options" below.

Directors' Report

(iii) Long positions in the shares and underlying shares of subsidiary of the Company

Ordinary share of HK\$0.10 each of SiS Mobile Holdings Limited ("SiS Mobile"), which is listed on the Main Board of the HKEX (Stock Code: 1362)

Name of Directors	Personal interests	Family interests	Joint interests (Note 1)	Corporate Interests (Note 2 and 3)	Total number of issued ordinary shares held	Percentage of the issued share capital of SiS Mobile
Lim Kiah Meng	1,729,024	80,000	170,880	203,607,467	205,587,371	73.42%
Lim Hwee Hai (Note 4)	1,065,984	1,145,330	—	—	2,211,314	0.79%
Lim Hwee Noi (Note 4)	1,145,330	1,065,984	—	—	2,211,314	0.79%
Lim Ee Ray	158,000	—	—	—	158,000	0.06%
Lim Yi Alex	64,000	—	—	—	64,000	0.02%

Notes:

- (1) Shares are jointly held by Mr. Lim Kiah Meng and his spouse.
- (2) 146,442,667 shares are registered in the name of SiS International Holdings Ltd. It is owned as to approximately 50.50% by Gold Sceptre Limited.
- (3) Gold Sceptre Limited holds 44,915,200 shares and Kelderman Limited, Valley Tiger Limited and Swan River Limited each holds 4,083,200 shares in the issued share capital of SiS Mobile. Mr. Lim Kiah Meng and his spouse together own 41.5% of the issued share capital of Summertown Limited which owns the entire issued share capital of each of the above-mentioned companies.
- (4) 1,065,984 shares and 1,145,330 shares are beneficially owned by Mr. Lim Hwee Hai and Madam Lim Hwee Noi respectively. Mr. Lim and Madam Lim are spouse, so they have deemed interest in their spouse's shares under the SFO.

Directors' Report

(iv) Long positions in the shares and underlying shares of an associated corporation of the Company

Ordinary share of 10 Taka each of IT Consultants PLC. ("ITCL"), which is incorporated in Bangladesh, and is listed in The Dhaka Stock Exchange and The Chittagong Stock Exchange.

Name of Director	Corporate Interests (Note)	Approximate % of issued share capital of ITCL
Lim Kiah Meng	59,210,840	46.05%

Note:

A related corporation which is jointly owned by Mr. Lim Kiah Meng and his spouse hold 10,863,862 ordinary shares in ITCL, while the Company indirectly holds 48,346,978 ordinary shares. As disclosed in (i) above, Mr. Lim Kiah Meng and his family has total interest of 66.49% in the Company, therefore Mr. Lim has deemed corporate interest of 48,346,978 in ITCL under the SFO.

Other than as disclosed above, none of the directors, nor their associates, had any interests or short positions in any shares and underlying shares or debentures of the Company or any of its associated corporations at 31 December 2025.

SHARE OPTIONS

A new share option scheme was adopted by the Company on 26 May 2017 (the "New Scheme"), while the old share option scheme adopted by the Company on 21 May 2007 had expired on 20 May 2017 (the "Old Scheme"). The Old Scheme and New Scheme are collectively referred as SiS International Share Option Scheme (the "SiS International Share Option Scheme"). Pursuant to the SiS International Share Option Scheme, the Company may grant options to qualified persons, including employees and directors of the Company, its subsidiaries and associates, and third parties with a view to maintain business relationship with such persons to subscribe for shares of the Company.

The total number of shares in respect of which options may be granted under the New Scheme is not permitted to exceed 10% of the shares of the Company in issue at the date when the New Scheme was adopted. The Company may seek approval by its shareholders in general meeting to refresh the limit on the number of shares to be issued upon exercise of all outstanding options granted and yet to be exercised to not exceeding such number of shares as shall represent 30% of the shares in issue from time to time. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

Options granted must be taken up within ten business days from the offer letter together with a payment of HK\$100 as consideration of grant. Options may be exercised in a period of time as set out in the offer letter to each grantee. The exercise price is determined by the directors of the Company, and will not be less than the higher of the closing price of the Company's shares on the date of grant, and the average closing price of the shares for the five business days immediately preceding the date of grant.

Directors' Report

The total number of options available for grant under the New Scheme as at the beginning and the end of the financial year ended 31 December 2025 were 25,546,666 and 27,796,666 shares respectively.

The total number of shares which may be issued upon exercise of all options granted and to be granted under the SiS International Share Option Scheme as of the date of this report is 27,796,666 shares, representing 10% of the total number of shares (excluding treasury shares) in issue.

The New Scheme is valid and effective for a period of 10 years commencing on 26 May 2017. Accordingly, the remaining life of the New Scheme will be about 1.5 years from year ended 31 December 2025.

The following table discloses movements in the Company's share options during the year:

Date of grant	Vesting period	Exercisable period	Exercise price HK\$	Outstanding number of share options at 1 January 2025	Lapsed during 2025	Outstanding number of share options at 31 December 2025
Directors and their associates:						
Lim Kia Hong (deceased on 12 August 2024) (Note 1)						
26.06.2015	27.06.2015–31.12.2015	01.01.2016–26.06.2025	4.47	50,000	(50,000)	—
26.06.2015	27.06.2015–31.12.2016	01.01.2017–26.06.2025	4.47	50,000	(50,000)	—
26.06.2015	27.06.2015–31.12.2017	01.01.2018–26.06.2025	4.47	50,000	(50,000)	—
Lim Kiah Meng						
26.06.2015	27.06.2015–31.12.2015	01.01.2016–26.06.2025	4.47	50,000	(50,000)	—
26.06.2015	27.06.2015–31.12.2016	01.01.2017–26.06.2025	4.47	50,000	(50,000)	—
26.06.2015	27.06.2015–31.12.2017	01.01.2018–26.06.2025	4.47	50,000	(50,000)	—
Lim Hwee Hai						
26.06.2015	27.06.2015–31.12.2015	01.01.2016–26.06.2025	4.47	50,000	(50,000)	—
26.06.2015	27.06.2015–31.12.2016	01.01.2017–26.06.2025	4.47	50,000	(50,000)	—
26.06.2015	27.06.2015–31.12.2017	01.01.2018–26.06.2025	4.47	50,000	(50,000)	—
Lim Hwee Noi						
26.06.2015	27.06.2015–31.12.2015	01.01.2016–26.06.2025	4.47	50,000	(50,000)	—
26.06.2015	27.06.2015–31.12.2016	01.01.2017–26.06.2025	4.47	50,000	(50,000)	—
26.06.2015	27.06.2015–31.12.2017	01.01.2018–26.06.2025	4.47	50,000	(50,000)	—
Total directors and their associates				<u>600,000</u>	<u>(600,000)</u>	<u>—</u>
Employees and other qualified persons (Note 2):						
26.06.2015	27.06.2015–31.12.2015	01.01.2016–26.06.2025	4.47	470,000	(470,000)	—
26.06.2015	27.06.2015–31.12.2016	01.01.2017–26.06.2025	4.47	470,000	(470,000)	—
26.06.2015	27.06.2015–31.12.2017	01.01.2018–26.06.2025	4.47	470,000	(470,000)	—
Total employees and other qualified persons				<u>1,410,000</u>	<u>(1,410,000)</u>	<u>—</u>
Total number of share options				<u>2,010,000</u>	<u>(2,010,000)</u>	<u>—</u>

Note 1: Interest in share option has been taken up by executors of the estate of the late Mr. Lim Kia Hong during 2025.

Note 2: "Employees and other qualified persons" represents (i) employees of the Company and its subsidiaries; (ii) non-executive director (including independent non-executive director) of subsidiary; and (iii) consultants of the Company.

Other than disclosed above, no share options were granted, exercised or forfeited during the financial year.

Directors' Report

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the option holdings disclosed above, at no time during the year was the Company, its ultimate holding company, or any of its subsidiaries or fellow 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.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE AND CONNECTED TRANSACTIONS

No transaction, arrangement and/or contracts of significance to which the Company, its ultimate holding company or any of its subsidiaries or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2025, other than the interests disclosed above in respect of Directors and chief executives, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows and the following shareholders had notified the Company of relevant interests and long positions in the issued share capital of the Company.

Long positions in ordinary shares of HK\$0.10 each of the Company

Name of Shareholder	As Executors/ Personal interests	Family Interests	As Executors/ Corporate interests	Total number of issued ordinary shares held	Percentage of the issued share capital of the Company
Lim Lik Xian and Lim Lik Shi (as the executors of estate of the late Lim Kia Hong) (Note 1)	6,933,108	—	178,640,000	185,573,108	66.76%
Yeo Seng Chong (Note 2)	1,248,000	1,220,000	12,146,000	14,614,000	5.26%
Lim Mee Hwa (Note 2)	1,220,000	1,248,000	12,146,000	14,614,000	5.26%

Notes:

(1) Gold Sceptre Limited holds 140,360,000 shares and Kelderman Limited, Valley Tiger Limited and Swan River Limited each holds 12,760,000 shares in the issued share capital of the Company. As the executors of estate of the late Mr. Lim Kia Hong, Mr. Lim Lik Xian and Ms. Lim Lik Shi jointly hold 40.0% of the issued share capital of Summertown Limited which owns the entire issued share capital of each of the above-mentioned companies.

(2) Mr. Yeo Seng Chong and Madam Lim Mee Hwa are spouse so they have deemed interest in their spouse's shares under the SFO. Each of them have 50% direct interest in a corporation which holds the shares of the Company as an investment manager.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company.

Directors' Report

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate revenue attributable to the Group's five largest customers was 13% of the Group's total revenue during the year, and the largest customers accounted for 5%. The five largest suppliers of the Group comprised approximately 41% by value of the Group's total purchases during the year, with the largest supplier accounted for 13%.

At no time during the year did a director, an associate of a director or a shareholder (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) has an interest in any of the Group's five largest customers and suppliers.

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

The Company has established the Remuneration Committee in September 2005.

The emoluments of the directors of the Company are reviewed and approved by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market trends.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme is set out in note 37 to the consolidated financial statements.

CHARITABLE DONATIONS

During the year, the Group made charitable cash and donations amounting to total HK\$413,000.

PRE-EMPTIVE RIGHTS

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

CORPORATE GOVERNANCE AND MODEL CODE

The Company has complied with the Code of Corporate Governance Practices (the "Code") as set out in Appendix C1 of the Listing Rules throughout the year ended 31 December 2025, except for the Code B.2.2 and C.2.1 as disclosed in the Corporate Governance Report of the Company.

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix C3 to the Listing Rules (the "Model Code"). Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard set out in the Model Code and the code of conduct adopted by the Company during the year.

The Company has received, from each of the independent non-executive directors, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

Directors' Report

COMPLIANCE WITH RELEVANT LAWS AND REGULATION

The Company has complied with relevant laws and regulations that have significant impact on the Company including the laws in Bermuda, the Hong Kong Companies Ordinance, SFO, and the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this annual report, the Company has maintained sufficient public float of not less than 25% of its shares in the hands of the public throughout the year and up to the date of this annual report.

EVENTS AFTER THE REPORTING PERIOD

There is no significant event affecting the Group that had occurred since the end of the year up to the date of this annual report.

AUDITORS

The consolidated financial statements for the year ended 31 December 2025 have been audited by Messrs. Deloitte Touche Tohmatsu, who will retire at the forthcoming annual general meeting of the Company and, being eligible, will offer themselves for re-appointment.

On behalf of the Board

SiS International Holdings Limited

LIM Kiah Meng

DIRECTOR

Hong Kong, 20 March 2026

Independent Auditor's Report

Deloitte.

德勤

TO THE SHAREHOLDERS OF SIS INTERNATIONAL HOLDINGS LIMITED

新龍國際集團有限公司

(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of SiS International Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 55 to 152, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and the consolidated statement of profit or loss and other 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 (“HKSA”) as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Independent Auditor's Report

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 as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, together with the significant judgements associated with determining the fair values.

The investment properties are mainly located in Hong Kong, Japan and Singapore, with carrying amounts of HK\$3,041,741,000 as at 31 December 2025, and represent approximately 35% of the Group's total assets at that date. A net loss from changes in fair value of the investment properties of HK\$90,079,000 was recognised in the consolidated statement of profit or loss for the year then ended.

As disclosed in note 15 to the consolidated financial statements, the Group's investment properties are held at fair value based on valuations performed by independent qualified professional valuers (the "Valuers"). The valuations of investment properties depend on certain key inputs that require significant judgements and estimates, such as market unit rate and capitalisation rate.

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

- Evaluating the competence, capabilities and objectivity of the Valuers, and obtaining an understanding of their scope of work and the terms of engagement;
- Assessing the reasonableness of the valuation techniques used by the Valuers with reference to the relevant accounting requirements and industry norms;
- Evaluating the reasonableness of the key inputs adopted by the Valuers, such as market unit rate and capitalisation rate, by comparing these inputs to relevant market data; and
- Assessing the accuracy of the rental income information provided by management to the Valuers by agreeing the rental income to the respective underlying tenancy agreements or by comparing it to historical records, on a sampling basis.

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Key audit matter

How our audit addressed the key audit matter

Revenue recognition from the sales of goods

We identified the recognition of revenue from sales of goods as a key audit matter due to its significance to the consolidated financial statements as a whole. The Group's revenue for the year ended 31 December 2025 in respect of the sales of goods amounted to approximately HK\$9,255,049,000.

As disclosed in note 5 to the consolidated financial statements, for the sales of goods (including mobile phones and IT products), revenue is recognised when control of the goods is transferred. We focused on this area because the Group undertakes a large volume of transactions.

Our procedures in relation to the recognition of revenue from the sales of goods included:

- Obtaining an understanding of the revenue recognition processes and testing the Group's key controls over revenue recognition;
- Inspecting sales contracts with key customers, on a sample basis, to understand the agreed trade terms and assess whether the related revenue was properly recognised in accordance with respective sales contracts and with reference to the requirements of the prevailing accounting standards; and
- Testing recorded sales transactions, on a sample basis, against corresponding goods delivery notes and acceptance confirmations from customers to verify that control of the goods had been transferred and/or settlement records.

Write-down for inventories

We identified the assessment of write-down of inventories as a key audit matter due to the use of judgements in identifying obsolete and slow-moving inventories and in determining the net realisable value ("NRV"), which is influenced by factors such as the ageing, conditions and marketability of the inventories.

NRV represents the estimated selling price of inventories less all estimated costs necessary to make the sale. The Group carried out an inventory review at the end of the reporting period and recorded allowances for obsolete and slow-moving items to write off or write down inventories to their respective NRVs. As disclosed in the consolidated statement of financial position and note 23 to the consolidated financial statements, the carrying amount of inventories was HK\$972,808,000 as at 31 December 2025. During the year ended 31 December 2025, a write-down of inventories of HK\$25,592,000 was recognised in the consolidated statement of profit or loss for the year then ended.

Our procedures in relation to assessing the write-down for inventories included:

- Obtaining an understanding management's process for estimating allowance for obsolete and slow-moving inventories;
- Testing the accuracy of the ageing of the inventories by tracking selected items to goods receipt notes on a sampling basis;
- Discussing with management the basis for determining NRV, and evaluating the condition and marketability of selected inventory items, on a sampling basis; and
- Assessing the sufficiency of the allowance for obsolete and slow-moving inventories where the estimated NRV is lower than the cost, with reference to the latest selling prices, on a sampling basis.

Independent Auditor's Report

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.

Independent Auditor's Report

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

As part of an audit in accordance with HKSAAs, we exercise professional judgment 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.
- 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 purposes 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.

Independent Auditor's Report

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

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 this independent auditor's report is Chan, Alan (practising number: P06748).

