



HONG KONG FERRY (HOLDINGS) COMPANY LIMITED
香港小輪（集團）有限公司
(Stock Code: 50)



2025 ANNUAL REPORT

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Forward-looking Statements

This Annual Report contains certain statements that are forward-looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board of Directors of the Company regarding the industry and markets in which it operates. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company's control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Lam Ko Yin, Colin (*Chairman*)
Mr. Li Ning
Mr. Lee Gabriel

Non-executive Directors

Mr. Au Siu Kee, Alexander
Mr. Lau Yum Chuen, Eddie (*retired on 30 May 2025*)

Independent Non-executive Directors

Mr. Ho Hau Chong, Norman
Ms. Wong Yu Pok, Marina
Mr. Wu King Cheong
Mr. Chan Wai Yan, Ronald

AUDIT COMMITTEE

Mr. Ho Hau Chong, Norman (*Chairman*)
Ms. Wong Yu Pok, Marina
Mr. Wu King Cheong
Mr. Chan Wai Yan, Ronald

REMUNERATION COMMITTEE

Mr. Wu King Cheong (*Chairman*)
Dr. Lam Ko Yin, Colin
Mr. Li Ning
Mr. Ho Hau Chong, Norman
Ms. Wong Yu Pok, Marina

NOMINATION COMMITTEE

Dr. Lam Ko Yin, Colin (*Chairman*)
Mr. Li Ning
Mr. Ho Hau Chong, Norman
Ms. Wong Yu Pok, Marina
Mr. Wu King Cheong

GROUP GENERAL MANAGER

Mr. Lee Gabriel

COMPANY SECRETARY

Mr. Chow Tung Ming

AUDITOR

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance
with the Accounting and Financial Reporting Council
Ordinance

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd. Hong Kong Branch
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Mizuho Bank, Limited

REGISTERED OFFICE

98 Tam Kon Shan Road
TYTL 102
Ngau Kok Wan
North Tsing Yi
New Territories
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Facsimile : (852) 2786 9001
Website : www.hkf.com
E-Mail : hkferry@hkf.com

SHARE LISTING

The Stock Exchange of Hong Kong Limited
Stock Code: 50

SHARE REGISTRAR

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

DIRECTORS' AND SENIOR MANAGEMENT'S PROFILE

DIRECTORS' PROFILE

Executive Directors

Dr. Lam Ko Yin, Colin, GBS, SBS, FCILT, FHKIoD, DB (Hon), DBA (Hon), DSocSc (Hon), aged 74, was appointed on 1 July 1986, is the Chairman of the Company. He is also the Chairman of the Nomination Committee and a member of the Remuneration Committee of the Company. Dr. Lam was awarded the Gold Bauhinia Star (GBS) by The Government of the Hong Kong Special Administrative Region in 2025. Dr. Lam holds a Bachelor of Science (Honours) degree from The University of Hong Kong and has over 52 years' experience in banking and property development. He is also a Vice Chairman of Henderson Land Development Company Limited ("Henderson Land") and Henderson Investment Limited, a non-executive director of The Hong Kong and China Gas Company Limited and an executive director of Miramar Hotel and Investment Company, Limited, all of which are listed public companies. He is also a director of Wiselin Investment Limited ("Wiselin"), Henderson Development Limited ("Henderson Development"), Graf Investment Limited ("Graf"), Mount Sherpa Limited ("Mount"), Paillard Investment Limited ("Paillard"), Hopkins (Cayman) Limited ("Hopkins"), Rimmer (Cayman) Limited ("Rimmer") and Riddick (Cayman) Limited ("Riddick"). Henderson Land, Wiselin, Henderson Development, Graf, Mount, Paillard, Hopkins, Rimmer and Riddick have discloseable interests in the Company under the provisions of Part XV of the Securities and Futures Ordinance. Dr. Lam is the Deputy Chairman of The University of Hong Kong Foundation for Educational Development and Research, a director of Fudan University Education Development Foundation, a member of the 8th University Board of Fudan University, an honorary Court member of Hong Kong Baptist University, a member of the Court of The Hong Kong University of Science and Technology and a member of the Court of City University of Hong Kong. Dr. Lam was awarded an Honorary University Fellowship by The University of Hong Kong in 2008 and an Honorary Fellowship by The Chinese University of Hong Kong in 2019. He was also conferred a degree of Doctor of Business (Honoris Causa) by Macquarie University in 2015, a degree of Doctor of Business Administration (Honoris Causa) by The Hong Kong University of Science and Technology in 2021 and a degree of Doctor of Social Sciences (Honoris Causa) by The University of Hong Kong in 2023. Dr. Lam is a Fellow of The Chartered Institute of Logistics and Transport in Hong Kong and a Fellow of The Hong Kong Institute of Directors. He is also a director of various subsidiaries of the Company.



Dr. Lam Ko Yin, Colin
Chairman

DIRECTORS' PROFILE (Continued)

Executive Directors (Continued)



Mr. Li Ning

Mr. Li Ning, *BSc, MBA*, aged 69, was appointed on 20 October 1989, is an Executive Director of the Company. He is also a member of the Nomination Committee and the Remuneration Committee of the Company. Mr. Li is also an Executive Director of Henderson Investment Limited, a listed public company. He holds a B.Sc. degree from Babson College and an M.B.A. degree from the University of Southern California. He has 35 years' experience in managing department store business. He is also a director of various subsidiaries of the Company. Mr. Li is the son-in-law of the late Dr. Lee Shau Kee.



Mr. Lee Gabriel

Mr. Lee Gabriel, *CMILT, FHKIoD*, aged 47, was appointed as the Group General Manager of the Company on 4 October 2021 and an Executive Director of the Company on 3 January 2023. He has over 20 years of experience in business management. He is also the Director — Corporate Affairs and Communications of Union Medical Centre Limited, a company ultimately controlled by the private family trusts of the late Dr. Lee Shau Kee. Mr. Lee served as an executive director of EC Healthcare, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since its listing in March 2016, and acted as its chief operating officer since April 2014, and tendered his resignation from such positions with effect from 1 October 2021. Prior to joining EC Healthcare, Mr. Lee commenced his career at Cathay Pacific Airways Limited ("Cathay Pacific"), an international airline listed on the Main Board of the Stock Exchange, and held various managerial roles in Cathay Pacific in Hong Kong, Shanghai and Beijing, including but not limited to overseeing the Hong Kong International Airport operations and the cargo operations of the airline in 14 cities in the People's Republic of China, as well as being seconded to Air China Cargo Company Limited (中國國際貨運航空有限公司) in Beijing where he served as the assistant president of its commercial (sales and marketing) division.

Mr. Lee holds a bachelor of business administration degree in accounting and finance from The University of Hong Kong and attended the SWIRE Management Programme organised by INSEAD Graduate Business School in Singapore. Mr. Lee also attended the SWIRE Accounting and Control Programme and SWIRE Advanced Management Programme organised by INSEAD Graduate Business School in Fontainebleau, France. Mr. Lee is a chartered member of The Chartered Institute of Logistics and Transport in Hong Kong and a Fellow of The Hong Kong Institute of Directors. He is also a director of various subsidiaries of the Company.

DIRECTORS' PROFILE (Continued)

Non-executive Director

Mr. Au Siu Kee, Alexander, OBE, FCA, FCCA, FCPA, FCIB, FHKIB, aged 79, was appointed as an Independent Non-executive Director of the Company on 17 January 2005 and re-designated as a Non-executive Director of the Company on 7 November 2005. Mr. Au was a well-known banker in Hong Kong and had more than 32 years' experience in local and international banking business, having been the Chief Executive Officer of Hang Seng Bank Limited (from October 1993 to March 1998) and of Oversea-Chinese Banking Corporation Limited in Singapore (from September 1998 to April 2002). He was formerly a non-executive director of a number of leading companies including The Hongkong and Shanghai Banking Corporation Limited, MTR Corporation Limited and Hang Lung Group Limited. He was an executive director and the chief financial officer of Henderson Land Development Company Limited ("Henderson Land"), a listed public company, from December 2005 to June 2011. He stepped down from the position of chief financial officer and was re-designated as a non-executive director of Henderson Land on 1 July 2011. On 18 December 2012, Mr. Au was re-designated as an independent non-executive director of Henderson Land until his retirement on 2 June 2015. In December 2018, Mr. Au rejoined Henderson Land as an independent non-executive director. Currently, he is an independent non-executive director of Henderson Investment Limited, Wharf Real Estate Investment Company Limited and Miramar Hotel and Investment Company, Limited, all of which are listed public companies. He is the chairman and a non-executive director of Henderson Sunlight Asset Management Limited, the manager of the publicly-listed Sunlight Real Estate Investment Trust. An accountant by training, Mr. Au is a Fellow of the Institute of Chartered Accountants in England and Wales, the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Henderson Land has discloseable interests in the Company under the provisions of Part XV of the Securities and Futures Ordinance.



Mr. Au Siu Kee, Alexander

DIRECTORS' PROFILE (Continued)

Independent Non-executive Directors



Mr. Ho Hau Chong, Norman

Mr. Ho Hau Chong, Norman, BA, ACA, FCPA, aged 70, was appointed on 28 March 1995, is an Independent Non-executive Director of the Company. He is also the Chairman of the Audit Committee, a member of the Nomination Committee and the Remuneration Committee of the Company. Mr. Ho is a member of the Institute of Chartered Accountants in England and Wales and a Fellow of the Hong Kong Institute of Certified Public Accountants. Mr. Ho is an Executive Director of Honorway Investments Limited and Tak Hung (Holding) Company, Limited and has over 43 years of experience in management and property development. He is also an Executive Director of Miramar Hotel and Investment Company, Limited and Vision Values Holdings Limited, as well as an Independent Non-executive Director of Shun Tak Holdings Limited and SJM Holdings Limited, all of which are listed public companies.



Ms. Wong Yu Pok, Marina

Ms. Wong Yu Pok, Marina, JP, aged 77, was appointed on 8 May 2008, is an Independent Non-executive Director of the Company. She is also a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company. Ms. Wong joined PricewaterhouseCoopers in 1968 and was responsible for the development of the firm's business in Mainland China since 1980. After her retirement as a partner from PricewaterhouseCoopers in July 2004, she joined Tricor Services Limited as a director from September 2004 to February 2006. Ms. Wong was a member of a number of Government advisory and other bodies in Hong Kong, including The Dental Council of Hong Kong up to August 2021 and was the Chairman of The Applied Research Council up to February 2017. Ms. Wong is the Vice-Chairman of the Hong Kong Federation of Women. An accountant by training, Ms. Wong is a Fellow of the Hong Kong Institute of Certified Public Accountants and a Fellow of the Association of Chartered Certified Accountants. She is also an independent non-executive director of Luk Fook Holdings (International) Limited, KLN Logistics Group Limited (formerly known as Kerry Logistics Network Limited) and SJM Holdings Limited, all of which are listed public companies in Hong Kong. Ms. Wong previously served as an independent non-executive director of Kerry Properties Limited, a listed public company in Hong Kong, until her retirement on 20 May 2024.

DIRECTORS' PROFILE (Continued)

Independent Non-executive Directors (Continued)

Mr. Wu King Cheong, *BBS, JP*, aged 75, was appointed on 17 January 2005, is an Independent Non-executive Director of the Company. He is also the Chairman of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee of the Company. He is the Life Honorary Chairman of The Chinese General Chamber of Commerce and the Permanent Honorary President of both the Chinese Gold & Silver Exchange Society and the Hong Kong Securities Association Limited. Mr. Wu is currently an independent non-executive director of Henderson Land Development Company Limited ("Henderson Land"), Henderson Investment Limited, Miramar Hotel and Investment Company, Limited and Yau Lee Holdings Limited, all of which are listed public companies. Henderson Land has discloseable interests in the Company under the provisions of Part XV of the Securities and Futures Ordinance. Mr. Wu was awarded an Honorary Fellowship by Lingnan University in 2009.



Mr. Wu King Cheong

Mr. Chan Wai Yan, Ronald, aged 45, was appointed on 20 March 2023, is an Independent Non-executive Director of the Company. He is also a member of the Audit Committee of the Company. He is an independent non-executive director of Powerlong Commercial Management Holdings Limited and Lee & Man Paper Manufacturing Limited, both of which are listed public companies in Hong Kong. Mr. Chan founded Chartwell Capital Limited, an investment management company, in October 2007 and is currently the chief investment officer. He has been its responsible officer for Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance since November 2008 and February 2008, respectively. He has over 20 years of investment experience. Mr. Chan has been a member of the Public Shareholders Group of the Securities and Futures Commission since 14 February 2023, a member of SFC (HKEC Listing) Committee since 1 April 2023, a member of the Board of Directors of the Financial Services Development Council ("FSDC") since 17 January 2024 and a member of the Board of Directors of the Hong Kong Academy for Wealth Legacy of FSDC since 17 January 2026. From July 2016 to July 2022, he served as a member of the Listing Committee of the Main Board and GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). From December 2017 to December 2021, Mr. Chan was an independent non-executive director of Wine's Link International Holdings Limited, whose shares are listed on GEM of the Stock Exchange. Mr. Chan obtained a Bachelor of Science degree in finance and accounting from the Leonard N. Stern School of Business at New York University in the United States in May 2002.



Mr. Chan Wai Yan, Ronald

SENIOR MANAGEMENT'S PROFILE

The Senior Management of the Company is as follows:

Mr. Leung Shu Keung, Brian	Internal Audit Manager
Mr. Wong Kam Chuen, Terence	General Manager – Finance and Accounts
Mr. Chow Tung Ming	Company Secretary

Mr. Leung Shu Keung, Brian, *BA, CIA, CRMA, CFE, PgD*, aged 64, is the Internal Audit Manager of the Company. He joined the Company in 1992 and has over 36 years of experience in accounting, auditing and management assurance.