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
20 March 2026

Consolidated Statement of Profit or Loss

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
Revenue	5	9,627,748	9,006,657
Cost of sales		(8,792,349)	(8,259,742)
Gross profit		835,399	746,915
Other income	7	70,437	53,834
Other gains and losses, net	8	(5,980)	(15,738)
Selling and distribution expenses		(299,109)	(284,793)
Administrative expenses		(212,267)	(212,181)
Gain from changes in fair value of financial instruments at fair value through profit or loss ("FVTPL")		4,022	94,648
Net loss from changes in fair value of investment properties	15	(90,079)	(71,886)
Impairment loss recognised under expected credit loss model, net of reversal		3,063	31,122
Share of results of associates	19	10,689	10,611
Finance costs	9	(70,705)	(75,435)
Profit before tax		245,470	277,097
Income tax expense	10	(82,540)	(63,737)
Profit for the year	11	162,930	213,360
Profit for the year attributable to:			
Owners of the Company		60,501	136,205
Non-controlling interests		102,429	77,155
		162,930	213,360
		HK Cents	HK Cents
Earnings per share	14		
Basic		21.8	49.0
Diluted		21.8	49.0

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 HK\$'000	2024 HK\$'000
Profit for the year	<u>162,930</u>	<u>213,360</u>
Other comprehensive income (expense):		
Items that will not be reclassified to profit or loss		
Fair value gain on equity instruments at fair value through other comprehensive income ("FVTOCI")	<u>4,400</u>	<u>8,260</u>
Items that may be subsequently reclassified to profit or loss		
Exchange differences arising on translation of foreign operations		
— Subsidiaries	<u>93,989</u>	<u>(52,707)</u>
— Associates	<u>(1,389)</u>	<u>(6,175)</u>
	<u>92,600</u>	<u>(58,882)</u>
Other comprehensive income (expense) for the year	<u>97,000</u>	<u>(50,622)</u>
Total comprehensive income for the year	<u>259,930</u>	<u>162,738</u>
Total comprehensive income for the year attributable to:		
Owners of the Company	<u>119,980</u>	<u>88,728</u>
Non-controlling interests	<u>139,950</u>	<u>74,010</u>
	<u>259,930</u>	<u>162,738</u>

Consolidated Statement of Financial Position

AT 31 DECEMBER 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
Non-current Assets			
Investment properties	15	3,041,741	3,105,288
Property, plant and equipment	16	647,973	643,632
Right-of-use assets	17	59,015	73,382
Goodwill	18	126,406	126,406
Interests in associates	19	103,602	98,009
Financial instruments at FVTPL	20	449,268	440,079
Equity instruments at FVTOCI	21	41,908	32,383
Deferred tax assets	34	117,471	91,530
Other financial assets	22	4,899	4,965
Other assets		2,500	2,500
Trade receivables	24	33,325	28,873
		4,628,108	4,647,047
Current Assets			
Inventories	23	972,808	787,179
Trade and other receivables, deposits and prepayments	24	1,758,490	1,625,415
Amount due from an associate	25	246	251
Tax recoverable		—	449
Financial instruments at FVTPL	20	6,018	31,127
Pledged deposits	26	286,296	289,915
Cash and cash equivalents	26	1,091,280	1,148,732
		4,115,138	3,883,068
Current Liabilities			
Trade payables, other payables and accruals	27	1,489,181	1,094,773
Contract liabilities	28	26,645	22,352
Lease liabilities	29	17,876	20,453
Advance lease payments		1,312	1,238
Amount due to an associate	25	21	19
Derivative financial instruments	30	8,870	11,344
Tax payable		39,797	25,350
Bank borrowings	31	2,059,336	1,893,147
Bonds	32	97,371	1,414
Rental deposits	33	11,533	8,954
		3,751,942	3,079,044
Net Current Assets		363,196	804,024
Total Assets less Current Liabilities		4,991,304	5,451,071

Consolidated Statement of Financial Position

AT 31 DECEMBER 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
Non-current Liabilities			
Lease liabilities	29	55,423	68,021
Advance lease payments		14,865	15,917
Bank borrowings	31	226,344	755,589
Bonds	32	100,164	196,991
Rental deposits	33	72,070	70,804
Deferred tax liabilities	34	166,397	144,560
Retirement benefits obligation	35	30,232	22,992
		665,495	1,274,874
Net Assets		4,325,809	4,176,197
Capital and Reserves			
Share capital	36	27,797	27,797
Share premium		73,400	73,400
Other reserves		(131,074)	(187,220)
Retained profits		3,642,752	3,584,477
Equity attributable to owners of the Company		3,612,875	3,498,454
Non-controlling interests		712,934	677,743
Total Equity		4,325,809	4,176,197

The consolidated financial statements on pages 55 to 152 were approved and authorised for issue by the Board of Directors on 20 March 2026 and are signed on its behalf by:

LIM KIAH MENG
DIRECTOR

LIM HWEE HAI
DIRECTOR

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to the owners of the Company										Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Investments reserve HK\$'000	Translation reserve HK\$'000	Property revaluation reserve HK\$'000	Contributed surplus HK\$'000 (Note 1)	Share options reserve HK\$'000	Other reserve HK\$'000 (Note 2)	Retained profits HK\$'000	Total HK\$'000		
At 1 January 2024	27,797	73,400	(52,309)	(132,291)	933	2,860	3,299	46,136	3,445,460	3,415,285	637,351	4,052,636
Profit for the year	—	—	—	—	—	—	—	—	136,205	136,205	77,155	213,360
Other comprehensive (expense) income for the year	—	—	(1,087)	(54,761)	—	—	—	—	8,371	(47,477)	(3,145)	(50,622)
Total comprehensive (expense) income for the year	—	—	(1,087)	(54,761)	—	—	—	—	144,576	88,728	74,010	162,738
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(33,618)	(33,618)
Dividend recognised as distribution (note 13)	—	—	—	—	—	—	—	—	(5,559)	(5,559)	—	(5,559)
At 31 December 2024	27,797	73,400	(53,396)	(187,052)	933	2,860	3,299	46,136	3,584,477	3,498,454	677,743	4,176,197
Profit for the year	—	—	—	—	—	—	—	—	60,501	60,501	102,429	162,930
Other comprehensive income for the year	—	—	2,996	56,483	—	—	—	—	—	59,479	37,521	97,000
Total comprehensive income for the year	—	—	2,996	56,483	—	—	—	—	60,501	119,980	139,950	259,930
Acquisition of non-controlling interests	—	—	—	—	—	—	—	—	—	—	(72,916)	(72,916)
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(38,003)	(38,003)
Dividend recognised as distribution (note 13)	—	—	—	—	—	—	—	—	(5,559)	(5,559)	—	(5,559)
Lapse of share options	—	—	—	—	—	—	(3,299)	—	3,299	—	—	—
Transfer upon disposal of equity instruments at FVTOCI	—	—	—	(34)	—	—	—	—	34	—	—	—
Non-controlling interests arising from acquisition of subsidiaries (note 40)	—	—	—	—	—	—	—	—	—	—	6,921	6,921
Acquisition of additional interests in subsidiaries (note 40)	—	—	—	—	—	—	—	—	—	—	(761)	(761)
At 31 December 2025	27,797	73,400	(50,400)	(130,603)	933	2,860	—	46,136	3,642,752	3,612,875	712,934	4,325,809

Notes:

- Contributed surplus represents the excess of the nominal value of the shares of the acquired subsidiaries over the nominal value of the Company's shares issued for the acquisition as part of the Group reorganisation in preparation for the listing of the Company's shares in 1992.
- Other reserve represents:
 - the difference between the fair value of the consideration (net of transaction costs) and the carrying amount of the reduction in the Company's interest in SiS Mobile Holdings Limited ("SiS Mobile"), arising from the listing of SiS Mobile's shares on The Stock Exchange of Hong Kong Limited on 15 January 2015, amounted to a debit balance of HK\$17,558,000;
 - the difference arising from the adjustments to non-controlling interests and the consideration (net of transaction costs and capital gains tax) relating to the partial disposal of the Company's interest in SiS Distribution (Thailand) Public Company Limited ("SiS Thai"), whose shares are listed on The Stock Exchange of Thailand, amounted to a credit balance of HK\$56,057,000. On 25 June 2021, the Group disposed of 10,000,000 ordinary shares of SiS Thai, its non-wholly owned subsidiary, to independent third parties for a consideration of HK\$89,583,000. As a result, the Group's shareholding decreased from 63.5% to 60.8%. The difference between the consideration received (net of capital gains tax of HK\$14,534,000), the adjustment to non-controlling interests of HK\$19,088,000, and the adjustment to translation reserve of HK\$96,000 (debit), totalling HK\$56,057,000, was credited and accumulated under "other reserve"; and
 - the difference between the fair value of the consideration (net of transaction costs) and the carrying amount associated with the increase in the Company's interest in Tokutei Mokuteki Kaisha SSG23 on 21 December 2022, resulting in a credit balance of HK\$7,637,000.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTE	2025 HK\$'000	2024 HK\$'000
OPERATING ACTIVITIES			
Profit before tax		245,470	277,097
Adjustments for:			
Depreciation of property, plant and equipment		37,059	34,111
Depreciation of right-of-use assets		19,545	16,440
Dividend income from equity instruments at FVTOCI		(1,322)	(935)
Dividend income from financial instruments at FVTPL		(2,050)	(2,297)
Finance costs		70,705	75,435
Gain on disposal of property, plant and equipment		(308)	(399)
(Gain) loss from changes in fair value of derivative financial instruments		(3,332)	7,588
Gain from changes in fair value of financial instruments at FVTPL		(4,022)	(94,648)
Impairment loss recognised under expected credit loss model, net of reversal		(3,063)	(31,122)
Interest income		(30,505)	(34,465)
Loss from changes in fair value of investment properties		90,079	71,886
Provision for retirement benefits obligation	35	5,003	4,016
Reversal of impairment loss of property, plant, and equipment		(4,237)	(7,777)
Share of results of associates		(10,689)	(10,611)
Write-down of inventories		25,592	24,387
Operating cash flows before movements in working capital		433,925	328,706
(Increase) decrease in inventories		(142,048)	15,062
(Increase) decrease in trade and other receivables, deposits and prepayments		(13,499)	11,285
Increase in rental deposits and receipt in advance		4,230	1,857
Increase in trade payables, other payables and accruals		316,490	80,234
Increase in contract liabilities		4,293	7,396
Increase in amount due to an associate		2	—
CASH GENERATED FROM OPERATIONS		603,393	444,540
Tax paid		(67,730)	(41,754)
NET CASH FROM OPERATING ACTIVITIES		535,663	402,786

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTE	2025 HK\$'000	2024 HK\$'000
INVESTING ACTIVITIES			
Interest received		30,505	34,465
Dividend received from an associate		3,707	3,584
Dividend received from financial instruments at FVTPL		2,050	2,297
Dividend received from equity instruments at FVTOCI		1,322	935
Acquisition of investment properties		(22,144)	(8,453)
Purchase of property, plant and equipment		(27,018)	(61,887)
Proceeds from disposal of property, plant and equipment		372	440
Purchase of financial instruments at FVTPL		(4,608)	(48,182)
Proceeds from disposal of financial instruments at FVTPL		26,010	89,138
Purchase of equity instruments at FVTOCI		(3,549)	—
Proceeds from disposal of equity instruments at FVTOCI		—	13,300
Net cash outflow on acquisition of subsidiaries	40	(7,749)	—
Withdrawal of pledged deposits		—	33,319
NET CASH (USED IN) FROM INVESTING ACTIVITIES		(1,102)	58,956
FINANCING ACTIVITIES			
Interest paid		(70,705)	(75,435)
Dividends paid to ordinary shareholders		(5,559)	(5,559)
Dividends paid to non-controlling interests		(38,003)	(33,618)
Acquisition of non-controlling interests		(72,916)	—
Acquisition of additional interests in subsidiaries		(761)	—
New bank borrowings raised		3,991,908	4,247,552
Repayments of bank borrowings		(4,401,588)	(4,423,076)
New bonds raised		310	107,106
Repayments of bonds		(1,641)	(34,329)
Repayments of lease liabilities		(20,536)	(19,252)
NET CASH USED IN FINANCING ACTIVITIES		(619,491)	(236,611)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(84,930)	225,131
CASH AND CASH EQUIVALENTS AT 1 JANUARY		1,148,732	961,129
Effect of foreign exchange rate changes		27,478	(37,528)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by bank balances and cash		1,091,280	1,148,732

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

SiS International Holdings Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “HKEX”). The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate information” section of the annual report. The Company’s immediate holding company is Gold Sceptre Limited, and its ultimate parent is Summertown Limited, both incorporated in the British Virgin Islands. Its ultimate controlling shareholders are Mr. Lim Kiah Meng and his spouse and executors of estate of the late Mr. Lim Kia Hong, Mr. Lim Kiah Meng is also the director of the Company.

The Company acts as an investment securities trading, and investment holding company, and provides corporate management services. The principal activities of its principal subsidiaries are set out in note 46.

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 an HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual periods beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an 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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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 Reference 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 Disclosure 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 for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term “non-recourse” is enhanced and the characteristics of “contractually linked instruments” are clarified in the amendments.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments (Continued)

The disclosure requirements in HKFRS 7 in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, 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 (MPMs) 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* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of HKFRS 18) and HKFRS 7. 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. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

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 HKEX and by the Hong Kong Companies Ordinance.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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

3.1 Basis of preparation of consolidated financial statements (Continued)

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

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 is an investor of a fund in which the Group also acts as a fund manager, the Group will determine whether it is a principal or an agent for the purpose of assessing whether the Group controls the relevant fund.

An agent is a party primarily engaged to act on behalf and for the benefit of another party or parties (the principal(s)) and therefore does not control the investee when it exercises its decision-making authority. In determining whether the Group is an agent to the fund, the Group would assess:

- the scope of its decision-making authority over the investee;
- the rights held by other parties;
- the remuneration to which it is entitled in accordance with the remuneration agreements; and
- the decision maker's exposure to variability of returns from other interests that it holds in the investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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 component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the 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 interest in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interest entitling their holders to a proportionate share of net asset of the relevant subsidiaries upon liquidation.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* (the "Conceptual Framework") except for transactions and events within the scope of HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or HK(IFRIC)-Int 21 *Leases*, in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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

3.2 Material accounting policy information (Continued)

Business combinations (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16 *Leases*) as if the acquired leases were new leases at the acquisition date. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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

3.2 Material accounting policy information (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

Investments in associates

An associate is an entity over which the Group 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.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates 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 investment in an associate 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. Changes in net assets of the associate 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 exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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

3.2 Material accounting policy information (Continued)

Investments in associates (Continued)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interests in associates may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss.

When a group entity transacts with an associate of the Group (such as a sale), profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of the interests in the associate that are not related to the Group.

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in notes 5 and 28.

Leases

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.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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)

Allocation of consideration to components of a contract (Continued)

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Except for those that are classified as investment properties and measured under fair value model, 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 in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, 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 as a separate line item on the consolidated statement of financial position. Right-of-use assets that meet the definition of investment property are presented within "investment properties".

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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)

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 *Financial Instruments* 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;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

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 or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment; or
- the lease payments change due to changes in expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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 modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Changes in the basis for determining the future lease payments as a result of interest rate benchmark reform

For changes in the basis for determining the future lease payments as a result of interest rate benchmark reform, the Group applies the practical expedient to remeasure the lease liabilities by discounting the revised lease payments using the unchanged discount rate and makes a corresponding adjustment to the related right-of-use assets. A lease modification is required by interest rate benchmark reform if, and only if, both of these conditions are met:

- the modification is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the lease payments is economically equivalent to the previous basis (i.e. the basis immediately preceding the modification).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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 finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases 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 that do not depend on an index or a rate are recognised as income when they arise.

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

Refundable rental deposits

Refundable rental deposits received 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 from lessees.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

For rent concession under which the Group legally releases the lessee from its obligation to make specifically identified lease payment, of which some of these lease payments are contractually due but not paid and some of them are not yet contractually due, the Group accounts for the portions which have been recognised as operating lease receivables (i.e. the lease payments which are contractually due but not paid) by applying the expected credit loss ("ECL") and derecognition requirements under HKFRS 9 and applies lease modification requirements for the forgiven lease payments that the Group has not recognised (i.e. the lease payments which are not yet contractually due) as at the effective date of modification.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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

3.2 Material accounting policy information (Continued)

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.

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

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 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 the 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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary differences 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 the 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 rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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

3.2 Material accounting policy information (Continued)

Taxation (Continued)

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 purposes 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 taxable 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 or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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 exchange 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. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. 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 items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Investment properties

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

Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are measured initially at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values, adjusted to exclude any prepaid or accrued operating lease income.

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

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. A leased property which is recognised as a right-of-use asset is derecognised if the Group as intermediate lessor classifies the sublease as a finance lease. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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 are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment losses.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets other than freehold land less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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 or retirement 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.

Impairment losses on property, plant and equipment, right-of-use assets and other assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and other 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 asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment, right-of-use assets and other 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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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 other assets other than goodwill (Continued)

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. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where 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 a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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

3.2 Material accounting policy information (Continued)

Cash and cash equivalents

Cash and cash equivalents 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 purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 26.

Inventories

Inventories are stated at the lower of cost and net realisable value ("NRV"). Cost of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated 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, including costs to be incurred in marketing, selling and distribution.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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

3.2 Material accounting policy information (Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

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 *Revenue from Contracts with Customers*. 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 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 FVTPL 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.

Financial assets

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 generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the 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 achieved by both collecting contractual cash flows and selling the financial assets; 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.

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

- the financial asset is held within a business model whose objective is achieved by both selling and collecting 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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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 other comprehensive income 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, except for a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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 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 other comprehensive income and accumulated in the investments 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, and 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 "other income" 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 FVTOCI or designated as 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 the "other gains and losses" line item.

Impairment of financial assets

The Group performs impairment assessment under ECL model on financial assets (including trade and other receivables, lease receivables, deposits, amount due from an associate, other financial assets, other assets, pledged deposits and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at the end of each reporting period 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. Assessment 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 past events and the current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade and lease receivables. The ECL on trade and lease receivables are assessed collectively using a provision matrix with appropriate groupings and individually for credit impaired balances.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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 (Continued)

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 increases 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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from credit rating reports and financial analysts as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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 (Continued)

(i) Significant increase in credit risk (Continued)

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.

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.

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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 (Continued)

(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, when the amounts are over one year 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.

(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. The Group uses a practical expedient in estimating ECL on trade and lease receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward looking information including time value of money where appropriate, that is available without undue cost or effort.

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. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

Lifetime ECL for trade and lease receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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 (Continued)

(v) Measurement and recognition of ECL (Continued)

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

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 trade and lease receivables, where the corresponding adjustment is recognised through a loss allowance account.

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 in the 'other gains and losses, net' line item (note 8) as part of the exchange loss, net;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses, net' line item as part of gain from changes in fair value of financial instruments at FVTPL and gain (loss) from changes in fair value of derivative financial instruments (note 8);
- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments reserve.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

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 investments reserve is not reclassified to profit or loss, but is transferred to retained profits.

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 equity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities (including trade and other payables, rental deposits, amount due to an associate, bonds and bank borrowings) are subsequently measured at amortised cost using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses, net' line item in profit or loss (note 8) as part of exchange loss, net, for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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 (Continued)

Foreign exchange gains and losses (Continued)

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

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.

Derivative financial instruments

Derivative are initially recognised at fair value at the date when 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.

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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company 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 associated 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 (see below), that the directors of the Company have made 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 for investment properties

For the purposes of measuring deferred tax liabilities or assets 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 directors of the Company have reviewed the Group's investment properties located in Japan and concluded that these properties are held under 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 the investment properties which the land under freehold. Such properties are presumed to be recovered entirely through sale.

The directors of the Company have also reviewed the Group's investment properties located in Hong Kong, Singapore and other location and concluded that the carrying amounts of these properties are to be recovered entirely through sale.

Accordingly, deferred taxation for these investment properties is measured based on the expected manner as to how the properties will be recovered.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying accounting policies (Continued)

Determination of consolidation of investment funds

The Group set up certain investment funds in which the Group is an investor and also the fund manager. The Group has decision-making authority and power over the relevant activities of the fund because the Group, acting as the fund manager, can decide which investments the fund should acquire or dispose of. All facts and circumstances are taken into consideration in the assessment of whether the Group, as an investor, controls the investment funds. The principle of control sets out the following three elements of control: (a) power over the investment funds; (b) exposure, or rights, to variable returns from involvement with the investment funds; and (c) the ability to use power over the investment funds to affect the amount of the investor's returns. The Group's initial assessment of control or its status as a principal or an agent would not change simply because of a change in market conditions (e.g. a change in the investee's returns driven by market conditions), unless the change in market conditions changes one or more of the three elements of control listed above or changes the overall relationship between a principal and an agent. For these investment funds, the Group assesses whether (i) there are any other holders in these investment funds which have practical ability to remove the Group, and prevent the Group to direct the relevant activities of the investment funds; and (ii) the combination of investments it held together with its remuneration creates exposure to variability of returns from the activities of the investment funds.

As at 31 December 2025, the directors of the Company concluded that the Group had control over these investments funds.

Key sources of estimation uncertainty

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

Net realisable value of inventories

The cost of inventories is written down to NRV when the cost of inventories is not recoverable. The cost of inventories may not be recoverable if the inventories are damaged, have become wholly or partially obsolete, or if their selling prices have declined. When the NRV of an item of inventory is less than its carrying amount, the excess is written off immediately to profit or loss. Management's review and estimation of NRV is primarily based on the ageing, condition and marketability of the inventories. The Group performed an inventory review at the end of the reporting period and recognised the necessary allowance for obsolete and slow-moving items to write off or write down inventories to their NRVs. The carrying amount of inventories was HK\$972,808,000 (2024: HK\$787,179,000). During the year ended 31 December 2025, a write-down of inventories of HK\$25,592,000 (2024: HK\$24,387,000) was recognised in profit or loss.

Fair values of investment properties

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. The determination of the fair value involves certain assumptions regarding market conditions, which are set out in note 15.

In relying on the valuation reports, the directors of the Company have exercised their judgement and are satisfied that the valuation methodologies and assumptions adopted are appropriate and reflective of prevailing market conditions. As at 31 December 2025, the carrying amount of the Group's investment properties is HK\$3,041,741,000 (2024: HK\$3,105,288,000).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

5. REVENUE

(i) Disaggregation of revenue from contracts with customers

	2025			2024		
	Sales of mobile and IT products HK\$'000	Hotels operations HK\$'000	Total HK\$'000	Sales of mobile and IT products HK\$'000	Hotels operations HK\$'000	Total HK\$'000
Types of goods or service						
Sales of mobile and IT products						
Mobile products	1,611,465	—	1,611,465	2,676,101	—	2,676,101
IT products	7,573,509	—	7,573,509	5,939,231	—	5,939,231
	<u>9,184,974</u>	<u>—</u>	<u>9,184,974</u>	<u>8,615,332</u>	<u>—</u>	<u>8,615,332</u>
Commission income	<u>70,075</u>	<u>—</u>	<u>70,075</u>	<u>58,986</u>	<u>—</u>	<u>58,986</u>
Hotel Operations						
Room revenue	—	174,804	174,804	—	141,043	141,043
Food and beverage	—	55,344	55,344	—	52,840	52,840
	<u>—</u>	<u>230,148</u>	<u>230,148</u>	<u>—</u>	<u>193,883</u>	<u>193,883</u>
Revenue from contracts with customers	<u>9,255,049</u>	<u>230,148</u>	<u>9,485,197</u>	<u>8,674,318</u>	<u>193,883</u>	<u>8,868,201</u>
Leasing of investment properties			<u>142,551</u>			<u>138,456</u>
Total revenue			<u>9,627,748</u>			<u>9,006,657</u>
Geographical market						
Hong Kong	2,184,542	—	2,184,542	2,389,724	—	2,389,724
Thailand	7,070,507	—	7,070,507	6,284,594	—	6,284,594
Japan	—	230,148	230,148	—	193,883	193,883
Total before leasing of investment properties	<u>9,255,049</u>	<u>230,148</u>	<u>9,485,197</u>	<u>8,674,318</u>	<u>193,883</u>	<u>8,868,201</u>
Timing of revenue recognition						
At a point in time	9,255,049	55,344	9,310,393	8,674,318	52,840	8,727,158
Over time	—	174,804	174,804	—	141,043	141,043
Total before leasing of investment properties	<u>9,255,049</u>	<u>230,148</u>	<u>9,485,197</u>	<u>8,674,318</u>	<u>193,883</u>	<u>8,868,201</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

5. REVENUE (CONTINUED)

(ii) Performance obligations for contracts with customers and revenue recognition policies

Revenue from sales of mobile and IT products

For distribution of mobile and IT products, the Group acts as a principal, as the Group controls the specified good before transferring them to the customers. The revenue is recognised at a point in time when control of the goods has transferred, being when (i) the goods have been picked up by the customers in warehouse; or (ii) the goods have been delivered to the customers' specific location and the Group received acceptance confirmations from customers. Upon the relevant goods being picked up by the customers or delivered to the customers' specific location, the customers have full discretion over the manner of distribution and price to sell the goods, have the primary responsibility when on-selling the goods, and bear the risks of obsolescence and loss in relation to the goods. The Group allows credit period from 30 day to 90 days to certain trade customers. Sale return and warranty on defect items are borne by the suppliers. Rebate to customers are settled on monthly basis.

For sales of mobile phones and related products to retail customers, revenue is recognised when control of the goods has been transferred to the customer, being at the point the customer purchases the goods at the retail stores. Payment of the transaction price is due immediately at the point the customer purchases the goods.

In addition, the Group earns commission income from customers for the purchase of warranty services for IT products provided by the Group's suppliers, in which the Group acted as an agent. The commission income is recognised at a point in time.

Revenue from hotel operations

Revenue recognised over time under output method is a measurement of progress towards completion satisfaction of performance obligation.

Hotel room revenue is recognised over the contract period when the relevant services are provided by the Group and the customers simultaneously receive and consume the benefits provided by the Group's performance.

The Group receives deposit 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 deposits.

For food and beverage for which the control of services is transferred at a point in time, revenue is recognised when the related services have been rendered to customers.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

As at 31 December 2025 and 2024, contracts with customers with unsatisfied performance obligations for the sales of mobile and IT products and hotel operations have original expected duration of one year or less. As permitted under HKFRS 15, the aggregate amount of transaction price allocated to these unsatisfied performance obligations is not disclosed.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

5. REVENUE (CONTINUED)

(iv) Leases

	2025 HK\$'000	2024 HK\$'000
For operating leases:		
Lease payments	142,089	137,643
Variable lease payments	462	813
	142,551	138,456

6. SEGMENT INFORMATION

Information reported to the executive directors, being the chief operating decision makers ("CODM"), for the purpose of resource allocation and assessment of segment performance focuses on the sales of mobile and IT products (Hong Kong and Thailand), property investment and hotel operations (Japan and other regions) and securities investment. Segment liabilities have not been presented as these are not presented to the CODM.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments for the year:

	2025					
	Sales of mobile and IT products		Property investment and hotel operations		Securities investment	Consolidated
	Hong Kong HK\$'000	Thailand HK\$'000	Japan HK\$'000	Other regions HK\$'000	HK\$'000	HK\$'000
Segment revenue						
— Revenue from contracts with customers	2,184,542	7,070,507	230,148	—	—	9,485,197
— Leasing of investment properties	—	—	117,006	25,545	—	142,551
External sales	2,184,542	7,070,507	347,154	25,545	—	9,627,748
Segment profit (loss)	30,823	277,182	114,219	(94,721)	7,393	334,896
Share of results of associates						10,689
Finance costs						(70,705)
Other unallocated income						19,207
Unallocated corporate expenses						(48,617)
Profit before tax						245,470

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

6. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

	2024					Consolidated HK\$'000
	Sales of mobile and IT products		Property investment and hotel operations		Securities investment	
	Hong Kong HK\$'000	Thailand HK\$'000	Japan HK\$'000	Other regions HK\$'000	HK\$'000	
Segment revenue						
— Revenue from contracts with customers	2,389,724	6,284,594	193,883	—	—	8,868,201
— Leasing of investment properties	—	—	115,337	23,119	—	138,456
External sales	2,389,724	6,284,594	309,220	23,119	—	9,006,657
Segment profit (loss)	32,224	213,673	130,912	(106,674)	97,881	368,016
Share of results of associates						10,611
Finance costs						(75,435)
Other unallocated income						27,342
Unallocated corporate expenses						(53,437)
Profit before tax						277,097

Segment profit reported to the CODM for the purposes of resource allocation and performance assessment does not include unallocated corporate expenses, share of results of associates, other unallocated income and finance costs.

Segment assets

The following is an analysis of the Group's assets by reportable segment:

	2025					Consolidated HK\$'000
	Sales of mobile and IT products		Property investment and hotel operations		Securities investment	
	Hong Kong HK\$'000	Thailand HK\$'000	Japan HK\$'000	Other regions HK\$'000	HK\$'000	
Segment assets	361,627	2,709,965	2,252,572	1,427,928	499,694	7,251,786
Interests in associates						103,602
Unallocated corporate assets						1,387,858
Consolidated total assets						8,743,246

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

6. SEGMENT INFORMATION (CONTINUED)

Segment assets (Continued)

	2024				
	Sales of mobile and IT products		Property investment and hotel operations		Securities investment
	Hong Kong HK\$'000	Thailand HK\$'000	Japan HK\$'000	Other regions HK\$'000	Consolidated HK\$'000
Segment assets	335,553	2,380,382	2,208,410	1,549,836	506,090
Interests in associates					98,009
Unallocated corporate assets					1,451,835
Consolidated total assets					8,530,115

For the purposes of monitoring segment performances and allocating resources between segments, all assets are allocated to operating segments other than interests in associates and unallocated corporate assets.

Other segment information

Segment results and segment assets presented above includes the following:

	2025					
	Sales of mobile and IT products		Property investment and hotel operations		Securities investment	Unallocated
	Hong Kong HK\$'000	Thailand HK\$'000	Japan HK\$'000	Other regions HK\$'000	HK\$'000	Consolidated HK\$'000
Capital additions	8,004	13,513	27,645	—	—	49,162
Depreciation of property, plant and equipment	8,856	15,213	12,990	—	—	37,059
Depreciation of right-of-use assets	4,930	14,265	29	321	—	19,545
(Gain) loss from changes in fair value of investment properties	—	—	(27,275)	117,354	—	90,079
Gain from changes in fair value of financial instruments at FVTPL	—	—	—	—	(4,022)	(4,022)
Gain from changes in fair value of derivative financial instruments	—	(3,332)	—	—	—	(3,332)
Impairment losses recognised under expected credit loss model, net of reversal	24	335	(3,323)	(99)	—	(3,063)
Loss (gain) on disposal of property, plant and equipment	6	(53)	1	—	(262)	(308)
Reversal of impairment loss of property, plant and equipment	—	—	(4,237)	—	—	(4,237)
Write-down of inventories	2,283	23,309	—	—	—	25,592

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

6. SEGMENT INFORMATION (CONTINUED)

Other segment information (Continued)

	2024						
	Sales of mobile and IT products		Property investment and hotel operations		Securities investment	Unallocated	Consolidated
	Hong Kong HK\$'000	Thailand HK\$'000	Japan HK\$'000	Other regions HK\$'000	HK\$'000	HK\$'000	HK\$'000
Capital additions	1,617	12,606	56,117	—	—	—	70,340
Depreciation of property, plant and equipment	1,263	14,458	12,193	6,190	—	7	34,111
Depreciation of right-of-use assets	3,283	13,135	22	—	—	—	16,440
(Gain) loss from changes in fair value of investment properties	—	—	(54,800)	126,686	—	—	71,886
Gain from changes in fair value of financial instruments at FVTPL	—	—	—	—	(94,648)	—	(94,648)
Gain on disposal of property, plant and equipment	(350)	(49)	—	—	—	—	(399)
Impairment losses recognised under expected credit loss model, net of reversal	93	(2,546)	(28,669)	—	—	—	(31,122)
Loss from changes in fair value of derivative financial instruments	—	7,588	—	—	—	—	7,588
Reversal of impairment loss of property, plant and equipment	—	—	(7,777)	—	—	—	(7,777)
Write-down of inventories	654	23,733	—	—	—	—	24,387

Geographical information

The Group's revenue from external customers by geographical location of the customers are attributed to the group entities' countries of domicile.

Information about the Group's revenue by geographical location of the customers and non-current assets by geographical location of assets are set out below:

	Revenue		Non-current assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong	2,175,195	2,412,222	1,414,350	1,539,457
Japan	347,154	309,220	2,196,129	2,147,788
Singapore	20,419	621	27,543	25,651
Thailand	7,070,507	6,284,594	103,236	109,406
Others	14,473	—	7,471	—
	9,627,748	9,006,657	3,748,729	3,822,302

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

6. SEGMENT INFORMATION (CONTINUED)

Geographical information (Continued)

Non-current assets excluded goodwill, interests in associates, financial instruments, deferred tax assets, other financial assets, other assets and trade receivables.

Major customer information

During the year ended 31 December 2025 and 2024, no customer contributed over 10% of the total revenue of the Group.

7. OTHER INCOME

	2025 HK\$000	2024 HK\$000
Dividend income	3,372	3,232
Interest income from banks deposits	30,505	34,465
Maintenance income	15,992	10,196
Others	20,568	5,941
	70,437	53,834

8. OTHER GAINS AND LOSSES, NET

	2025 HK\$000	2024 HK\$000
Exchange loss, net	(13,857)	(16,326)
Gain on disposal of property, plant and equipment	308	399
Gain (loss) from changes in fair value of derivative financial instruments	3,332	(7,588)
Reversal of impairment loss of property, plant and equipment	4,237	7,777
	(5,980)	(15,738)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

9. FINANCE COSTS

	2025 HK\$000	2024 HK\$000
Interest on bank borrowings	63,813	69,612
Interest on bonds	3,524	2,387
Interest on lease liabilities	1,833	1,981
Interest on rental deposits	1,391	1,311
Interest on loan from others	144	144
	70,705	75,435

10. INCOME TAX EXPENSE

	2025 HK\$000	2024 HK\$000
Hong Kong Profits Tax		
Current year	4,032	3,700
Under (over) provision in prior years	1,020	(105)
	5,052	3,595
Overseas Tax		
Current year	74,918	47,678
Under (over) provision in prior years	263	(10,503)
Withholding tax on declared dividend income	912	2,255
	76,093	39,430
Deferred taxation (note 34)	1,395	20,712
	82,540	63,737

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

Corporate Tax in Japan is calculated at 23.2% (2024: 23.2%) on the estimated assessable profit for the year. Pursuant to relevant laws and regulations in Japan, withholding tax is imposed at 20.42% and 5% on dividends declared to local investors and foreign investors, respectively, in respect of profit earned by Japanese subsidiaries.