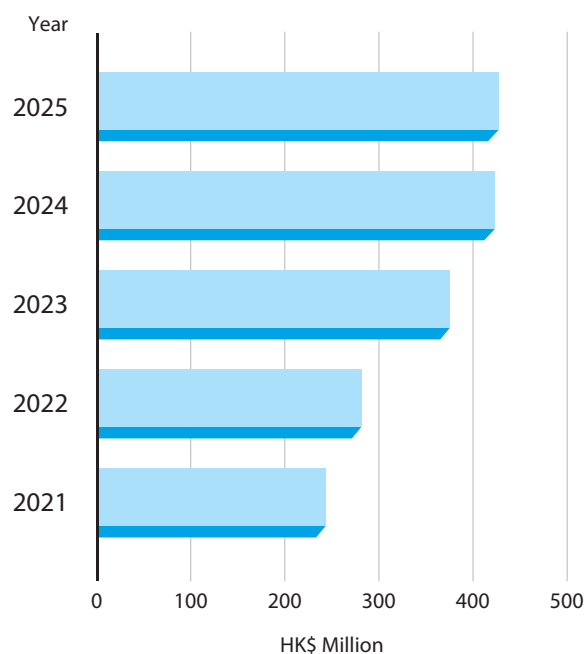
Mr. Wong Kam Chuen, Terence, *MCF, BA(Hons), FCCA, CPA, ACG, HKACG*, aged 57, has been the General Manager of Finance and Accounts Department of the Company since 2022. He joined the Company in 1995 and has over 20 years of experience in accounting, auditing and corporate finance.

Mr. Chow Tung Ming, *BBA(Law), LLB, Solicitor, FRM, CFA*, aged 43, joined the Company in October 2023 and has been appointed as the Company Secretary of the Company since 8 December 2023. Mr. Chow is a solicitor of the High Court of Hong Kong and has more than 16 years of legal experience, particularly in corporate finance, regulatory compliance, company secretarial and commercial areas.

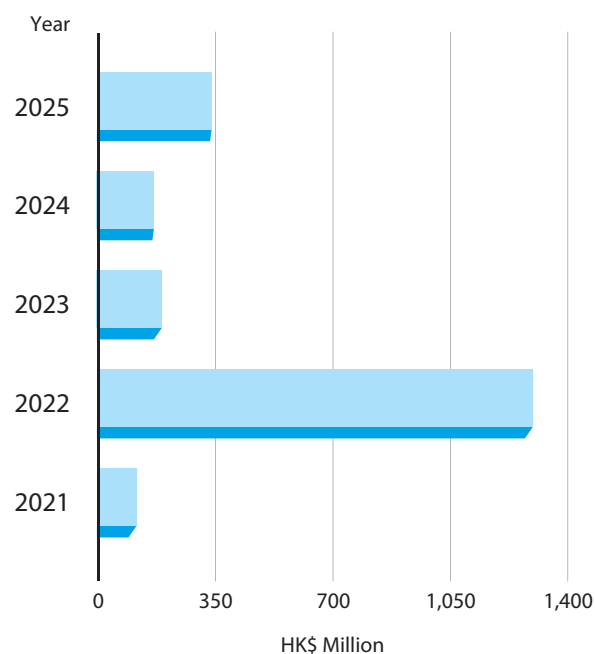
FINANCIAL HIGHLIGHTS

		2025	2024	Change
Revenue	HK\$M	427	423	+0.9%
Profit attributable to shareholders	HK\$M	335	164	+104.3%
Dividends	HK\$M	89	89	—
Shareholders' funds	HK\$M	7,320	7,063	+3.6%
Basic earnings per share	HK\$	0.94	0.46	+104.3%
Dividend per share	HK\$	0.25	0.25	—
Dividend cover	Times	3.8	1.8	+111.1%
Return on equity	%	4.6	2.3	+100.0%
Net assets per share	HK\$	20.52	19.80	+3.6%

Group Revenue



Profit attributable to shareholders



THE SYMPHONIE

(280 TUNG CHAU STREET,
CHEUNG SHA WAN)
REDEVELOPMENT PROJECT

The private residential rental market in Hong Kong continues to improve with increasing rental yields. The Group converted the two-tower residential units of “The Symphonie” into a youth hostel, which is operated by Tung Wah Group of Hospitals and named as “TN Residence”. This project was approved by the Home and Youth Affairs Bureau under the Subsidy Scheme for Using Hostels and Guesthouses as Youth Hostels. Commencing from June 2025 the Group began collecting rental which has been subject to adjustments based on the occupancy rates of the hostel.



THE ROYALE

(8 CASTLE PEAK ROAD –
CASTLE PEAK BAY, TUEN MUN)
JOINT VENTURE
DEVELOPMENT PROJECT

The Group has already delivered to buyers the 1,748 residential units sold. 34 units remain unsold in the entire project, with 5 residential units, 103 private car parking spaces and 18 motorcycle parking spaces already leased for short-term period.

METRO HARBOUR PLAZA

(8 FUK LEE STREET,
TAI KOK TSUI)

Covering over 250,000 square feet, Metro Harbour Plaza is located in the heart of West Kowloon. The occupancy rate of commercial arcade as at 31 December 2025 was 94%.



GREEN CODE PLAZA

(1 MA SIK ROAD, FANLING)

The rental property held by the Group, Green Code Plaza, is a large-scale residential podium mall, providing convenient daily shopping and dining options for local residents. The occupancy rate of commercial arcade as at 31 December 2025 was 98%.

CHAIRMAN'S STATEMENT



I am pleased to present to the shareholders on behalf of the Board my report on the business results of the Group for the year ended 31 December 2025.

Dr. Lam Ko Yin, Colin

Chairman

BUSINESS RESULTS

During the year under review, the Group's profit for the year ended 31 December 2025 was HK\$335 million, representing an increase of approximately 109% from the same period last year. This was mainly attributable to the recognition of a one-off construction cost adjustment after taxation of the completion of the joint venture development project "The Royale".

The Group's underlying profit for the year ended 31 December 2025 was HK\$284 million, representing an increase of approximately 80% from the same period last year. Taking into account the fair value change of the investment properties, profit attributable to shareholders for the year ended 31 December 2025 was approximately HK\$335 million, representing an increase of approximately 105% as compared with the same period of 2024.

Earnings per share for the year was HK\$0.94 (2024: HK\$0.46).

DIVIDENDS

The Board of Directors (the "Board") has recommended the payment of a final dividend for the year ended 31 December 2025 of HK15 cents per share (2024: final dividend of HK15 cents per share). Subject to shareholders' approval at the annual general meeting to be held on Friday, 29 May 2026, the final dividend will be paid on Tuesday, 23 June 2026 to shareholders whose names appear on the Register of Members of the Company on Monday, 8 June 2026. The final dividend, together with the interim dividend of HK10 cents per share already paid, will make a total distribution of HK25 cents for the full year.

BUSINESS REVIEW

The Group's operations are primarily divided into three major segments: (1) property development and investment operations, (2) ferry, shipyard and related operations, and (3) medical, healthcare and beauty services. During the year under review, the Group's profit was mainly derived from the rental income from shops and commercial arcades, interest income from banks, as well as fair value gains on investment properties and a construction cost adjustment of the development project. The Group had no borrowings.

BUSINESS REVIEW (Continued)**Property Development and Investment Operations**

In 2025, the gross rental income arising from the Group's shops, commercial arcades and the youth hostel amounted to approximately HK\$147 million, representing an increase of approximately 17% from the same period last year. As at 31 December 2025, the commercial arcades of Metro6 were fully let. The occupancy rates of the commercial arcades of The Spectacle and Shining Heights were 91% and 81% respectively. The occupancy rates of commercial arcades of Metro Harbour Plaza and Green Code Plaza were 94% and 98% respectively.