Notes to the Consolidated Financial Statements

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10. INCOME TAX EXPENSE (CONTINUED)

Corporate Tax in Thailand is calculated at 20% (2024: 20%) on the estimated assessable profit for the year.

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective. After taking into account certain adjustments under Pillar Two Rules based on managements best estimate, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

The income tax expense for the year can be reconciled from the profit before taxation per the consolidated statement of profit or loss as follows:

	2025 HK\$'000	2024 HK\$'000
Profit before tax	245,470	277,097
Tax at the domestic income tax rate of 16.5% (<i>Note 1</i>)	40,503	45,721
Tax effect of share of results of associates	(1,764)	(1,751)
Tax effect of expenses not deductible for tax purposes	45,044	50,979
Tax effect of income not taxable for tax purposes	(17,590)	(23,902)
Tax effect of tax benefit of subsidiaries (<i>Note 2</i>)	(17,497)	(17,315)
Tax effect of tax losses and other deductible temporary differences not recognised	6,504	3,523
Utilisation of tax losses and other deductible temporary differences previously not recognised	(938)	(8,278)
Under (over) provision in prior years	1,283	(10,608)
Effect of different tax rates of subsidiaries	12,932	11,595
Deferred tax on undistributed earnings of subsidiaries	12,183	12,444
Income tax at concessionary rate at 8.25%	(165)	(165)
Withholding tax on declared dividend income	912	2,255
Others	1,133	(761)
Income tax expense for the year	82,540	63,737

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

10. INCOME TAX EXPENSE (CONTINUED)

Notes:

1. Hong Kong Profits Tax rate is used as the domestic tax rate as Hong Kong is the place where the operations of the Group are substantially based.
2. Certain of the Group's subsidiaries were incorporated as Tokutei Mokuteki Kaisha ("TMK"), a special purpose entity in Japan for real estate transactions. In accordance with the Act on Special Measures Concerning Taxation, a TMK is permitted to deduct from its taxable income the amount of dividends it declared provided that a TMK is distributing at least 90 per cent of its profits in each financial year.

11. PROFIT FOR THE YEAR

	2025 HK\$'000	2024 HK\$'000
Profit for the year has been arrived at after charging:		
Auditors' remuneration	7,576	7,058
Cost of inventories recognised as an expense (including write-down of inventories of HK\$25,592,000 (2024: HK\$24,387,000))	8,488,270	8,067,200
Depreciation of property, plant and equipment	37,059	34,111
Depreciation of right-of-use assets	19,545	16,440
Staff costs (Note)	356,185	314,521
Share of tax of associates (included in share of results of associates)	483	724
Expense relating to short-term lease	969	930
and after crediting:		
Gross rental income from investment properties	142,551	138,456
Less: direct operating expenses	(106,761)	(89,773)
Net rental income	35,790	48,683
Interest income from bank deposits	30,505	34,465
Dividend income from equity instruments at FVTOCI	1,322	935
Dividend income from financial instruments at FVTPL	2,050	2,297

Note: Staff costs include emoluments to directors as set out in note 12.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

12. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS

Emoluments paid or payable to each of the directors and chief executive officer of the Company during the year are as follows:

	Note	Fees HK\$'000	Salaries and other benefits HK\$'000	Performance bonus HK\$'000	Contributions to retirement benefit scheme HK\$'000	Total HK\$'000
2025						
Executive directors:						
Mr. Lim Kiah Meng (Chief executive officer)		395	4,016	436	37	4,884
Mr. Lim Hwee Hai		390	3,271	337	44	4,042
Madam Lim Hwee Noi		203	1,958	48	43	2,252
Mr. Lim Ee Ray		240	1,204	150	104	1,698
Mr. Lim Yi Alex		333	1,105	150	18	1,606
		<u>1,561</u>	<u>11,554</u>	<u>1,121</u>	<u>246</u>	<u>14,482</u>
Independent non-executive directors:						
Ms. Ng See Wai Rowena		200	—	—	—	200
Ms. Tan Song Ping	(a)	125	—	—	—	125
Ms. Doe Julianne Pearl		200	—	—	—	200
Ms. Chu Chung Yi		320	—	—	—	320
		<u>845</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>845</u>
		<u>2,406</u>	<u>11,554</u>	<u>1,121</u>	<u>246</u>	<u>15,327</u>

Note:

(a) Resigned with effect from 17 August 2025

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

12. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS (CONTINUED)

	Notes	Fees HK\$'000	Salaries and other benefits HK\$'000	Performance bonus HK\$'000	Contributions to retirement benefit scheme HK\$'000	Total HK\$'000
2024						
Executive directors:						
Mr. Lim Kia Hong (deceased)		252	2,429	170	29	2,880
Mr. Lim Kiah Meng (Chief executive officer)		386	4,006	435	36	4,863
Mr. Lim Hwee Hai		388	3,255	335	40	4,018
Madam Lim Hwee Noi		203	1,946	47	39	2,235
Mr. Lim Ee Ray	(b)	60	1,122	140	101	1,423
Mr. Lim Yi Alex	(b)	72	901	130	18	1,121
		<u>1,361</u>	<u>13,659</u>	<u>1,257</u>	<u>263</u>	<u>16,540</u>
Independent non-executive directors:						
Mr. Ma Shiu Sun Michael	(c)	280	—	—	—	280
Ms. Ng See Wai Rowena		200	—	—	—	200
Ms. Tan Song Ping		200	—	—	—	200
Ms. Doe Julianne Pearl	(b)	140	—	—	—	140
Ms. Chu Chung Yi	(b)	170	—	—	—	170
		<u>990</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>990</u>
		<u>2,351</u>	<u>13,659</u>	<u>1,257</u>	<u>263</u>	<u>17,530</u>

Note:

(b) Appointed with effect from 1 October 2024

(c) Resigned with effect from 30 September 2024

Mr. Lim Kiah Meng is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive for the both years.

The performance bonus is determined by reference to the performance and resources of the group companies and the performance of the individual directors for both years.

The salaries and other benefits, performance bonus and contribution to retirement benefit scheme paid or payable to executive directors shown above were for the services in connection with the management of the affairs of the Company and the Group for both years.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

12. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS (CONTINUED)

The fee paid or payable to executive directors and independent non-executive directors' emoluments shown above were for their services as directors of the Company and its subsidiaries for both years.

There was no arrangement under which directors waived or agreed to waive any remuneration for both years.

Of the five individuals with the highest emoluments in the Group, two (2024: three) were directors whose emoluments are disclosed above. The emoluments of the remaining three (2024: two) individual are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other benefits	11,246	7,353
Contributions to retirement benefit scheme	301	165
	11,547	7,518
	2025	2024
The emoluments are within the following bands		
HK\$2,500,001 to HK\$3,000,000	—	1
HK\$3,000,001 to HK\$3,500,000	2	—
HK\$4,500,001 to HK\$5,000,000	—	1
HK\$5,000,001 to HK\$5,500,000	1	—
	3	2

13. DIVIDENDS

	2025 HK\$'000	2024 HK\$'000
Dividend recognised as distribution during the year ended		
Final dividend, paid in respect of the year ended 31 December 2024 of 2.0 HK cents per share (2024: Final dividend paid in respect of the year ended 31 December 2023 of 2.0 HK cents per share)	5,559	5,559

A final dividend of 2.5 HK cents per share amounting to HK\$6,949,000 for the year ended 31 December 2025 have been proposed by the directors of the Company and are subject to approval by the shareholders in the forthcoming annual general meeting.

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FOR THE YEAR ENDED 31 DECEMBER 2025

14. EARNINGS PER SHARE

The calculation of both basic and diluted earnings per share are based on the Group's profit attributable to owners of the Company of HK\$60,501,000 (2024: HK\$136,205,000) and the weighted average number of ordinary shares calculated below.

	2025	2024
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	277,966,666	277,966,666

The computation of diluted earnings per share for the year ended 31 December 2025 and 2024 did not assume the exercise of all share options of the Company as the exercise prices of those options are higher than the average market prices of the shares of the Company. On 27 June 2025, all the share options were lapsed upon the expiry.

15. INVESTMENT PROPERTIES

	2025 HK\$'000	2024 HK\$'000
Completed properties	3,041,741	3,105,288
		HK\$'000

FAIR VALUE

At 1 January 2024	3,376,893
Exchange realignment	(208,172)
Additions	8,453
Net loss from changes in fair value recognised in profit or loss	(71,886)
At 31 December 2024	3,105,288
Exchange realignment	4,388
Additions	22,144
Net loss from changes in fair value recognised in profit or loss	(90,079)
At 31 December 2025	3,041,741

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

15. INVESTMENT PROPERTIES (CONTINUED)

An analysis of the investment properties, which are stated at fair value, by geographical location is as follows:

	2025 HK\$'000	2024 HK\$'000
Hong Kong	1,131,800	1,249,400
Japan	1,865,098	1,814,297
Singapore	26,118	24,382
Others	18,725	17,209
	3,041,741	3,105,288

All of the Group's property interests which are held to earn rentals or for capital appreciation purposes (including those held under operating leases), are classified and accounted for as investment properties and are measured using the fair value model.

In determining the fair value of the relevant properties, management has exercised their judgement to determine the appropriate valuation technique and inputs for the fair value measurements.

The fair values of the investment properties in Hong Kong, Japan and Singapore, which falls under level 3 of the fair value hierarchy as at 31 December 2025 and 2024, were determined based on valuations carried out on those dates by Cushman & Wakefield Limited, CBRE K.K. and Knight Frank Pte. Ltd. respectively, who are independent qualified professional valuers not connected with the Group. As at 31 December 2025 and 2024, the valuations for investment properties in Hong Kong and Japan were performed using the income approach, by capitalising the net income from existing tenancies and reversionary income potential at appropriate capitalisation rates. For the Singapore investment properties, the valuations were determined with reference to comparable market transactions available in the relevant market. Appropriate adjustments were made to reflect differences in market conditions and property characteristics such as location, size, view and age. The fair value of another parcel was determined with reference to market evidence of recent transaction prices for similar properties.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

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15. INVESTMENT PROPERTIES (CONTINUED)

2025				
Investment properties	Fair value	Valuation technique	Significant unobservable input(s)	Sensitivity
Commercial properties in Hong Kong	HK\$1,071,000,000	Income approach	Capitalisation rate, taking into account of capitalisation of rental income potential, nature of the property and prevailing market condition, of 2.75%.	A significant increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.
Industrial properties in Hong Kong	HK\$27,700,000	Income approach	Capitalisation rate, taking into account of capitalisation of rental income potential, nature of the property and prevailing market condition, of 3.5% – 3.75%.	A significant increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.
Residential properties in Hong Kong	HK\$8,200,000	Income approach	Capitalisation rate, taking into account of capitalisation of rental income potential, nature of the property and prevailing market condition, of 3.1%.	A significant increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.
Carparks in Hong Kong	HK\$24,900,000	Income approach	Capitalisation rate, taking into account of capitalisation of rental income potential, nature of the property and prevailing market condition, of 3%.	A significant increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.
Residential properties in Singapore	HK\$26,118,000	Direct comparison approach	Market unit rate, taking into account the recent transaction prices for similar properties adjusted location, size, view, age and etc., which ranged from SGD2,032 to SGD2,138 per square feet.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.
Hotels in Japan	HK\$1,865,098,000	Income approach	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of 4.3% – 7.1%.	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa
Other properties	HK\$18,725,000			
Total	HK\$3,041,741,000			

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15. INVESTMENT PROPERTIES (CONTINUED)

2024

Investment properties	Fair value	Valuation technique	Significant unobservable input(s)	Sensitivity
Commercial properties in Hong Kong	HK\$1,184,000,000	Income approach	Capitalisation rate, taking into account of capitalisation of rental income potential, nature of the property and prevailing market condition, of 2.625%.	A significant increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.
Industrial properties in Hong Kong	HK\$32,500,000	Income approach	Capitalisation rate, taking into account of capitalisation of rental income potential, nature of the property and prevailing market condition, of 3.25% – 3.5%.	A significant increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.
Residential properties in Hong Kong	HK\$8,000,000	Income approach	Capitalisation rate, taking into account of capitalisation of rental income potential, nature of the property and prevailing market condition, of 3%.	A significant increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.
Carparks in Hong Kong	HK\$24,900,000	Income approach	Capitalisation rate, taking into account of capitalisation of rental income potential, nature of the property and prevailing market condition, of 3%.	A significant increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.
Residential properties in Singapore	HK\$24,382,000	Direct comparison approach	Market unit rate, taking into account the recent transaction prices for similar properties adjusted location, size, view, age and etc., which ranged from SGD1,970 to SGD2,050 per square feet.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.
Hotels in Japan	HK\$1,814,297,000	Income approach	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of 4.4% – 7.1%.	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa
Other properties	<u>HK\$17,209,000</u>			
Total	<u>HK\$3,105,288,000</u>			

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15. INVESTMENT PROPERTIES (CONTINUED)

Details of the Group's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows:

	Fair value at Level 3 hierarchy	
	2025 HK\$'000	2024 HK\$'000
Commercial properties in Hong Kong	1,071,000	1,184,000
Industrial properties in Hong Kong	27,700	32,500
Residential properties in Hong Kong	8,200	8,000
Carparks in Hong Kong	24,900	24,900
Residential properties in Singapore	26,118	24,382
Hotels in Japan	1,865,098	1,814,297
Others	18,725	17,209
Fair value of the investment property	3,041,741	3,105,288

There were no transfers into or out of level 3 during both years.

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16. PROPERTY, PLANT AND EQUIPMENT

	Freehold land HK\$'000	Hotel properties HK\$'000	Leasehold land and building in Hong Kong HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
COST							
At 1 January 2024	68,781	363,947	320,888	23,175	89,377	3,935	870,103
Exchange realignment	(7,273)	(39,882)	—	(46)	(969)	(64)	(48,234)
Additions	2,043	44,894	—	1,479	13,455	16	61,887
Disposals	—	—	—	—	(10,875)	(1,564)	(12,439)
At 31 December 2024	63,551	368,959	320,888	24,608	90,988	2,323	871,317
Exchange realignment	128	748	—	775	6,541	226	8,418
Acquisition of subsidiaries (note 40)	—	—	—	—	6,605	—	6,605
Additions	—	—	—	2,906	21,891	2,221	27,018
Disposals	—	—	—	(943)	(2,345)	(1,492)	(4,780)
At 31 December 2025	63,679	369,707	320,888	27,346	123,680	3,278	908,578
DEPRECIATION AND IMPAIRMENT							
At 1 January 2024	—	110,948	39,585	21,469	51,198	3,010	226,210
Exchange realignment	—	(11,941)	—	(91)	(385)	(44)	(12,461)
Provided for the year	—	11,118	6,161	1,093	15,401	338	34,111
Impairment loss reversed in profit or loss (Note)	—	(7,777)	—	—	—	—	(7,777)
Eliminated upon disposals	—	—	—	—	(10,834)	(1,564)	(12,398)
At 31 December 2024	—	102,348	45,746	22,471	55,380	1,740	227,685
Exchange realignment	—	(149)	—	644	4,152	167	4,814
Provided for the year	—	12,041	6,161	984	17,093	780	37,059
Impairment loss reversed in profit or loss (Note)	—	(4,237)	—	—	—	—	(4,237)
Eliminated upon disposals	—	—	—	(943)	(2,281)	(1,492)	(4,716)
At 31 December 2025	—	110,003	51,907	23,156	74,344	1,195	260,605
CARRYING VALUES							
At 31 December 2025	63,679	259,704	268,981	4,190	49,336	2,083	647,973
At 31 December 2024	63,551	266,611	275,142	2,137	35,608	583	643,632

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Hotel properties	2%–3%
Leasehold land and building	2%, or over the term of the lease, whichever is shorter
Leasehold improvements	15% or the term of the lease, whichever is shorter
Furniture, fixtures and equipment	8.33%–33%
Motor vehicles	14.3%–20%

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16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Note:

During the year ended 31 December 2025, management of the Group determined there was an indication for a reversal of impairment in respect of a hotel property located in Japan within the property investment and hotel operations segment, with a carrying amount of HK\$65,343,000 (2024: HK\$60,175,000), as the financial performance of the hotel property exceeded management's expectation and internal targets.

In determining the recoverable amount of the hotel property as of 31 December 2025, the Group engaged CBRE K.K., an independent qualified valuers not related to the Group, to perform a valuation. The fair value of the hotel property was determined using the income approach, by capitalising the net income from existing tenancies and the reversionary income potential at appropriate capitalisation rates applicable to Japan hotel property.

The relevant asset was revalued during the year ended 31 December 2025 to its recoverable amount of HK\$69,580,000 (2024: HK\$67,952,000), and a reversal of impairment losses of HK\$4,237,000 (2024: HK\$7,777,000) was recognised in profit or loss for the year.

17. RIGHT-OF-USE ASSETS

	Leased properties	
	2025 HK\$'000	2024 HK\$'000
As at 1 January		
Carrying amount	73,382	38,823
As at 31 December		
Carrying amount	59,015	73,382
For the year ended		
Depreciation charge	19,545	16,440
Expense relating to short-term leases	969	930
Total cash outflow for leases	23,338	22,163
Additions to right-of-use assets	1,621	50,662

For both years, the Group leases various offices, warehouses and retail stores, for its operations. Lease contracts are entered into for fixed terms of 6 months to 6 years (2024: 6 months to 6 years). The Group has extension options in a number of leases for offices and warehouses. These options are used to maximise operational flexibility in managing the assets used in the Group's operations. The extension options held are exercisable only by the Group and not by the respective lessors. The Group has assessed that it is reasonably certain that it will exercise these extension options at the date of initial application. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is considered enforceable.

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18. GOODWILL

HK\$'000

COST AND CARRYING VALUES

At 1 January 2024, 31 December 2024 and 31 December 2025

126,406

Goodwill arose from the acquisition of an equity interest in a group engaged in the distribution of mobile and IT products in Thailand.

For the purposes of impairment testing, goodwill has been allocated to a group of cash-generating units related to the sales of mobile and IT products in Thailand, which represents the lowest level at which goodwill is monitored internally for management purposes.

At both 31 December 2025 and 2024, management of the Group determines that no impairment on the goodwill was required, as the recoverable amount, determined with reference to the market capitalisation of the relevant cash-generating units, exceeded the carrying amount.

19. INTERESTS IN ASSOCIATES

	2025 HK\$'000	2024 HK\$'000
Cost of investment in associates		
Listed overseas	87,224	87,224
Share of post-acquisition profits and reserves, net of dividend received	16,378	10,785
	103,602	98,009
Fair value of listed associates (Note)	120,689	111,546

Note: The fair value of the listed investments is determined based on the quoted market bid prices, multiplied by the quantity of shares held by the Group.

Name of company	Form of business structure	Country of incorporation/ operation	Class of shares held	Proportion of nominal value of issued capital held indirectly by the Company		Proportion of voting rights held indirectly by the Company		Principal activities
				2025	2024	2025	2024	
IT Consultants PLC ("ITCL")	Limited company	Bangladesh	Ordinary	37.6%	37.6%	37.6%	37.6%	Provision of financial services and mobile banking solutions

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19. INTERESTS IN ASSOCIATES (CONTINUED)

Summarised financial information of material associate

The following are the summarised financial information of ITCL. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRS Accounting Standards. Such associate is accounted for using equity method in the consolidated financial statements.

	2025 HK\$'000	2024 HK\$'000
Current assets	100,560	140,315
Non-current assets	206,420	177,650
Current liabilities	(37,440)	(86,443)
Non-current liabilities	(74,607)	(51,466)
	194,933	180,056
Revenue	101,560	96,136
Profit for the year	28,431	28,222
Other comprehensive expense for the year	—	—
Total comprehensive income for the year	28,431	28,222
Group's share of the total profit for the year	10,689	10,611

Reconciliation of the above summarised financial information to the carrying amount of the interest in an associate recognised in the consolidated financial statements:

	2025 HK\$'000	2024 HK\$'000
Net assets of ITCL	194,933	180,056
Proportion of the Group's ownership interest in ITCL	37.6%	37.6%
The Group's share of net assets of ITCL	73,289	67,696
Goodwill (Note)	30,313	30,313
Carrying amount of the Group's interest in ITCL	103,602	98,009

Note: ITCL was listed on the stock exchange in Bangladesh in 2016. The amount represents the fair value of the Group's retained interest over the share of diluted interest of ITCL's net assets.

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19. INTERESTS IN ASSOCIATES (CONTINUED)

Aggregate information of associate that is not individually material

	2025 HK\$'000	2024 HK\$'000
The Group's share of profit for the year	—	—

The Group has discontinued recognising its share of losses of certain associates. The amounts of the Group's unrecognised share of losses, extracted from the management accounts of the relevant associates, for the year and cumulatively, are as follows:

	2025 HK\$'000	2024 HK\$'000
Unrecognised share of loss of associates for the year	(5)	(10)
Accumulated unrecognised share of losses of associates	(502)	(497)

20. FINANCIAL INSTRUMENTS AT FVTPL

	2025 HK\$'000	2024 HK\$'000
Non-current assets:		
Listed securities designated at FVTPL:		
Equity securities listed in Hong Kong	34,473	21,849
Equity securities listed overseas	280,394	309,336
	314,867	331,185
Unlisted securities designated at FVTPL:		
Equity securities established at overseas	134,401	108,894
	449,268	440,079
Current assets:		
Debt instruments with fixed interest of 8.15% to 8.25% and maturity date on 16 January 2025	—	23,290
Listed securities held for trading:		
Equity securities listed overseas	6,018	7,837
	6,018	31,127

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21. EQUITY INSTRUMENTS AT FVTOCI

	2025 HK\$'000	2024 HK\$'000
Listed investments:		
Equity securities listed in Hong Kong	12,431	8,638
Equity securities listed overseas	4,629	5,478
	17,060	14,116
Unlisted investments:		
Equity securities established in Hong Kong	3,651	3,651
Equity securities established overseas	21,197	14,616
	24,848	18,267
	41,908	32,383

The above listed and unlisted equity investments are not held for trading, instead, they are held for long-term strategic purposes. The unlisted equity securities, which represent investments in entities involved in IT-related business, are held for strategic and capital appreciation purposes. The directors of the Company have elected to designate these investments as equity instruments at FVTOCI, as they believe that recognising short-term fluctuations in the fair value of these investments in profit or loss would not be consistent with the Group's strategy of holding these investments for the long term and realising their performance potential over time.

22. OTHER FINANCIAL ASSETS

The other financial assets are analysed as follow:

	2025 HK\$000	2024 HK\$'000
Rental deposits paid	4,577	4,220
Other receivables (Note)	322	745
	4,899	4,965

Note: At 31 December 2025, out of HK\$322,000 (2024: HK\$745,000), there are outstanding balances from one (2024: one) independent third party and no amounts were past due (2024: an aggregate carrying amount of HK\$453,000 was past due for more than three months). The terms of the receivables have been modified on which fixed interests are charged at 6% per annum (2024: 6% per annum) and the final maturity dates are August 2026 (2024: August 2026) in which HK\$1,734,000 (2024: HK\$1,277,000) is to be repaid within twelve months from the date of the reporting period and has been included in trade and other receivables, deposits and prepayments. The receivables are secured by the properties and land title deed.

Details of impairment assessment are set out in note 39.

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23. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Finished goods	972,808	787,179

During the year, a write-down of obsolete and slow-moving inventories of HK\$25,592,000 (2024: HK\$24,387,000) was recognised in profit or loss.

24. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 HK\$'000	2024 HK\$'000
Trade receivables from sales of goods	1,548,972	1,412,175
Lease receivables	27,119	35,338
Less: allowance for credit losses	(19,982)	(18,490)
	1,556,109	1,429,023
Consumption tax receivable	2,492	731
Value added tax receivable	11,328	10,522
Rebate and claims receivable	42,142	59,344
Trade deposits for mobile and IT products	92,465	68,343
Effective rental receivables	19,791	20,220
Prepayments	41,260	40,964
Deposits and others	26,228	25,141
	1,791,815	1,654,288
Analysed as		
Current portion	1,758,490	1,625,415
Non-current portion (<i>Note</i>)	33,325	28,873
	1,791,815	1,654,288

Note: The trade receivables classified as non-current based on expected settlement dates by instalment schedule.

At 1 January 2024, trade receivables from contracts with customers amounted to HK\$1,430,663,000.

The Group maintains a defined credit policy. Before accepting any new customers, the Group assesses the potential customer's credit quality and defines credit limits by customers. Limits granted to customers are reviewed periodically. For sales of goods, the Group usually allows credit period range from 30 to 90 days to its trade customers. No credit period is granted to the customers for renting of properties. Rent is payable on presentation of a demand note. No interest is charged on overdue debts.

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24. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

The following is an analysis of trade receivables and lease receivables by age, net of allowance for credit losses, presented based on the invoice date for trade receivables and demand note date for lease receivables at the end of the reporting period.

	2025 HK\$'000	2024 HK\$'000
Within 30 days	676,916	555,633
31 to 90 days	732,000	557,626
91 to 120 days	50,020	72,036
Over 120 days	97,173	243,728
	1,556,109	1,429,023

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$405,717,000 (2024: HK\$374,530,000) which are past due as at the reporting date. Out of the past due balances, HK\$18,686,000 (2024: HK\$92,985,000) has been past due 90 days or more and is not considered as in default after considering the creditworthiness and past payment history of these debtors. The Group does not hold any collateral over these balances.

Details of the impairment assessment are set out in note 39.

25. AMOUNT DUE FROM (TO) AN ASSOCIATE

The amounts due from/to an associate are trade in nature, and are unsecured and interest-free, with a credit period ranging from 30 to 90 days. Details of the impairment assessment are set out in note 39.

26. PLEDGED DEPOSITS/CASH AND CASH EQUIVALENTS

Pledged deposits and cash and cash equivalents include demand deposits and short-term deposits for the purpose of meeting the Group's short-term cash commitments, which carry interest at market rates ranging from 0.01% to 4.90% (2024: 0.01% to 5.46%) per annum.

Pledged deposits that are denominated in foreign currencies, currencies other than the functional currencies of the relevant group entities, amounted to HK\$250,284,000 (2024: HK\$240,057,000).

Details of the impairment assessment are set out in note 39.

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27. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	2025 HK\$'000	2024 HK\$'000
Trade payables	955,724	665,863
Accrued marketing expenses	322,588	223,579
Receipt in advance for leasing of investment properties	10,721	10,336
Accrued staff costs	71,737	66,118
Other tax payable	16,391	17,403
Interest payable	4,758	5,040
Accruals and other payables	107,262	106,434
	1,489,181	1,094,773

The average credit period on purchase of goods is 30 to 60 days. The Group has policies in place to ensure that all payables are paid within the credit time frame.

Trade payables that are denominated in United States dollars ("US\$"), currency other than the functional currencies of the relevant group entities, amounted to HK\$53,685,000 (2024: HK\$33,368,000).

The following is an aged analysis of the trade payables, based on the invoice date, at the end of the reporting period.

	2025 HK\$'000	2024 HK\$'000
Within 30 days	654,362	477,232
31 to 90 days	239,401	153,124
91 to 120 days	35,371	17,287
Over 120 days	26,590	18,220
	955,724	665,863

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28. CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Distribution of mobile and IT products	26,645	22,352

As at 1 January 2024, contract liabilities amounted to HK\$14,956,000.

The following table shows how much of the revenue recognised in the current year related to carried-forward contract liabilities:

	Receipts in advance from customers	
	2025 HK\$'000	2024 HK\$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	15,601	10,640

The Group receives deposits from certain customers when they issue purchase orders. This results in contract liabilities being recognised until control of the mobile and IT products is transferred to the customers.

29. LEASE LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Lease liabilities payable:		
Within one year	17,876	20,453
Within a period of more than one year but not more than two years	11,021	19,011
Within a period of more than two years but not more than five years	9,201	29,436
Within a period of more than five years	35,201	19,574
	73,299	88,474
Less: Amount due for settlement with 12 months shown under current liabilities	(17,876)	(20,453)
Amount due for settlement after 12 months shown under non-current liabilities	55,423	68,021

The weighted average incremental borrowing rates applied to lease liabilities was 3.09% (2024: 3.55%).

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30. DERIVATIVE FINANCIAL INSTRUMENTS

	2025 HK\$'000	2024 HK\$'000
Foreign currency forward contracts	8,870	11,344

The terms of the foreign currency forward contracts are listed out as below:

Buy	Sell	Maturity	Contract rates
2025 US\$40,735,000	THB1,313,949,000	9 January 2026 to 22 October 2026	US\$1: THB30.87 to US\$1: THB33.96
2024 US\$39,309,000	THB1,379,693,000	2 January 2025 to 3 July 2025	US\$1: THB32.42 to US\$1: THB36.35

31. BANK BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Bank loans	2,018,317	2,135,490
Trust receipt loans	267,363	513,246
	2,285,680	2,648,736
Secured	2,002,517	2,075,384
Unsecured	283,163	573,352
	2,285,680	2,648,736

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31. BANK BORROWINGS (CONTINUED)

The Group's bank borrowings were repayable as follows:

	2025 HK\$000	2024 HK\$000
Carrying amount of bank borrowings based on scheduled repayment dates sets out in the loan agreements:		
Within one year	1,817,624	1,626,686
Within a period of more than one year but not more than two years	3,571	529,901
Within a period of more than two year but not more than five years	219,783	220,405
More than five years	2,990	5,283
	<u>2,043,968</u>	<u>2,382,275</u>
Carrying amount of bank borrowings that contains a repayment on demand clause (show under current liabilities):		
— repayable within one year	8,540	206,040
— repayable more than one year, but not exceeding two years	8,540	3,540
— repayable more than two year, but not exceeding five years	221,437	53,146
— repayable more than five years	3,195	3,735
	<u>241,712</u>	<u>266,461</u>
	<u>2,285,680</u>	<u>2,648,736</u>
Less: Amount due within one year shown under current liabilities	<u>(2,059,336)</u>	<u>(1,893,147)</u>
Amount shown under non-current liabilities	<u>226,344</u>	<u>755,589</u>

The bank loans bear interest at variable market interest rates, which are based on Hong Kong Interbank Offered Rate ("HIBOR"), London Interbank Offer Rate ("LIBOR") and JPY LIBOR, plus a margin ranging from 0.4% to 1.85% per annum (2024: HIBOR, LIBOR and JPY LIBOR plus 0.4% to 1.85% per annum).

Trust receipt loans bear floating interest rates ranging from 1.55% — 1.83% (2024: 2.50% — 2.60%) per annum and repayable within one year.

Bank loans denominated in Japanese Yen ("JPY") amounted to JPY16,260,450,000 (equivalent to HK\$808,144,000) (2024: JPY16,764,400,000 (equivalent to HK\$831,514,000)). All other bank loans are denominated in functional currencies of the respective group entities.

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32. BONDS

Bonds with an aggregate principal amount of JPY3,974,550,000 (equivalent to HK\$197,535,000) (2024: JPY4,000,096,000 (equivalent to HK\$198,405,000)) will mature on 30 July 2031 (2024: 30 July 2031). The bonds are all denominated and settled in JPY and bear interest at rates ranging from JPY TORF/LIBOR plus 1.0% to 1.6% (2024: JPY TORF/LIBOR plus 1.0% to 1.6%) per annum, payable quarterly.

	2025 HK\$'000	2024 HK\$'000
Carrying amount of bond repayable based on contractual repayment dates:		
Within one year	97,371	1,414
More than one year but not more than two years	1,416	97,029
More than two years but not more than five years	2,833	2,827
More than five years	95,915	97,135
	197,535	198,405
Less: Amount due within one year shown under current liabilities	(97,371)	(1,414)
Amount shown under non-current liabilities	100,164	196,991

33. RENTAL DEPOSITS

The amount recognised represents the rental deposits received from tenants under operating leases.

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34. DEFERRED TAXATION

The following are the major deferred tax (liabilities) assets recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation HK\$'000	Actuarial gain from financial assumptions changes for employee benefit HK\$'000	Allowances for credit losses/ inventories/ accruals HK\$'000	Tax losses HK\$'000	Undistributed earnings of subsidiaries HK\$'000	Revaluation of properties/ impairment of property, plant and equipment HK\$'000	Total HK\$'000
At 1 January 2024	(18,082)	(1,395)	92,595	8,403	(66,339)	(56,314)	(41,132)
(Charged) credited to profit or loss	(1)	—	2,989	1,458	(12,444)	(12,714)	(20,712)
Exchange realignment	—	6	(329)	—	2,766	6,371	8,814
At 31 December 2024	(18,083)	(1,389)	95,255	9,861	(76,017)	(62,657)	(53,030)
Credited (charged) to profit or loss	924	—	16,496	(305)	(12,183)	(6,327)	(1,395)
Acquisition of subsidiaries (note 40)	—	—	692	—	—	—	692
Exchange realignment	—	(122)	8,875	—	(4,115)	169	4,807
At 31 December 2025	(17,159)	(1,511)	121,318	9,556	(92,315)	(68,815)	(48,926)

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025 HK\$'000	2024 HK\$'000
Deferred tax assets	117,471	91,530
Deferred tax liabilities	(166,397)	(144,560)
	(48,926)	(53,030)

At the end of the reporting period, the Group has unutilised tax losses of HK\$236,565,000 (2024: HK\$201,620,000) and other deductible temporary differences of HK\$658,681,000 (2024: HK\$527,220,000). A deferred tax asset has been recognised in respect of the tax losses of HK\$57,921,000 (2024: HK\$59,769,000) and other deductible temporary differences of HK\$606,591,000 (2024: HK\$476,161,000). No deferred tax asset has been recognised in respect of the remaining tax losses of HK\$178,644,000 (2024: HK\$141,851,000) and the other deductible temporary differences of HK\$52,090,000 (2024: HK\$51,059,000) due to the unpredictability of future assessable profit streams. All tax losses can be carried forward indefinitely.