The Royale (8 Castle Peak Road – Castle Peak Bay, Tuen Mun) Joint Venture Development Project

The Group has already delivered to buyers the 1,748 residential units sold. 34 units remain unsold in the entire project, with 5 residential units, 103 private car parking spaces and 18 motorcycle parking spaces already leased for short-term period.

The Symphonie (280 Tung Chau Street, Cheung Sha Wan) Redevelopment Project

The private residential rental market in Hong Kong continues to improve with increasing rental yields. The Group converted the two-tower residential units of "The Symphonie" into a youth hostel, which is operated by Tung Wah Group of Hospitals and named as "TN Residence". This project was approved by the Home and Youth Affairs Bureau under the Subsidy Scheme for Using Hostels and Guesthouses as Youth Hostels. Commencing from June 2025 the Group began collecting rental which has been subject to adjustments based on the occupancy rates of the hostel.

Portion A of Ground Floor of Tai Hung Fai (Tsuen Wan) Centre (No. 55 Chung On Street, Tsuen Wan)

On 30 September 2025, the Group completed the acquisition of various shops at Portion A of Ground Floor (with a total gross floor area of approximately 12,700 sq. ft.) and signage areas of Tai Hung Fai (Tsuen Wan) Centre, located at 55 Chung On Street, Tsuen Wan, for rental investment



The Symphonie

purposes. Leases were renewed with certain existing tenants and new tenancy agreements were entered into with new tenants. As of the end of 2025, all shops were leased. The Group enhanced the property's rental by increasing leasable spaces through shop layout reconfiguration, upgrading the property's image through shopfront renovations, optimising the signage area, installing the new LED screen and expanding advertising space.

Ferry, Shipyard and Related Operations

The Group's ferry, shipyard, and related operations including the dangerous goods vehicular ferry services recorded a loss of approximately HK\$8 million during the year under review. The company successfully applied for a fare increase upon license renewal in January 2024, but recorded a loss due to increased operating expenses and reduced traffic volume. In September 2025, the company applied to the Transport Department for a fare increase again for its dangerous goods vehicular ferry services.

During the year, the revenue of Hong Kong Shipyard decreased by 12% compared to 2024. The decline in revenue was attributed to Hong Kong's recent economic environment. There was a reduction in the number of ships registered in Hong Kong. Shipowners opted for more basic maintenance services and also used the maintenance services in the Mainland. Hong Kong Shipyard is actively exploring diversification strategies to enhance overall revenue, including partial land use conversion.

BUSINESS REVIEW (Continued)

Medical, Healthcare and Beauty Services

The Group's medical, healthcare and beauty services business, which includes pain treatment and medical aesthetics, recorded a loss of approximately HK\$4 million during the year under review, representing a significant reduction of 84% compared the same period last year. It is believed to become profitable in the future.

The Group has established spine and pain centres at Mira Place, Tsim Sha Tsui, and Metro Harbour Plaza, Tai Kok Tsui, under the brand "Total HealthCare". The third branch started trial operations in January 2026 at Tai Hung Fai (Tsuen Wan) Centre. The Group has introduced advanced medical equipment in conjunction with professional registered chiropractors and sports trainers, to provide personalised treatment plans for pain-suffering patients. In addition, it addresses the rehabilitation needs of various patients in orthopedics, post-surgery and various types of injuries.

AMOUR medical aesthetic centre expanded the leased area at Mira Place, Tsim Sha Tsui, to deliver an elevated experience for its clientele. After multiple rounds of rigorous selection by the Hong Kong Brand Development Council, AMOUR medical aesthetic centre was awarded the "Hong Kong Emerging Service Brand" in February 2026. This honor not only highly recognises the brand but also acknowledges the team's efforts to "professionally fulfilling promises". AMOUR medical aesthetic centre is actively strengthening its professional team by recruiting clinically experienced doctors, dermatologists and senior beauty consultants to master the latest medical aesthetics techniques and equipment operation standards to meet market demand for high-end medical aesthetic services.

The Group established a specialist centre at H Zentre, Tsim Sha Tsui through a joint venture, providing specialised services in cardiology, surgery, orthopedics, plastic surgery and urology. Its performance has been steadily on the rise and recorded a profit. In November 2025, the specialist centre was renamed "Alliance Medical Centre" as part of a brand revitalization initiative to strengthen the collaboration among various specialties and to provide patients with efficient and high-quality medical services.

The Group has also partnered with a professional fitness centre with over 20 years of experience in Hong Kong to establish a physiotherapy centre at H Zentre in August 2025. The Group has launched a medical equipment leasing business since the second half of 2024, jointly purchasing medical equipment with specialists for rental to hospitals and doctors to generate stable income.

PROSPECTS

Benefiting from the Central Government's implementation of proactive fiscal and accommodative monetary policies, Hong Kong's overall economic development has built up a good momentum, with the financial sector performing particularly well. The Hang Seng Index rose by 27.8% in 2025, and the average daily turnover reached HK\$249.8 billion, a substantial increase of 89.5% compared to HK\$131.8 billion in 2024. Moreover, Hong Kong regained its position as the world's top market for initial public offering (IPO) fundraising, reflecting the return of global capital to Hong Kong and the increased confidence among local investors.

The price index of private residential properties in Hong Kong showed an upward trend, rising by approximately 3.3% year-on-year and ending three consecutive years of decline. The number of transactions reached 62,832 for the year, representing an 18.3% increase compared with 2024. Benefiting from the Hong Kong Government's various talent schemes and its policy to actively propel Hong Kong to become an international hub for post-secondary education. The number of professionals, students and their families coming to Hong Kong continued to grow, driving rental demand and sustaining the upward trend in private residential rents. The rental index of private residential property recorded an increase of over 4.3% year-on-year in 2025. Assuming no further deterioration in the Iran war nor global inflation, the market outlook is expected to remain positive. However, geopolitical risk remains an unpredictable factor.

PROSPECTS (Continued)

In the 2026–27 Budget, the Hong Kong Government introduced a range of policy initiatives relating to the tourism and healthcare sectors. As the Events Capital of Asia, the Hong Kong Tourism Board will scale up its flagship events and promotion, organising more signature festive events. In the healthcare sector, the policy directions cover research and development of biomedicine and cross-boundary medical collaboration. The Group will actively seek new opportunities arising from the Government's policy and expand its business footprint through collaborating with onboarding specialist doctors to strengthen the foundation for growth.

Looking ahead to 2026, Hong Kong's economy is expected to maintain a steady momentum. It is anticipated that the income from rental properties, together with bank interest income, will continue to be the major sources of revenue of the Group. The Group holds ample cash with no borrowing, maintaining a solid financial position and will proactively seek investment opportunities that offer reasonable returns.

ACKNOWLEDGEMENT

On behalf of the shareholders and the Board, I would like to take this opportunity to express our appreciation to all our staff for their dedication and hard work during the year.

Dr. Lam Ko Yin, Colin

Chairman

Hong Kong, 19 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS



The following comments should be read in conjunction with the Audited Consolidated Financial Statements of the Company and the related notes to the financial statements.

DEVELOPMENT STRATEGY AND PRINCIPAL RISKS

The Group has been operating ferry services in Hong Kong for over a century and is currently the only ferry company in Hong Kong offering “vehicular ferry services” and “dangerous goods vehicular ferry services”. Alongside the urban development of Hong Kong, the Group ventured into residential property development in the early 2000’s and further diversified its investments by launching the medical specialist and beauty business in 2022. These three core business segments complement each other, effectively diversifying investment risks and enhancing the Group’s overall competitiveness and long-term value.