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35. RETIREMENT BENEFIT SCHEMES

Defined contribution plans

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. Under the scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme, which contribution is matched by employees.

The total expense recognised in profit or loss of HK\$18,904,000 (2024: HK\$16,203,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

Employees of the Group's subsidiaries incorporated in Singapore are members of pension schemes operated by the local government. The subsidiaries contributions to the pension schemes ranges from 6.5% to 16% of the employees' monthly salaries.

Defined benefit plan

Pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay Long Service Payment ("LSP") to qualifying employees in Hong Kong upon retirement, subject to a minimum of 5 years employment period, based on the following formula:

Last monthly wages (before termination of employment) $\times \frac{2}{3} \times$ Years of service

Last monthly wages are capped at HK\$22,500 while the amount of long service payment shall not exceed HK\$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof (collectively, the "Eligible Offset Amount"), for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement").

The Amendment Ordinance was gazetted on 17 June 2022, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition officially took effect on the Transition Date (i.e., 1 May 2025). Separately, the Government of the HKSAR has also introduced a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. On the other hand, the accrued benefits derived from the Group's voluntary contributions made pre-, on or post-transition can continue to be used to offset pre- and post-transition LSP. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date and the years of service up to that date. The Amendment Ordinance has impact on the Group's LSP liability with respect to employees that participate in MPF Scheme and the Group has accounted for the offsetting mechanism and its abolition as disclosed in note 3.

Notes to the Consolidated Financial Statements

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35. RETIREMENT BENEFIT SCHEMES (CONTINUED)

Defined benefit plan (Continued)

The Group also operates defined benefit plans ("the Plan") for qualifying employees of its subsidiaries in Thailand based on the requirement of Thai Labour Protection Act B.E. 2541(1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The actuarial valuations of the present value of the defined benefit obligation were carried out at 31 December 2023 by independent actuary, NIDA Consulting Center. The present value of the defined benefit obligations and the related current service cost were measured using the Projected Unit Credit Method.

The principal assumptions used for the purposes of the actuarial valuation were as follows:

	2025	2024
Discount rate	2.95%	2.95%
Expected rate of salary increase	6% p.a.	6% p.a.
Employee turnover rate	0%–19%	0%–19%

The amount included in the consolidated statement of financial position arising from the Group's obligations in respect of the plan is as follows:

	2025 HK\$'000	2024 HK\$'000
Present value of defined benefit obligation	30,232	22,992

Movements of the present value of defined obligation of the Plan are as follows:

	2025 HK\$'000	2024 HK\$'000
At beginning of the year	22,992	18,969
Exchange realignment	2,237	7
Current services costs	4,472	3,653
Interest on obligation	714	545
Benefits paid during the year	(183)	(182)
At end of the year	30,232	22,992

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35. RETIREMENT BENEFIT SCHEMES (CONTINUED)

Defined benefit plan (Continued)

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and employee turnover rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 1% higher or lower, the defined benefit obligation would decrease by HK\$3,200,000 or increase by HK\$3,768,000 (2024: decrease by HK\$2,584,000 or increase by HK\$3,041,000).
- If the expected salary growth increases or decreases by 1%, the defined benefit obligation would increase by HK\$4,242,000 or decrease by HK\$3,650,000 (2024: increase by HK\$3,158,000 or decrease by HK\$2,727,000).
- If the employee turnover rate increases or decreases by 1%, the defined benefit obligation would decrease by HK\$3,437,000 or increase by HK\$1,398,000 (2024: decrease by HK\$2,777,000 or increase by HK\$1,158,000).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the consolidated statement of financial position.

36. SHARE CAPITAL

	Number of ordinary shares of HK\$0.10 each		Nominal value	
	2025	2024	2025 HK\$'000	2024 HK\$'000
Authorised	<u>350,000,000</u>	350,000,000	<u>35,000</u>	35,000
Issued and fully paid				
At beginning and end of year	<u>277,966,666</u>	277,966,666	<u>27,797</u>	27,797

Notes to the Consolidated Financial Statements

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37. SHARE OPTION SCHEME

A new share option scheme was adopted by the Company on 26 May 2017 (the “New Scheme”), while the old share option scheme adopted by the Company on 21 May 2007 had expired on 20 May 2017 (the “Old Scheme”). The Old Scheme and New Scheme are collectively referred as SiS International Share Option Scheme (the “SiS International Share Option Scheme”). Pursuant to the SiS International Share Option Scheme, the Company may grant options to qualified persons, including employees and directors of the Company, its subsidiaries and associates, and third parties with a view to maintain business relationship with such persons to subscribe for shares of the Company.

The total number of shares in respect of which options may be granted under the New Scheme is not permitted to exceed 10% of shares of the Company in issue, without prior approval from the Company’s shareholders. The number of shares issued and to be issued in respect of which option granted and may be granted to any individual in aggregate within any 12-month period is not permitted to exceed 1% of the Company’s issued share capital, without prior approval from the Company’s shareholders. HK\$100 is payable by each eligible participant to the Company on acceptance of an offer of options.

During the year ended 31 December 2015, share options were granted by the Company on 26 June 2015 to certain directors of the Company and employees of the Group and third parties at an exercise price of HK\$4.47 per share and at a cash consideration of HK\$10 per grantee.

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors’ best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

No share options outstanding as at 31 December 2025.

The movements in the shares options during the two years ended 31 December 2025 and 31 December 2024 are as follows:

Grantee	Outstanding at 1 January 2024	Movement in 2024	Outstanding at 31 December 2024	Outstanding at Lapsed in 2025	Outstanding at 31 December 2025
Directors	750,000	(150,000)	600,000	(600,000)	—
Employees and others (Note 1)	1,260,000	150,000	1,410,000	(1,410,000)	—
	2,010,000	—	2,010,000	(2,010,000)	—
Exercisable	2,010,000		2,010,000		N/A
Weighted average exercise price	4.47	4.47	4.47	N/A	N/A

All share options granted were lapsed during the years ended 31 December 2025.

Note 1: “Others” includes consultants to the Group.

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38. 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 balance. The Group's overall strategy remains unchanged for both years.

The capital structure of the Group consists of borrowings, lease liabilities, bonds and equity, comprising issued share capital, reserves and retained profits.

The management of the Group reviews the capital structure on an annual basis. As part of this review, the management of the Group considers the cost of capital and the risks associated with the capital, and takes appropriate actions to adjust the Group's capital structure. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as raising new debt or repayment of existing debt.

39. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Equity instruments at FVTPL	455,286	447,916
Debt instruments at FVTPL	—	23,290
Equity instruments at FVTOCI	41,908	32,383
Financial assets at amortised cost	3,006,724	3,019,674
	3,503,918	3,523,263
Financial liabilities		
Derivative financial instruments	8,870	11,344
Financial liabilities at amortised cost	3,849,909	3,821,400
	3,858,779	3,832,744

b. Financial risk management objectives and policies

The Group's major financial instruments and details of the financial instruments are disclosed in the respective notes.

The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. 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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

39. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Market risk

The Group's activities expose it primarily to the risks of changes in foreign currency rates and equity prices.

(i) Currency risk

Certain purchase of goods of the Group are denominated in US\$. Certain bank balances are denominated in US\$, Australian Dollar, Singapore Dollar, Malaysian Ringgit, JPY, Renminbi and British Pound Sterling, the currencies other than the functional currencies of the relevant group entities.

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\$	694,605	738,771	280,218	195,790
Australian Dollar	19,901	17,746	—	—
Singapore Dollar	93,560	87,955	9,747	9,091
Malaysian Ringgit	—	—	997	903
JPY	34,180	64,711	814,888	837,914
Renminbi	3,205	3,025	6,464	6,255
British Pound Sterling	1,567	9,431	—	—

The Group currently does not have comprehensive hedging policy. However, the management monitors the currency fluctuation exposure and will consider hedging significant currency risk exposure should need arise.

Sensitivity analysis

The following analysis indicates the change in the Group's post-tax profit in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of the reporting period.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to each of the group entities' exposure to currency risk at that date, and all other variables are held constant.

Notes to the Consolidated Financial Statements

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39. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

Sensitivity analysis (Continued)

	2025		2024	
	Increase (decrease) in foreign exchange rates %	Increase (decrease) in post-tax profit HK\$'000	Increase (decrease) in foreign exchange rates %	Increase (decrease) in post-tax profit HK\$'000
Non-derivative financial instruments				
US\$	1.5	5,190	1.5	6,801
	(1.5)	(5,190)	(1.5)	(6,801)
Australian Dollar	10.0	1,662	10.0	1,482
	(10.0)	(1,662)	(10.0)	(1,482)
Singapore Dollar	5.0	3,499	5.0	3,293
	(5.0)	(3,499)	(5.0)	(3,293)
Malaysian Ringgit	5.0	(42)	5.0	(38)
	(5.0)	42	(5.0)	38
JPY	10.0	(65,189)	10.0	(64,562)
	(10.0)	65,189	(10.0)	64,562
Renminbi	10.0	(272)	10.0	(270)
	(10.0)	272	(10.0)	270
British Pound Sterling	5.0	65	5.0	394
	(5.0)	(65)	(5.0)	(394)
Derivative financial instruments				
US\$	1.5	4,659	1.5	4,339
	(1.5)	(5,125)	(1.5)	(4,865)

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the reporting period exposure does not reflect the exposure during the year.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

39. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Price risk

The Group is exposed to equity price risk through its investment in equity securities measured at FVTPL and FVTOCI. The management closely keeps watch of the price changes and takes appropriate action when necessary.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to listed, unlisted equity securities and corporate bonds at the end of the reporting period.

If the price of the respective financial instruments of FVTPL had been 10% (2024: 10%) higher/lower, the Group's post-tax profit for the year ended 31 December 2025 would increase/decrease by HK\$45,529,000 (2024: HK\$47,121,000) as a result of the changes in fair value of financial instruments at FVTPL.

If the price of the respective equity instruments at FVTOCI had been 10% (2024: 10%) higher/lower, the Group's investments reserve would increase/decrease by HK\$4,191,000 (2024: HK\$3,238,000) as result of the changes in fair value of equity instruments at FVTOCI.

(iii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to other receivables and lease liabilities (see notes 22 and 29 for details).

The balances comprising pledged deposits, cash and cash equivalents, bonds and bank borrowings carry interests at floating rate, thus exposing the Group to cash flow interest rate risk. The Group currently does not have any policy to hedge against interest rate risk and will consider hedging exposure such should the needs arise.

Sensitivity analysis

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2025 would decrease/increase by approximately HK\$4,506,000 (2024: HK\$5,640,000). The analysis is prepared assuming the amounts of pledged deposits, cash and cash equivalents, bank loans and bonds outstanding at the end of the reporting period were outstanding for the whole year.

A 50 basis points increase or decrease was used when reporting interest rate risk internally to key management personnel and represented management's assessment of the reasonably possible change in interest rates.

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rates risk as the year end exposure does not reflect the exposure during the year.

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FOR THE YEAR ENDED 31 DECEMBER 2025

39. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

Lease receivables and trade receivables arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the directors of the Company consider that the Group credit risk is significantly reduced.

In addition, the Group performs impairment assessment under ECL model on the receivables collectively with appropriate groupings and individually for credit-impaired balances.

Other receivables and deposits

The other receivables mainly represents rebate and claims receivables from suppliers as well as advance to suppliers, the directors of the Company make periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience. The directors of the Company believe that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the year ended 31 December 2025 and 2024, the Group assessed the ECL for deposits were insignificant and thus no loss allowance was recognised.

For other receivables, the directors of the Company consider the exposure of the credit risk, historical settlement and other forward-looking information and allowance of credit loss of HK\$Nil (2024: HK\$470,000) was recognised.

Pledged deposits and cash and cash equivalents

The credit risks on pledged bank deposits and cash and cash equivalents are limited because the counterparties are financial institutions with high credit ratings assigned by international credit-rating agencies. The Group assessed 12m ECL for pledged bank deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on pledged bank deposits and bank balances is considered to be insignificant.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

39. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Other receivables included in other financial assets

The directors of the Company estimated the loss rates of other receivables based on the fair value of the collateral pledged by the debtors to the loan receivables. Based on assessment by the directors of the Company, the loss given default is low in view of the estimated realised amount of ultimate disposal of the collaterals and the directors of the Company considers the ECL for loan receivables is insignificant.

Amount due from an associate

The Group regularly monitors the business performance of the associate. The Group's credit risks in the balance is mitigated through the value of the assets held by the associate and the power to participate the relevant activities of this entity. The directors of the Company believe that there is no significant increase in credit risk and the Group's credit risk is not significant and thus no allowance was recognised.

The Group has no significant concentration of credit risk over its trade receivables, with exposure spread over a number of counterparties and customers. The Group's concentration of credit risk by geographical location of customers are mainly in Hong Kong and Thailand which accounted for majority of the trade receivables at 31 December 2025 and 2024.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade and lease receivables	Other financial assets/other items
Low risk	The counterparty has a low risk of default, does not have any past due or overdue within 30 days	Lifetime ECL — not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates over 30 days but usually settle in full	Lifetime ECL — not credit-impaired	12m ECL
Doubtful	There have been significant increases 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

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39. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's major financial assets which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	2025 Gross carrying amount HK\$'000	2024 Gross carrying amount HK\$'000
Financial assets at amortised cost						
Trade receivables	24	N/A	Low risk/ watch list	Lifetime ECL — not credit-impaired	1,544,723	1,410,264
			Loss (Note)	Lifetime ECL — credit-impaired	4,249	1,911
Lease receivables	24	N/A	Low risk/ watch list	Lifetime ECL — not credit-impaired	27,119	31,490
			Doubtful	Lifetime ECL — not credit-impaired	—	3,848
			Loss (Note)	Lifetime ECL — credit-impaired	—	—
Pledged deposits	26	Above A—	N/A	12m ECL	286,296	289,915
Bank balances	26	Above A—	N/A	12m ECL	1,091,202	1,148,645
Other receivables and trade deposits	24	N/A	Low risk	12m ECL	67,894	147,258
Amount due from an associate	25	N/A	Low risk	12m ECL	246	251
Rental deposits paid	22	N/A	Low risk	12m ECL	4,577	4,220
Loan receivables	22	N/A	Low risk	12m ECL	322	745

Note: For trade and lease receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with credit-impaired due to the receivables aged over 90 days, the Group determines the ECL on these items by internal credit rating status with appropriate grouping with reference to historical credit loss experience. Debtors that are large scale and/or with long business relationship with good repayment history are considered as low risk and a minimal default rate is assigned, while debtors which usually settle one to three months after due dates are considered as watch list and a low default rate is assigned.

Notes to the Consolidated Financial Statements

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39. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade and lease receivables under simplified approach.

	Not credit-impaired HK\$'000	Credit-impaired HK\$'000	Total HK\$'000
As at 1 January 2024	14,459	18,279	32,738
Impairment loss	3,657	1,383	5,040
Reversal	(1,227)	(15,972)	(17,199)
Write-off	—	(700)	(700)
Exchange adjustment	(310)	(1,079)	(1,389)
As at 31 December 2024	16,579	1,911	18,490
Impairment loss	3,213	5,275	8,488
Reversal	(4,186)	(3,782)	(7,968)
Write-off	—	(446)	(446)
Exchange adjustment	127	1,291	1,418
As at 31 December 2025	15,733	4,249	19,982

The following table provides information about the exposure to credit risk for trade and lease receivables, which are assessed based on provision matrix as at 31 December 2025 within lifetime ECL (not credit-impaired).