The two rental properties held by the Group, Metro Harbour Plaza and Green Code Plaza, are large-scale residential podium malls, providing convenient daily shopping and dining options for local residents and thus less affected by the retail downturn. Tai Hung Fai (Tsuen Wan) Centre, acquired in September last year, is located in a high-traffic hub in the Tsuen Wan district, where the shopping demand from residents within and outside the district provides a certain level of support for rents, rendering it less susceptible to shifts in tourist consumption patterns compared with shops in areas more dependent on tourists. When considering potential investments, the Group closely

monitors the impact of retail market conditions and changes in tourism patterns on shop rentals, and will proceed with investments only when returns are attractive and risks are manageable.

The Group has consistently and unwaveringly upheld its sustainable development goal of “Putting People First”. In addition to transporting oil products for residents on Hong Kong Island, its ferry business also delivers flammable gases to hospitals and other institutions. The Group will continue to engage with the Government to recover costs at a reasonable rate in order to sustain the ferry operations and continue serving the public. The Group collaborated with a local bicycle company to provide bicycle parking spaces at the North Point East Pier for public use last year, and will continue to discuss with the Government regarding the upgrading of facilities at the North Point East Pier, aiming to enrich the public’s enjoyment of the East Coast Boardwalk.

Hong Kong is not only one of the longest-living cities globally, but also has one of the most rapidly aging populations in the world. Coupled with the heightened public awareness of health following the COVID-19 pandemic and the increasing burden on the public healthcare system, this has created potential opportunities for the private medical and health-related industries. Under the backdrop of Hong Kong’s active integration into the Greater Bay Area (GBA), the trend of Hong Kong residents travelling north for consumption continues, and the public’s acceptance of using Mainland medical services has significantly increased. Due to the generally lower prices of medical services in the Mainland,

DEVELOPMENT STRATEGY AND PRINCIPAL RISKS (Continued)

some Hong Kong residents have shifted to the GBA for non-emergency services such as medical check-ups, dental care, and aesthetic treatments. However, the Group's medical specialist and beauty businesses primarily focus on serving high-end and non-hospital clients, emphasising the assurance of high-quality service rather than competing on price, thus being less affected. In response to market demand for auxiliary health services, the Group has been actively developing complementary services, gradually forming an ecosystem that provides convenient and timely services to the public locally. The Group will continue to explore the introduction of suitable medical equipment, attract medical professionals, and collaborate with relevant specialist doctors to expand the footprint of its medical and health business.

REVIEW OF RESULTS

The Group's revenue for the year amounted to approximately HK\$427 million, representing a slight increase of 1% when compared with the previous year. This was mainly attributable to the increase of revenue from medical aesthetic services and investment properties, offset by a decline in revenue from shipyard and the related operations.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As of 31 December 2025, shareholders' funds of the Group showed an increase of around 3.6% as compared to the previous year and amounted to HK\$7,320 million. The increase was mainly the increase in the profit.

There was no change to the capital structure of the Group during the year. Funding for the Group's activities during the year under review was mainly generated from the property leasing and other operations. Current assets of the Group were recorded at HK\$2,391 million and the current liabilities were HK\$234 million as of 31 December 2025. Current ratio of the Group had been decreased to 10.2 as at 31 December 2025, mainly attributed to "The Symphonie" redevelopment project being reclassified from "Completed properties held for sale" to "Investment properties".

GEARING RATIO AND FINANCIAL MANAGEMENT

As the Group had no borrowings as at 31 December 2025, no gearing ratio, which is calculated on the basis of bank borrowing as a ratio of the Group's shareholders' fund, was shown.

The Group's financing and treasury activities were managed centrally at the corporate level. Financing facilities extended to the Group were denominated in Hong Kong dollar.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the number of employees of the Group stood at 302 (2024: about 300). Total employees' costs for the year amounted to approximately HK\$144 million. The remuneration packages to employees were commensurable to the market trend and levels of pay in similar industries. A discretionary year-end bonus was paid to employees based on individual performance. Other benefits to employees included medical insurance, retirement scheme, training programmes and educational subsidies.

REPORT OF THE DIRECTORS

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

PRINCIPAL PLACE OF BUSINESS

Hong Kong Ferry (Holdings) Company Limited (the “Company”) is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 98 Tam Kon Shan Road, TYTL 102, Ngau Kok Wan, North Tsing Yi, New Territories, Hong Kong.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are property development, property investment, ferry, shipyard and related operations, medical, healthcare and beauty services and securities investment.

The analysis of the principal activities of the Company and its subsidiaries (the “Group”) during the financial year is set out in note 3 to the financial statements on pages 160 to 164 of this Annual Report.

BUSINESS REVIEW

A review of the business of the Group during the year is provided in Management Discussion and Analysis on pages 16 to 17 and the Chairman’s Statement on pages 12 to 15 of this Annual Report. A discussion on the Group’s future business development is provided in the Chairman’s Statement on pages 12 to 15 of this Annual Report. Description of the principal risks and uncertainties that the Group may be facing can be found in the sub-section headed “Development Strategy and Principal Risks” of Management Discussion and Analysis on pages 16 to 17, the Chairman’s Statement on pages 12 to 15 and the sub-section headed “Risk Management and Internal Control” of Corporate Governance Report on pages 45 to 50 of this Annual Report. Financial risk management of the Group can be found in note 24 to the financial statements on pages 201 to 205 of this Annual Report. An analysis of the Group’s performance during the year using financial key performance indicators is provided in the Financial Highlights on page 9 and Five Years’ Financial Summary on pages 212 and 213 of this Annual Report respectively.

Discussions on the Group’s environmental policies and performance, and relationships with its key stakeholders which have a significant impact on the Group can be found in this Report of Directors on pages 18 to 21. The Group’s strategy for managing climate-related risks and opportunities can be found in the sub-sections headed “Environment and Resources – Climate Resilience and Adaptation” and “Environment and Resources – Climate-related Risks and Opportunities” contained in Environmental, Social and Governance (“ESG”) Report on pages 98 to 104 of this Annual Report. These discussions form part of this Report of the Directors.

Discussion on Environmental Policies and Performance

In alignment to Hong Kong’s Climate Action Plan 2050 and commitments made during the 30th United Nations Climate Change Conference, the Group is dedicated to environmental stewardship. We aim to reduce our carbon footprint while enhancing the climate resilience of our operations.

The Group’s Climate Change Policy encourages our suppliers, consultants, contractors and business partners to reduce carbon emissions and energy consumption in their daily operations, incorporates climate change considerations into our procurement process and encourages the use of low carbon, low embodied-energy and energy efficient products and materials. The Group’s Environmental Policy fosters environmental awareness in our decision-making and operating practices, gives priority to environmentally-friendly designs, materials and construction approach, and favours consultants, contractors, and suppliers who follow environmentally-friendly practices in providing their designs, services and products. The Group has engaged external expert to conduct climate risk assessment to identify key climate-related risks and opportunities with potential market impacts, potential financial implications and measures for mitigating these risks.