Internal credit rating

	2025		2024	
	Loss rates	Trade and lease receivables HK\$'000	Loss rates	Trade and lease receivables HK\$'000
Low risk	0.2%–1%	1,484,629	0.2%–1%	1,216,201
Watch list	0.4%–5%	87,213	0.4%–4%	225,553
Doubtful	20%–100%	—	20%–100%	3,848
		1,571,842		1,445,602

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39. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of 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 directors of the Company believe that the existing loan facilities will continue to be made available to the Group and will not be withdrawn by the banks within the next twelve months from the end of the reporting period. In the opinion of the directors of the Company, the Group has a number of sources of funds available to enable its obligation and commitments to be settled on a timely manner. In addition, the Group will be able to withdraw the unutilised bank facilities or obtain additional financing from financial institutions by taking into account the carrying amount of the Group's assets which have not been pledged. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The following table details the Group's remaining contractual maturity for its financial liabilities. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is required to pay. The table includes both interest and principal cash flows.

	Weighted average interest rate %	On demand or within 3 months HK\$'000	3-12 months HK\$'000	1-2 years HK\$'000	2-5 years HK\$'000	Over 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount at 31 December HK\$'000
2025								
Non-derivative financial liabilities								
Trade and other payables	N/A	955,724	327,346	—	—	—	1,283,070	1,283,070
Bank borrowings	3.21	1,755,880	119,400	13,381	440,253	6,200	2,335,114	2,285,680
Bonds	1.94	47,086	51,415	1,416	2,833	95,915	198,665	197,535
Amount due to an associate	N/A	21	—	—	—	—	21	21
Rental deposits	1.86	788	1,561	25,749	17,617	47,496	93,211	83,603
Sub-total		2,759,499	499,722	40,546	460,703	149,611	3,910,081	3,849,909
Lease liabilities	3.09	5,174	15,523	15,271	10,222	42,585	88,775	73,299
		<u>2,764,673</u>	<u>515,245</u>	<u>55,817</u>	<u>470,925</u>	<u>192,196</u>	<u>3,998,856</u>	<u>3,923,208</u>
Derivative financial instruments								
Foreign currency forward contracts		8,870	—	—	—	—	8,870	8,870

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39. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

	Weighted average interest rate %	On demand or within 3 months HK\$'000	3-12 months HK\$'000	1-2 years HK\$'000	2-5 years HK\$'000	Over 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount at 31 December HK\$'000
2024								
Non-derivative financial liabilities								
Trade and other payables	N/A	665,863	228,619	—	—	—	894,482	894,482
Bank borrowings	2.15	1,826,085	19,047	564,549	275,504	9,068	2,694,253	2,648,736
Bonds	0.67	1,083	3,243	99,554	6,893	97,810	208,583	198,405
Amount due to an associate	N/A	19	—	—	—	—	19	19
Rental deposits	1.85	1,475	8,017	12,046	22,715	39,611	83,864	79,758
Sub-total		2,494,525	258,926	676,149	305,112	146,489	3,881,201	3,821,400
Lease liabilities	3.55	5,496	15,964	25,170	30,500	26,770	103,900	88,474
		2,500,021	274,890	701,319	335,612	173,259	3,985,101	3,909,874
Derivative financial instruments								
Foreign currency forward contracts		11,344	—	—	—	—	11,344	11,344

Bank borrowings with a repayment on demand clause are included in the “on demand or within 3 months” time band in the above maturity analysis. As at 31 December 2025, the aggregate amounts of these bank borrowings amounted to HK\$241,712,000 (2024: HK\$266,461,000). The directors of the Company believe that these loan facilities will continue to be made available to the Group and will not be withdrawn by the banks within the next twelve months from the end of the reporting period.

For the purpose of managing liquidity risk, management reviews the expected cash flow information of the Group's bank borrowings with a repayment on demand clause based on the scheduled repayment dates set out in the agreement as set out in the table below:

	On demand or within 3 months HK\$'000	3-12 months HK\$'000	1-2 years HK\$'000	2-5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000	Carrying amounts HK\$'000
2025							
Bank borrowings with a repayment on demand clause	6,620	13,057	20,087	227,948	3,353	271,065	241,712

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

39. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

	On demand or within 3 months HK\$'000	3-12 months HK\$'000	1-2 years HK\$'000	2-5 years HK\$'000	Over 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amounts HK\$'000
2024							
Bank borrowings with a repayment on demand clause	209,805	3,130	8,038	56,238	3,978	281,189	266,461

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

c. Fair value

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Certain of the Group's financial assets 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. These financial assets are determined (in particular, the valuation techniques and inputs used), as well as the level of fair value hierarchy into which fair value measurements are categorised (Level 1 to 3) based on the degree to which the inputs to the fair value measurement is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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FOR THE YEAR ENDED 31 DECEMBER 2025

39. FINANCIAL INSTRUMENTS (CONTINUED)

c. Fair value (Continued)

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Fair value measurements recognised in the consolidated statement of financial position

Financial assets (liabilities)	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31.12.2025 HK\$'000	31.12.2024 HK\$'000		
1. Listed equity securities classified as equity instruments at FVTPL	320,885	339,022	Level 1	Quoted bid prices in active markets.
2. Unquoted equity investments classified as equity instruments at FVTPL	4,680	6,428	Level 2	Recent transaction prices of the investments.
	72,796	64,505	Level 3	The fair value is measured based on the sharing percentage of net assets value.
	56,925	37,961	Level 3	Market approach. The fair value is measured based on option pricing method and equity allocation. Discount of 22.1% – 25.1% for lack of marketability after valuation for the illiquidity of the investments (2024: Discount of 17.3% – 26.12% for market calibration of investment-transaction multiple and by reference to the share price of listed entities in similar industries. (Note 1))
3. Unquoted bond investment classified as debt instruments at FVTPL	—	23,290	Level 2	Recent transaction prices of the investments.
4. Listed equity securities classified as equity instruments at FVTOCI	17,060	14,116	Level 1	Quoted bid prices in active markets.

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39. FINANCIAL INSTRUMENTS (CONTINUED)

c. Fair value (Continued)

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Fair value measurements recognised in the consolidated statement of financial position (Continued)

Financial assets (liabilities)	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31.12.2025 HK\$'000	31.12.2024 HK\$'000		
5. Unquoted equity investments classified as equity instruments at FVTOCI	—	3,526	Level 3	Income approach. The discount cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership, based on an appropriate discount rate. (Note 2)
	13,235	9,687	Level 3	The fair value is measured based on the sharing percentage of net assets value.
	11,613	5,054	Level 3	Market approach. The fair value is measured based on option pricing method and equity allocation. Discount of 22.1% (2024: Discount of 17.3%) for lack of marketability after valuation for the illiquidity of the investment.
6. Foreign currency forward contracts classified as derivative financial instruments	Liabilities 8,870	Liabilities 11,344	Level 2	Discounted cash flows: Future cash flows are estimated based on quoted forward exchange rates, which is observable at the end of period.

Notes:

1. An increase in the discount for market calibration of investment-transaction multiple would result in a decrease in the fair value measurement of unquoted equity investment, and vice versa.
2. An increase in the discount for lack of marketability or discount rate would result in a decrease in the fair value measurement of unquoted equity investment, and vice versa.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

39. FINANCIAL INSTRUMENTS (CONTINUED)

c. Fair value (Continued)

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Reconciliation of Level 3 fair value measurements

	Financial assets at FVTOCI HK\$'000
At 1 January 2024	18,272
Disposal	(2,728)
Gain in other comprehensive income	2,723
At 31 December 2024	18,267
Additions	3,549
Gain in other comprehensive income	3,032
At 31 December 2025	24,848

There were no other transfers between Level 1, 2 and 3 during both years other than the transfer of financial assets at FVTPL amounting HK\$9,293,000 from level 2 to level 3 during 31 December 2024.

(ii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis. The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair value.

The directors of the Company consider that the carrying amounts of long-term borrowing and bonds are approximate to their fair value as they are carried at variable market interest rates.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

40. ACQUISITION OF SUBSIDIARIES

On 13 October 2025, the Group acquired 50.01% interest in Gestetner of Ceylon Plc ("Gestetner"), a company incorporated in Sri Lanka with its shares listed in the Colombo Stock Exchange at a consideration of Sri Lankan Rupees ("LKR") 318,655,000 (equivalent to approximately HK\$8,158,000). Gestetner and its subsidiaries are principally engaged in the importation and supply of office automation products and provision of after sales service in Sri Lanka. The acquisition was undertaken to expand the Group's distribution business in a market with emerging opportunities. The transaction has been accounted for as business combination using the acquisition method.

Consideration transferred

	HK\$'000
Cash	8,158

Acquisition-related costs amounting to LKR11,535,000 (equivalent to approximately HK\$504,000) have been excluded from the consideration transferred. These costs have been recognised as an expense in the current year under "other expenses" in the consolidated statement of profit or loss.

Assets acquired and liabilities recognised at the date of acquisition

	HK\$'000
Property, plant and equipment	6,605
Deferred tax assets	692
Inventories	3,966
Trade and other receivables	12,682
Cash and cash equivalents	409
Trade and other payables	(3,295)
Bank borrowings	(6,936)
Tax payables	(278)
	13,845

The receivables acquired (principally trade receivables) had a fair value of approximately HK\$8,319,000 at the date of acquisition, with gross contractual amounts of approximately HK\$8,983,000. The best estimate at acquisition date of the contractual cash flows not expected to be collected was HK\$664,000.

Non-controlling interests

The non-controlling interests (49.99%) in Gestetner recognised at the acquisition date were measured at the proportionate share of Gestetner's net assets, amounted to approximately HK\$6,921,000.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

40. ACQUISITION OF SUBSIDIARIES (CONTINUED)

Goodwill arising on acquisition:

	HK\$'000
Consideration transferred	8,158
Plus: Non-controlling interests (49.99% in Gestetner)	6,921
Less: Recognised amounts of net assets acquired	(13,845)
Goodwill arising on acquisition	1,234

Goodwill arose on the acquisition of Gestetner primary due to the assembled workforce and potential contracts under negotiation with prospective new customers as of the acquisition date. The goodwill has been written off to profit or loss during the year given that the amount is immaterial.

Net cash outflow on acquisition of Gestetner

	HK\$'000
Cash consideration paid	8,158
Less: cash and cash equivalents balances acquired	(409)
Net cash outflow arising on acquisition of Gestetner	7,749

Impact of acquisition on the results of the Group

Included in the profit for the year is HK\$732,500 attributable to the additional business generated by Gestetner. Revenue for the year includes HK\$14,473,000 generated from Gestetner.

Had the acquisition of Gestetner been completed on 1 January 2025, revenue for the year of the Group from continuing operations would have been HK\$9,599,503,000, and profit for the year from continuing operations would have been HK\$164,818,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

On 31 December 2025, during the mandatory offer period, the Group acquired an additional 4.78% interest in Gestetner at a consideration of LKR30,469,588 (equivalent to approximately HK\$761,000). As a result, the Group's total interest in Gestetner increased to 54.79%.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Bank borrowings HK\$'000 (note 31)	Bonds HK\$'000 (note 32)	Dividend payable HK\$'000 (note 13)	Lease liabilities HK\$'000 (note 29)	Interest payable HK\$'000 (note 27)	Loan from others HK\$'000	Total HK\$'000
At 1 January 2024	3,022,873	143,164	—	58,579	5,574	—	3,230,190
Dividends declared	—	—	5,559	—	—	—	5,559
Dividends accrued to non-controlling interests	—	—	33,618	—	—	—	33,618
Interest accrued	65,883	2,387	—	1,981	5,040	144	75,435
Exchange realignment	(197,836)	(17,536)	—	(1,515)	—	—	(216,887)
Financing outflows	(242,184)	70,390	(39,177)	(21,233)	(4,263)	(144)	(236,611)
Interest transferred to rental deposit	—	—	—	—	(1,311)	—	(1,311)
New lease entered	—	—	—	50,662	—	—	50,662
At 31 December 2024	2,648,736	198,405	—	88,474	5,040	—	2,940,655
Dividends declared	—	—	5,559	—	—	—	5,559
Dividends accrued to non-controlling interests	—	—	38,003	—	—	—	38,003
Interest accrued	60,446	3,524	—	1,833	4,758	144	70,705
Exchange realignment	47,733	461	—	4,815	—	—	53,009
Financing outflows	(471,235)	(4,855)	(43,562)	(22,369)	(3,649)	(144)	(545,814)
Interest transferred to rental deposit	—	—	—	—	(1,391)	—	(1,391)
New lease entered	—	—	—	1,621	—	—	1,621
Lease termination	—	—	—	(1,075)	—	—	(1,075)
At 31 December 2025	2,285,680	197,535	—	73,299	4,758	—	2,561,272

Notes to the Consolidated Financial Statements

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42. OPERATING LEASES

The Group as lessor

Certain properties held for rental purposes have committed leases for the next 1 month to 13.5 years (2024: 1 month to 14.5 years).

As at 31 December 2025 and 2024, minimum lease payments receivable on leases are as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	152,969	152,801
In the second year	120,682	118,611
In the third year	101,151	97,144
In the fourth year	69,982	65,300
In the fifth year	62,844	60,967
After five year	397,134	403,816
	904,762	898,639

The Group leases out the hotel properties of which the land is under operating leases with fixed rentals payable monthly. The leases typically run for an initial period of 50 years.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as the lease is denominated in the functional currencies of group entities. The lease contract do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

43. CAPITAL COMMITMENTS

	2025 HK\$'000	2024 HK\$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of: Refurbishment of investment properties	41,093	2,800

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

44. PLEDGE OF ASSETS

At the end of the reporting period,

- (a) the Group's investment properties with carrying values of HK\$2,949,469,000 (2024: HK\$3,013,081,000) and property, plant and equipment of carrying values of HK\$551,105,000 (2024: HK\$563,303,000) were under legal charge to secure general banking facilities and the obligation under finance leases available to the Group;
- (b) bank deposits of HK\$286,296,000 (2024: HK\$289,915,000) were pledged to secure bank loans drawn during the year; and
- (c) certain shares of subsidiaries have been pledged to the banks as at 31 December 2025 and 2024 to secure several banking facilities available to the Group.

Restrictions on assets

Included in lease liabilities, there were HK\$73,299,000 (2024: HK\$88,474,000) which are recognised with related right-of-use assets of HK\$59,015,000 (2024: HK\$73,382,000) as at 31 December 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor and the relevant leased assets may not be used as security for borrowing purposes.

45. RELATED PARTY TRANSACTIONS

Remunerations paid and payable to the executive directors of the Company who are considered to be the key management personnels are disclosed in note 12. The remuneration of directors are determined by the Remuneration Committee having regard to the Group's operating result, performance of individuals and market trends.