BUSINESS REVIEW (Continued)**Discussion on Environmental Policies and Performance (Continued)**

The Group has set the target of reducing the Group's greenhouse gas emissions intensity by 10% by 2030 compared with the 2023 baseline. From 2011 onwards, annual energy audits have been conducted at our two most fuel-intensive subsidiaries as part of the Energy and Carbon Management Programme. Initiatives taken include, among others, the installation of rooftop solar panels and wall-mounted solar lights with an adjustable solar receiver and turn-on sensors, and solar system on two floating pontoons at our shipyard, replacement of traditional Tungsten light bulbs in our ferries' main deck to LED bulbs and installation of electric vehicle charging systems in the parking area within our premises, increasing energy efficiency during our business operations. During the reporting year, the Group purchased a new electric vehicle which helps to save energy and contribute to lower greenhouse gas emissions.

In property development and investment operations, the Group adopts green building standards and incorporates sustainability considerations into the design and construction phases of our projects. Two of our developed properties, The Symphonie and The Royale, received BEAM Plus New Buildings V1.2 – Final Gold Rating and Final Silver Rating respectively. Our managed properties proactively participate in environmental campaigns that support climate action. This engagement not only raises environmental awareness of the community but also cultivates a culture of sustainability among residents and stakeholders, contributing to the collective efforts in combating climate challenges.

As part of our resource conservation efforts, rainwater harvesting tanks have been installed to collect rainwater for vehicle washing, floor cleaning and irrigation purposes. We place emphasis on the reuse and recycling of waste materials and other useful resources before considering disposing them in landfill. In our cruise business, apart from the provision of a green dining menu for customers, an onshore sewage system is located at the ferry pier to avoid the direct discharge of 1,988 litres of wastewater into the harbour during the reporting year. The properties developed by us, Metro Harbour Plaza and Green Code Plaza, have both obtained Indoor Air Quality Certificates (Good Class) and have received accolades for water quality management efforts. In addition, both properties participated in Energy Saving Charter 2025 and Programme on Source Separation of Commercial and Industrial Waste. These environmental protection activities advanced our commitment to achieving sustainable goals.

Looking ahead, the Group will continue to evaluate its exposure to climate-related risks and opportunities, ensuring that sustainability remains an important aspect of its operations.

Relationships with Employees, Customers, Suppliers and Community

As we progress on our sustainable development journey, we aim to adopt ethical practices and consider the interests of our key stakeholders. We maintain open lines of communications with our employees, customers and suppliers, and address their needs and concerns. We are committed to contributing positively to the community in which we operate and creating a beneficial social impact alongside our business objectives.

Employees

Emphasising our core value of "Putting People First", we care about our employees' well-being and aim to provide a supportive, inclusive and safe workplace. We offered competitive salaries and benefits based on their work experience and responsibilities. Our commitment to employee development is reflected in our extensive training programs. During the reporting year, our staff received approximately 4,588 hours of training in total.

BUSINESS REVIEW (Continued)

Relationships with Employees, Customers, Suppliers and Community (Continued)

Employees (Continued)

We encourage participation in wellness initiatives, such as providing free ice cream to employees during summer and distributing Mid-Autumn gift boxes containing health-focused tea leaves and vitamins to employees. We also organised workshops such as making scented sand candles and handmade tulips for our employees. Our Christmas thanksgiving gathering recognized our employees' hard work and commitment over the past year and created an inclusive atmosphere for our employees.

Recognizing the importance of safety and security of our employees, we have arranged health and wellness initiatives. Examples include Free Influenza Vaccine Injection and Massage Experience Day. Our approach to occupational health and safety is demonstrated through our safety management system, which features regular safety meetings and drills, inspections and the work of our Safety Committee who is dedicated to ongoing enhancement of our safety practices.

In facilitating a healthy work-life balance, we have participated Mental Health Workplace Charter and Joyful@Healthy Workplace Charter and arranged health-related webinars and workshop for our employees. These charters guided our efforts to prioritize employee well-being, complementing our existing wellness initiatives. We organized staff gatherings and events, including birthday parties, spring trip, movie fun day, which helped to foster camaraderie among colleagues.

By engaging in community and industry initiatives, we aim to attract and retain talent while promoting the overall well-being of our workforce. Together, we strive for a brighter future where both our employees and the Group can thrive.

Customers

The Group is committed to delivering high-quality and responsible products and services to our customers. Our ferry, shipyard and Harbour Cruise - Bauhinia operations adopt the ISO 9001:2015 Quality Management System to ensure accountability for our quality standards. To gauge customer satisfaction and align our business strategies with their expectations, we conduct customer satisfaction surveys, including our quarterly Docking Repair Service Customer Satisfaction Survey and bi-annual On-Time Maintenance Services survey. Our Harbour Cruise - Bauhinia operation has achieved a customer satisfaction rate of over 90% for 11 consecutive years. During the reporting year, we received no material complaints relating to product and service quality.

We prioritise customer data privacy and comply with relevant material intellectual property rights regulations. The Group has established policy to guide employees on customer privacy. Our commitment to uphold ethical behaviour is foundational to our operations and strengthens our relationship with customers.

Suppliers

To maintain the quality of our services and ensure smooth operations, we have implemented stringent management practices in supplier assessment and procurement processes. The Code of Conduct outlines our requirements on ethical standards, labour rights and environmental practices. We keep reviewing the performance of our suppliers and contractors through our Supplier Evaluation Report and supplier performance review to enhance consistent service quality. The Group has maintained an overall local procurement rate of over 80% for 10 consecutive years, which demonstrates our continuous support to the local economy. During the reporting year, our Harbour Cruise - Bauhinia business, and medical aesthetic clinic and premium beauty service centre sourced 100% locally from Hong Kong suppliers.

BUSINESS REVIEW (Continued)

Relationships with Employees, Customers, Suppliers and Community (Continued)

Suppliers (Continued)

Our property development operations conduct safety audits, while our other operations conduct supplier evaluations to identify areas of concern and recommend remedial actions. These allow us to identify areas for improvement and maintain consistent service quality. To promote sustainability throughout our supply chain, we have incorporated ESG-related supplier certifications in our supplier review process by considering energy audit, carbon audit and Global Reporting Initiative as factors that may affect our supplier selection.

Community

As a responsible corporate citizen, the Group is committed to creating a positive impact on the local community. During the reporting year, we reinforced our commitment to social responsibility through various charitable projects and community activities aiming at supporting underprivileged groups and those in need.

Guided by our board and senior management, we embrace the principles of “Love Hong Kong”, “Love Victoria Harbour” and “Care for the People” as integral part of our corporate culture.

We have collaborated with Tung Wah Group of Hospitals to enhance community investment by transforming “The Symphonie” into “TN Residence” under the Home and Youth Affairs Bureau’s youth hostel scheme, addressing the housing needs of youth in Hong Kong.

Our involvement in community events extended to, among others, “PIERSIDE RUN 2025” that allowed participating runners to have the fun of boarding vehicular ferry and “My Epilepsy Journey” that invited epilepsy patients and their families to board our Harbour Cruise - Bauhinia and allowed them to gain epilepsy-related information in a relaxed atmosphere. In addition, we continued to support the Strive and Rise Programme and invited mentees to visit our shipyard, shared with them career opportunities and prospects, and shared insights into yard operations.

In alignment with our commitment to environmental sustainability and community well-being, our Corporate Volunteer Team participated in a number of volunteer activities, including Elderly Home Repair Service in Cheung Hang Estate and Cheung Wang Estate in Tsing Yi, and “Neighbourhood First – Rice-Giving” Scheme, with a view to giving back to the community and bringing meaningful impact through practical action. The Company was honoured to receive “Corporate – Volunteer Hour Certificate of Appreciation (500–1,999 hours)” at the Hong Kong Volunteer Award 2025. This award serves as a recognition to our colleagues for their heartfelt contribution to the community.

Through these initiatives, we strive to create long-term shared value for the community, promote social inclusion, and enhance the well-being of those in need.

Compliance Status with Relevant Laws and Regulations that have a Significant Impact on the Business

No reported cases of non-compliance with applicable laws and regulations in Hong Kong on the environment, employment, anti-corruption, customer privacy and intellectual property took place during the reporting year that had a significant impact on the Group.

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group’s purchases attributable to the major suppliers during the year is as follows:

	Percentage of the Group's total purchases
The largest supplier	9.3%
Five largest suppliers in aggregate	34.1%

No analysis in respect of the Group’s major customers is shown as the percentage of revenue attributable to the Group’s five largest customers is less than 30%.

Apart from the foregoing, at no time during the year have the directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the number of issued shares of the Company) had any interest in these major customers and suppliers.

SUBSIDIARIES

Details of the principal subsidiaries of the Company at 31 December 2025 are set out in note 12 to the financial statements on page 178 of this Annual Report.

FINANCIAL STATEMENTS AND DIVIDENDS

The profit of the Group for the year ended 31 December 2025 and the financial position of the Group at that date are set out in the financial statements on pages 134 to 211 of this Annual Report.

An interim dividend of HK10 cents per share (2024: HK10 cents per share) was paid on 26 September 2025. The Board of Directors of the Company (the “Board”) has recommended the payment of a final dividend for the year ended 31 December 2025 of HK15 cents per share (2024: HK15 cents per share). Subject to shareholders’ approval at the annual general meeting to be held on Friday, 29 May 2026 (the “2026 annual general meeting”), the final dividend will be paid on Tuesday, 23 June 2026 to shareholders whose names appear on the Register of Members of the Company on Monday, 8 June 2026. The final dividend, together with the interim dividend of HK10 cents per share already paid, will make a total distribution of HK25 cents for the full year.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders’ eligibility to attend, speak and vote at the 2026 annual general meeting, the Register of Members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026, both days inclusive, during which period no requests for transfer of shares will be accepted. In order to determine shareholders who are entitled to attend, speak and vote at the 2026 annual general meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company’s Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Friday, 22 May 2026. The record date for determining entitlements of shareholders to attend, speak and vote at the 2026 annual general meeting is Friday, 29 May 2026.

For the purpose of determining shareholders’ entitlement to the proposed final dividend for the year, the Register of Members of the Company will be closed from Friday, 5 June 2026 to Monday, 8 June 2026, both days inclusive, during which period no requests for transfer of shares will be accepted. In order to qualify for the proposed final dividend for the year, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company’s Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 4 June 2026. The record date for determining entitlements of shareholders to the proposed final dividend for the year is Monday, 8 June 2026.

CHARITABLE DONATIONS

Charitable donations made by the Group during the year amounted to HK\$447,000 (2024: HK\$79,000).

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 23 to the financial statements on pages 199 to 201 of this Annual Report.

DIRECTORS

The Directors of the Company during the year ended 31 December 2025 and up to the date of this report were:

Executive Directors

Dr. Lam Ko Yin, Colin (*Chairman of the Board*)
Mr. Li Ning
Mr. Lee Gabriel (*Group General Manager*)

Non-executive Directors

Mr. Au Siu Kee, Alexander
Mr. Lau Yum Chuen, Eddie (*retired on 30 May 2025*)

Independent Non-executive Directors

Mr. Ho Hau Chong, Norman
Ms. Wong Yu Pok, Marina
Mr. Wu King Cheong
Mr. Chan Wai Yan, Ronald

The list of directors of the subsidiaries of the Company during the year and up to the date of this Annual Report is kept at the registered office of the Company and available for inspection by the shareholders during office hours.

In accordance with Article 103(A) of articles of association of the Company (the “Articles of Association”) and Corporate Governance Code (the “Code”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), Mr. Lee Gabriel, Mr. Wu King Cheong and Mr. Chan Wai Yan, Ronald shall retire by rotation at the 2026 annual general meeting, and, being eligible, offer themselves for re-election. Mr. Wu King Cheong, an Independent Non-executive Director, has served the Company for more than nine years. Pursuant to the Code, his re-election shall be subject to a separate resolution to be approved by the shareholders at the 2026 annual general meeting.

The Company has received from each of Mr. Ho Hau Chong, Norman, Ms. Wong Yu Pok, Marina, Mr. Wu King Cheong and Mr. Chan Wai Yan, Ronald, Independent Non-executive Directors, an annual confirmation of his/her independence and the Company considered that all of them are independent.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and Senior Management are set out in the Directors’ and Senior Management’s Profile on pages 3 to 8 of this Annual Report.

DIRECTORS’ AND CHIEF EXECUTIVE’S EMOLUMENTS

Details of the Directors’ and Chief Executive’s emoluments are set out in note 7 to the financial statements on page 168 of this Annual Report.

Details of the emoluments of the five highest paid individuals and senior management of the Group are set out in note 8 to the financial statements on page 169 of this Annual Report.

DIRECTORS’ INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Except for the “Connected Transactions” as disclosed in this Report of the Directors, no other transactions, arrangement or contracts of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

DIRECTORS’ SERVICE CONTRACTS

None of the Directors proposed for re-election at the 2026 annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Company within one year without payment other than statutory compensation.

PERMITTED INDEMNITY PROVISION

According to the Articles of Association, every Director or other officers of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities to the fullest extent permitted by the Companies Ordinance, Chapter 622 of the Laws of Hong Kong which he/she may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. The Company has arranged appropriate Directors’ and officers’ liability insurance coverage for the Directors and officers.

DISCLOSURE OF INTERESTS

Directors' Interests in Securities

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

Shares and underlying shares (Long positions)

	THE COMPANY				Approximate percentage of the total number of issued shares
	Interest in shares				
	Personal Interests <i>Number of Shares</i>	Corporate Interests <i>Number of Shares</i>	Family Interests <i>Number of Shares</i>	Total Interests <i>Number of Shares</i>	
Name of Director					
Dr. Lam Ko Yin, Colin	150,000	—	—	150,000	0.04%
Mr. Li Ning	—	—	119,017,090 <i>(Note 4)</i>	119,017,090	33.41%
Mr. Lee Gabriel	180,000	—	—	180,000	0.05%
Mr. Au Siu Kee, Alexander	—	—	—	—	0.00%
Mr. Ho Hau Chong, Norman	3,313,950	—	—	3,313,950	0.93%
Ms. Wong Yu Pok, Marina	—	—	—	—	0.00%
Mr. Wu King Cheong	—	—	—	—	0.00%
Mr. Chan Wai Yan, Ronald	—	—	—	—	0.00%

DISCLOSURE OF INTERESTS (Continued)

Directors' Interests in Securities (Continued)

Shares and underlying shares (Long positions) (Continued)

	2OK COMPANY LIMITED	
	Family Interests <i>Number of Shares</i>	Approximate percentage of the total number of issued shares
Name of Director		
Mr. Li Ning (Note 6)	5	50.00%

	WINWIDE LIMITED	
	Family Interests <i>Number of Shares</i>	Approximate percentage of the total number of issued shares
Name of Director		
Mr. Li Ning (Note 7)	70	70.00%

Other than as stated above, no director or chief executive of the Company had any interest or short position, whether beneficial or non-beneficial, in the shares (in respect of positions held pursuant to equity derivatives), underlying shares and debentures of the Company or any of its associated corporations as at 31 December 2025.