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46. PRINCIPAL SUBSIDIARIES

General information of subsidiaries

Details of the Company's principal subsidiaries at the end of the reporting period are as follows:

Name of subsidiaries	Place of incorporation or registration/operation	Issued and fully paid ordinary share capital/registered capital	Proportion of nominal value of issued capital/registered capital held by the Company		Principal activities
			2025 %	2024 %	
Direct subsidiaries:					
SIS Distribution Limited	British Virgin Islands	US\$45,001	100	100	Investment holding
SIS Hospitality Holdings Limited	Cayman Islands	HK\$10	100	100	Investment holding
SIS Investment Holdings Limited	British Virgin Islands	US\$1	100	100	Investment holding
SIS Mobile Holdings Limited	Cayman Islands	HK\$28,000,000	52.3	52.3	Investment holding
SIS Tech Ventures Corp.	British Virgin Islands	US\$1	100	100	Investment holding
Indirect subsidiaries:					
Computer Zone Limited	Hong Kong	HK\$2	100	100	Financial support to fellow subsidiaries through intercompany loans
Charmax Enterprises Limited	Hong Kong	HK\$10	100	100	Property investment
Ever Wealthy Limited	Hong Kong	HK\$1	100	100	Investment holding
Faith Prosper Limited	British Virgin Islands	US\$1	100	100	Investment holding
Gain Best Limited	Hong Kong	HK\$1	100	100	Property investment
Gold Kite Limited	Hong Kong	HK\$1	100	100	Financial support to fellow subsidiaries through intercompany loans
JP Hotel Management Limited	Hong Kong	HK\$2	100	100	Investment holding
Qool Bangladesh Limited	Bangladesh	TK1,000,000	99	99	Investment holding
Qool Distribution (Thailand) Co., Ltd.	Thailand	THB200,000,000	60.8	60.8	Trading of mobile and IT products
Qool International Limited	Hong Kong	HK\$1	52.3	52.3	Distribution of mobile phones and related products
QR Capital Limited	Hong Kong	HK\$1	100	100	Property investment
SIS Technologies Pte. Ltd	Singapore	S\$2	100	100	Distribution of IT and communication products
SIS Asia Pte. Ltd.	Singapore	S\$2	100	100	Investment holding
SIS Assets Pte. Ltd.	Singapore	S\$1	100	100	Investment holding
SIS Asset Management Pte. Ltd.	Singapore	S\$1,070,000	100	100	Fund management activities
SIS Capital Limited	Hong Kong	HK\$1	100	100	Investment holding
SIS Global Fund VCC	Singapore	US\$1	100	100	Investment fund
SIS Global Fund II VCC	Singapore	US\$1	100	100	Investment fund
SIS Capital (Bangladesh) Pte Ltd.	Singapore	S\$2	100	100	Investment holding
SIS Distribution (Thailand) Public Company Limited	Thailand	THB350,198,655	60.8	60.8	Distribution of mobile and IT products and provision of services
SIS Hotel Management Co., Ltd.	Japan	JPY50,000,000	100	100	Investment holding
SIS HK Limited	Hong Kong	HK\$400,000	100	100	Investment holding
SIS International Limited	Hong Kong	HK\$1,000,000	100	100	Distribution of IT products and provision of services
SIS Japan Inn Tokutei Mokuteki Kaisha	Japan	JPY150,000	100	100	Property investment
SIS Netpreneur Ventures Corp.	British Virgin Islands	US\$1	100	100	Investment holding
SIS SPAC Investment Fund Pte Ltd	Singapore	S\$1	100	100	Investment fund
SIS Stargate Hotel Co., Ltd.	Japan	JPY10,000,000	100	100	Hotel operation
SIS Technologies (Thailand) Pte. Ltd.	Singapore	S\$2	100	100	Investment holding
SISJP9 Tokutei Mokuteki Kaisha	Japan	JPY198,250,000	100	100	Property investment

Notes to the Consolidated Financial Statements

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46. PRINCIPAL SUBSIDIARIES (CONTINUED)

General information of subsidiaries (Continued)

Name of subsidiaries	Place of incorporation or registration/operation	Issued and fully paid ordinary share capital/registered capital	Proportion of nominal value of issued capital/registered capital held by the Company		Principal activities
			2025 %	2024 %	
Indirect subsidiaries: (continued)					
SISJP10 Tokutei Mokuteki Kaisha	Japan	JPY302,500,000	100	100	Property investment
Synergy Technologies (Asia) Limited	Hong Kong	HK\$5,000,000	52.3	52.3	Distribution of mobile phones and related products
Thai Alliance Co., Ltd.	Thailand	THB4,800,000	96.6	96.6	Investment holding
Thai Hero Co., Ltd.	Thailand	THB2,600,000	93.2	93.2	Investment holding
Thai Joyful Co., Ltd.	Thailand	THB1,500,000	86.7	86.7	Investment holding
Thai Prosperity Co., Ltd.	Thailand	THB900,000	74.0	74.0	Investment holding
Thai Success Co., Ltd.	Thailand	THB600,000	49.0	49.0	Investment holding
Thai Investment Holdings Pte. Ltd.	Singapore	US\$1	100	100	Investment holding
Tokutei Mokuteki Kaisha SSG8	Japan	JPY470,000,000	100	100	Property investment
Tokutei Mokuteki Kaisha SSG13	Japan	JPY200,000	100	100	Property investment
Tokutei Mokuteki Kaisha SSG23	Japan	JPY200,000	100	100	Property investment
Tokutei Mokuteki Kaisha SSG11	Japan	JPY200,000	100	100	Property investment
Tokutei Mokuteki Kaisha SSG20	Japan	JPY200,000	100	100	Property investment
Tokutei Mokuteki Kaisha SSG21	Japan	JPY200,000	100	100	Property investment
Tokutei Mokuteki Kaisha SSG28	Japan	JPY200,000	100	100	Property investment
Vsceptre Limited	Hong Kong	HK\$1,000,000	70	70	Provision of IT solutions and services
Odysis Suites Osaka Operations Co., Ltd.	Japan	JPY8,000,000	100	100	Hotel operation
Odysis Sapporo Operations Co., Ltd.	Japan	JPY3,000,000	100	100	Hotel operation
Odysis Onna Operations Co., Ltd.	Japan	JPY3,000,000	100	100	Hotel operation
Phoenix Co., Ltd.	Japan	JPY100,000	100	100	Hotel operation
UC Capital Limited	Hong Kong	HK\$1	100	100	Property investment
Gestetner of Ceylon PLC distribution	Sri Lanka	LKR 91,965,565	54.79	—	Importation, and sales of digital office automation products
Fintek Managed Solutions (Pvt) Ltd	Sri Lanka	LKR 128,000,010	54.79	—	Importation, and selling of digital office automation products and provision of after-sales services

Except for the bonds stated in note 32, none of the subsidiaries had issued any debt securities during the year nor held at the end of the year.

The directors of the Company are of the opinion that a complete list of the particulars of all subsidiaries of the Group will be of excessive length and therefore the above list contains only the particulars of subsidiaries which principally affect the results or assets of the Group.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

46. PRINCIPAL SUBSIDIARIES (CONTINUED)

Details of non-wholly owned subsidiaries that has material non-controlling interests

The table below shows details of a non-wholly owned subsidiary of the Group that has material non-controlling interests as at 31 December 2025 and 2024.

Name of subsidiaries	Country of incorporation or registration/operation	Proportion of nominal value of issued capital held by the Company		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2025 %	2024 %	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
SiS Mobile Holdings Limited	Hong Kong	52.3	52.3	3,165	4,683	84,050	81,485
SiS Distribution (Thailand) Public Company Limited	Thailand	60.8	60.8	81,662	60,920	446,645	366,859
Individually immaterial subsidiaries with non-controlling interest				17,602	11,552	182,239	229,399
				<u>102,429</u>	<u>77,155</u>	<u>712,934</u>	<u>677,743</u>

SiS Mobile Holdings Limited

Summarised financial information in respect of SiS Mobile that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	2025 HK\$'000	2024 HK\$'000
Non-current assets	21,614	25,400
Current assets	192,931	179,255
Current liabilities	(36,373)	(27,616)
Non-current liabilities	(1,816)	(6,059)
	<u>176,356</u>	<u>170,980</u>
Equity attributable to owners of the Company	92,306	89,495
Non-controlling interests	<u>84,050</u>	<u>81,485</u>
	<u>176,356</u>	<u>170,980</u>
Revenue	1,453,774	1,717,242
Expenses	<u>(1,447,140)</u>	<u>(1,707,425)</u>
Profit for the year	<u>6,634</u>	<u>9,817</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

46. PRINCIPAL SUBSIDIARIES (CONTINUED)

Details of non-wholly owned subsidiaries that has material non-controlling interests (Continued)

SiS Mobile Holdings Limited (Continued)

	2025 HK\$'000	2024 HK\$'000
Profit for the year attributable to:		
— owners of the Company	3,469	5,134
— non-controlling interests	3,165	4,683
Profit for the year	6,634	9,817
Other comprehensive income	2,942	2,047
Total comprehensive income for the year attributable to:		
— owners of the Company	5,008	6,205
— non-controlling interests	4,568	5,659
Total comprehensive income for the year	9,576	11,864
Net cash from (used in) operating activities	22,787	(24,647)
Net cash from investing activities	1,446	2,415
Net cash used in financing activities	(7,361)	(7,224)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

46. PRINCIPAL SUBSIDIARIES (CONTINUED)

Details of non-wholly owned subsidiaries that has material non-controlling interests (Continued)

SiS Distribution (Thailand) Public Company Limited

Summarised financial information in respect of SiS Distribution (Thailand) Public Company Limited that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	2025 HK\$'000	2024 HK\$'000
Non-current assets	257,689	232,173
Current assets	2,509,003	2,191,845
Current liabilities	(1,564,126)	(1,423,744)
Non-current liabilities	(68,263)	(69,680)
	1,134,303	930,594
Equity attributable to owners of the Company	687,658	563,735
Non-controlling interests	446,645	366,859
	1,134,303	930,594
Revenue	7,070,507	6,284,593
Other income	36,105	25,000
Expenses	(6,898,450)	(6,154,303)
Profit for the year	208,162	155,290
Profit for the year attributable to:		
— owners of the Company	126,500	94,370
— non-controlling interests	81,662	60,920
Profit for the year	208,162	155,290
Total comprehensive income for the year attributable to:		
— owners of the Company	179,360	93,085
— non-controlling interests	115,786	60,091
Total comprehensive income for the year	295,146	153,176
Dividends paid to non-controlling interests	36,000	31,615
Net cash from operating activities	392,678	315,076
Net cash from (used in) investing activities	33,419	(10,972)
Net cash used in financing activities	(403,969)	(234,028)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

47. FINANCIAL POSITION OF THE COMPANY

Below is a summary of the financial position of the Company at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
Non-current Assets		
Interests in subsidiaries	13,163	13,163
Amounts due from subsidiaries	1,258,143	1,192,670
Financial instruments at FVTPL	131,398	136,210
	<u>1,402,704</u>	<u>1,342,043</u>
Current Assets		
Amounts due from subsidiaries	484,172	598,557
Other assets	894	976
Equity instruments at FVTPL	231	198
Bank balances and cash	106,345	58,220
	<u>591,642</u>	<u>657,951</u>
Current Liabilities		
Other payables and accruals	18,999	20,918
Bank borrowings	219,516	219,337
Amounts due to subsidiaries	529,006	547,739
	<u>767,521</u>	<u>787,994</u>
Net Current Liabilities	<u>(175,879)</u>	<u>(130,043)</u>
Net Assets	<u>1,226,825</u>	<u>1,212,000</u>
Capital and Reserves		
Share capital	27,797	27,797
Share premium	73,400	73,400
Other reserves (<i>Note below</i>)	1,125,628	1,110,803
Total Equity	<u>1,226,825</u>	<u>1,212,000</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

47. FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note: The movement in other reserves are presented below:

	Share options reserve HK\$'000	Contributed surplus HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2024	3,299	29,186	1,047,336	1,079,821
Profit and total comprehensive income for the year	—	—	30,982	30,982
At 31 December 2024	3,299	29,186	1,078,318	1,110,803
Profit and total comprehensive income for the year	—	—	14,825	14,825
Lapse of share options	(3,299)	—	3,299	—
At 31 December 2025	—	29,186	1,096,442	1,125,628

Financial Summary

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last four financial years, as extracted from the published audited financial statements is set out below.

RESULTS

	For the year ended 31 December				2025 HK\$'000
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	
Revenue	10,999,242	9,227,729	9,067,962	9,006,657	9,627,748
Profit before taxation	274,305	178,881	239,321	277,097	245,470
Income tax expense	(62,984)	(68,026)	(78,909)	(63,737)	(82,540)
Profit for the year	211,321	110,855	160,412	213,360	162,930
Attributable to:					
Owners of the Company	115,106	44,460	88,719	136,205	60,501
Non-controlling interests	96,215	66,395	71,693	77,155	102,429
	211,321	110,855	160,412	213,360	162,930

ASSETS AND LIABILITIES

	At 31 December				2025 HK\$'000
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	
Total assets	9,637,970	8,840,451	8,601,309	8,530,115	8,743,246
Total liabilities	(5,739,060)	(4,915,617)	(4,548,673)	(4,353,918)	(4,417,437)
Net assets	3,898,910	3,924,834	4,052,636	4,176,197	4,325,809
Attributable to:					
Owners of the Company	3,362,157	3,356,647	3,415,285	3,498,454	3,612,875
Non-controlling interests	536,753	568,187	637,351	677,743	712,934
	3,898,910	3,924,834	4,052,636	4,176,197	4,325,809

Particulars of Investment Properties

AT 31 DECEMBER 2025

Name of property and location	Lease terms	Use
<i>Singapore</i>		
#01-08 23 Dalvey Estate Singapore	Freehold	Residential
#03-07 23 Dalvey Estate Singapore	Freehold	Residential
<i>Hong Kong</i>		
8th Floor Far East Finance Centre 16 Harcourt Road Hong Kong	Long-term lease	Commercial
8th Floor 9 Queen's Road Central Hong Kong	Long-term lease	Commercial
6 Carparking spaces and carport basement 9 Queen's Road Central Hong Kong	Long-term lease	Commercial
23rd Floor, United Centre 95 Queensway Hong Kong	Long-term lease	Commercial
33rd Floor, United Centre 95 Queensway Hong Kong	Long-term lease	Commercial

Particulars of Investment Properties

AT 31 DECEMBER 2025

Name of property and location	Lease terms	Use
Unit 5, 17th Floor Eastern Harbour Centre 28 Hoi Chak Street Hong Kong	Medium-term lease	Industrial/Office
Unit 5, 7th Floor New Treasure Centre 10 Ng Fong Street Hong Kong	Medium-term lease	Industrial/Office
Flat B, 7/F., Ming Kung Mansion Kam Din Terrence 22 Tai Koo Shing Road Hong Kong	Long-term lease	Residential
31st Floor, No. 1 Hung To Road Kwun Tong Hong Kong	Medium-term lease	Industrial/Office
Thailand		
74 Soi Thoet Rachan 11, Thoet Rachan Road, Si Kan Sub-district Dong Mueang District, Bangkok	Freehold	Commercial
Sai Banchalung Road — Bannamtoktonpli, Saihadyai — Tarchamuang (T.L. 4287), Tombon Chalung, Amphoe Hadyai Songkhla Province	Freehold	Land
Room No. 65/215–216 Floor 26, Chamnan Phenjati Business Center Building Rama 9 Road, Huay Kwang District, Bangkok	Freehold	Office
Japan		
SiS Rinku Tower 1, Rinku Ourai Kita Izumisano City, Osaka Japan	Freehold	Commercial and hotel

Particulars of Investment Properties

AT 31 DECEMBER 2025

Name of property and location	Lease terms	Use
Toyoko Inn Naha Asahi-bashi Ekimae 1-20, 2 chome, Kume Naha City, Okinawa Japan	Freehold	Hotel
Toyoko Inn Kanazawa Kenrokuen Korinbo 2-4-28, Korinbo Kanazawa City, Ishikawa Japan	Freehold	Hotel
Toyoko Inn Shonan Hiratsuka-eki Kitaguchi No.1 1-1 Akashicho Hiratsuka City, Kanagawa Japan	Freehold and medium-term lease	Hotel
Toyoko Inn Niigata Furumachi 1168-2, 7-bancho, Kamiokawamaedori Chuo-ku Niigata City, Niigata, Japan	Freehold	Hotel
Toyoko Inn Tokushima Ekimae 1-5, Ryogokuhoncho Tokushima City, Tokushima Japan	Freehold	Hotel
Dormy Inn Premium Otaru 3-9-1, Inaho Otaru City, Hokkaido Japan	Freehold	Hotel
Hotel BRS Hakodate Goryokaku Tower Mae 35-3, Goryokaku-cho Hakodate City, Hokkaido Japan	Freehold	Hotel

Particulars of Investment Properties

AT 31 DECEMBER 2025

Name of property and location	Lease terms	Use
49-1, Nichome, Sanjo-dori Ohashi-higashi, Higashiyama-ku Kyoto City, Kyoto Japan	Freehold	Hotel
SK Kashiwa Building 14-1, Suehirocho Kashiwa City, Chiba Japan	Freehold	Commercial and hotel
Piece Hostel Kyoto 21-1, Higashisannochi, Higashikujo, Minami-ku Kyoto City, Kyoto Japan	Freehold	Hostel
Piece Hostel Sanjo East 530 Asakuracho, Tominokoji-dori Sanjo-Sagaru, Nakagyo-ku Kyoto City, Kyoto, Japan	Freehold	Hostel
Piece Hostel Sanjo West 531, Asakuracho, Tominokoji-dori Sanjo-Sagaru, Nakagyo-ku Kyoto City, Kyoto Japan	Freehold	Hostel
Unwind Hotel & Bar Otaru, 8-25, 1-chome, Ironai, Otaru City, Hokkaido Japan	Freehold	Hotel
Unwind Hotel & Bar Sapporo 289-111, Nishi 5-chome Minami 8-jo, Chuoku Sapporo City, Hokkaido Japan	Freehold	Hotel

Particulars of Investment Properties

AT 31 DECEMBER 2025

Name of property and location	Lease terms	Use
Hotel Radiant 3876, Kamikijima Kijimadira Village Shimotakai City Nagono, Japan	Freehold	Hotel
1482-104, Shinwakawura Wakayana City, Wakayama, Japan	Freehold	Hotel
Properties held for hotel operation		
Awashima Hotel 186 Ura Shigeji, Numazu City, Shizuoka, Japan	Long-term lease	Hotel
Best Western Sapporo-odorikoen 2-36, 8-chome, Odorinishi Chuo-ku Sapporo City, Hokkaido Japan	Freehold	Hotel
Hotel Sun Plaza Sakai Annex 1-20, 1-cho, Ryujinbashi-cho Sakai-ku, Sakai City Osaka, Japan	Freehold	Hotel
Imano Tokyo Hostel 5-12-2, Shinjuku Shinjuku-ku Tokyo, Japan	Freehold	Hostel
Odysis Onna Resort Hotel 2620, Aza Nakawa, Onna Village Kunigami-gun, Okinawa, Japan	Freehold	Hotel