DISCLOSURE OF INTERESTS (Continued)

Substantial Shareholders and Others

As at 31 December 2025, the interests in ordinary shares of the Company of every person as recorded in the register required to be kept under Section 336 of the SFO were as follows:

	Number of shares interested	Approximate percentage of the total number of issued shares
Substantial Shareholders		
Henderson Land Development Company Limited (<i>Notes 1 & 5</i>)	119,017,090	33.41%
Pataca Enterprises Limited (<i>Note 1</i>)	119,017,090	33.41%
Wiselin Investment Limited (<i>Note 1</i>)	48,817,090	13.70%
Henderson Development Limited (<i>Notes 2 & 5</i>)	119,017,090	33.41%
Hopkins (Cayman) Limited (<i>Notes 3 & 5</i>)	119,017,090	33.41%
Rimmer (Cayman) Limited (<i>Notes 3 & 5</i>)	119,017,090	33.41%
Riddick (Cayman) Limited (<i>Notes 3 & 5</i>)	119,017,090	33.41%
Persons other than Substantial Shareholders		
Graf Investment Limited (<i>Note 1</i>)	23,400,000	6.57%
Mount Sherpa Limited (<i>Note 1</i>)	23,400,000	6.57%
Paillard Investment Limited (<i>Note 1</i>)	23,400,000	6.57%

DISCLOSURE OF INTERESTS (Continued)*Notes:*

1. These 119,017,090 shares included the 48,817,090 shares, 23,400,000 shares, 23,400,000 shares and 23,400,000 shares respectively beneficially owned by Wiselin Investment Limited, Graf Investment Limited, Mount Sherpa Limited and Paillard Investment Limited, all of which were subsidiaries of Pataca Enterprises Limited which in turn was a subsidiary of Henderson Land Development Company Limited ("HLD").
2. These 119,017,090 shares are duplicated in the interests described in Note 1. Henderson Development Limited ("HD") beneficially owned more than one-third of the total number of issued shares of HLD.
3. These 119,017,090 shares are duplicated in the interests described in Notes 1 and 2. Rimmer (Cayman) Limited ("Rimmer") and Riddick (Cayman) Limited ("Riddick") as trustees of the respective discretionary trusts held units in a unit trust (the "Unit Trust"). Hopkins (Cayman) Limited ("Hopkins") as trustee of the Unit Trust held all the issued ordinary shares, which carry the voting rights in the share capital of HD.
4. By virtue of the SFO, Mr. Li Ning was taken to be interested in the same 119,017,090 shares as Mr. Li's spouse remained to be one of the discretionary beneficiaries of two discretionary trusts holding units in the Unit Trust.
5. By virtue of the SFO, Rimmer, Riddick and Hopkins were respectively interested in 119,017,090 shares which are duplicated in the interests described in Notes 1, 2 and 3. All the issued shares in Rimmer, Riddick and Hopkins were beneficially owned by the late Dr. Lee Shau Kee and each of his sons, Dr. Lee Ka Kit and Dr. Lee Ka Shing will inherit certain shares in Rimmer, Riddick and Hopkins. Rimmer and Riddick (the relevant trustees of the respective discretionary trusts) hold units in the Unit Trust of which Hopkins is the trustee as described in Note 3, but each is not entitled to any interest in its trust assets which are, in the ordinary course of business, held by Hopkins as trustee of the Unit Trust independently without any reference to shareholders of Hopkins, and each of Dr. Lee Ka Kit and Dr. Lee Ka Shing remains to be one of the discretionary beneficiaries of such discretionary trusts.
6. These 5 shares representing 50% equity interest in 2OK Company Limited (an associated company in which the Company through a subsidiary owned the remaining 50% interest) were beneficially owned by an indirect subsidiary of HLD. By virtue of the SFO, Mr. Li Ning was taken to be interested in these 5 shares in 2OK Company Limited as Mr. Li's spouse remained to be one of the discretionary beneficiaries of the two discretionary trusts holding units in the Unit Trust.
7. These 70 shares representing 70% equity interest in Winwide Limited (an associated company in which the Company through a subsidiary owned the remaining 30% interest) were beneficially owned by a company in which HD had 60% indirect interest and HLD had the remaining 40% indirect interest. By virtue of the SFO, Mr. Li Ning was taken to be interested in these 70 shares in Winwide Limited as Mr. Li's spouse remained to be one of the discretionary beneficiaries of the two discretionary trusts holding units in the Unit Trust.

Save as disclosed, as at 31 December 2025, the Company had not been notified of any other relevant interests or short positions in the shares or underlying shares of the Company.

RESERVES

Profits attributable to shareholders, before dividend, of HK\$335,366,000 (2024: HK\$163,875,000) have been transferred to reserves. Details of other movements in reserves during the year are set out in note 23 to the financial statements on pages 199 to 201 of this Annual Report.

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

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

ARRANGEMENT TO PURCHASE SHARES, WARRANTS, OPTIONS OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors, chief executive of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares, options, debentures or warrants of the Company or any other body corporate.

EQUITY-LINKED AGREEMENTS

For the year ended 31 December 2025, the Company had not entered into any equity-linked agreements.

FIVE YEARS' FINANCIAL SUMMARY

The five years' financial summary of the Group is set out on pages 212 and 213 of this Annual Report.

GROUP PROPERTIES

A summary of the Group's properties is set out on pages 214 and 215 of this Annual Report.

RETIREMENT PLANS

The Group's Hong Kong employees participate either in a defined benefit retirement scheme or a Mandatory Provident Fund scheme. Particulars of these retirement plans are set out in note 16 to the financial statements on pages 183 to 189 of this Annual Report.

CONNECTED TRANSACTIONS

Pursuant to the transactions and arrangements entered into by the Group with persons who are connected persons for the purposes of the Listing Rules, the Group recorded the transactions as described in note 26 to the financial statements on pages 206 to 209 of this Annual Report.

Connected Transactions/Continuing Connected Transactions

For the year ended 31 December 2025 and up to the date of this Annual Report, the Company and/or its subsidiaries have been entered into certain connected transactions/continuing connected transactions, with details below, which were subject to reporting and announcement requirements but were exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules:

Date	Connected Persons	Transactions
9 June 2022	Shahdan Limited ("Shahdan"), a wholly-owned subsidiary of Miramar Hotel and Investment Company, Limited (and an associate (as defined in the Listing Rules) of Henderson Land Development Company Limited ("HLD"))	Shahdan as landlord and Century Time Holdings Limited ("Century Time"), a subsidiary of the Company, as tenant entered into a tenancy agreement dated 9 June 2022 (the "2022 Tenancy Agreement") in respect of the leasing of Unit Nos. 901-04 & 18 on 9th Floor of Mira Place Tower A, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong ("Premises 1") for a term of three years from 10 June 2022 to 9 June 2025 at a monthly rental (exclusive of management fee, air-conditioning charges and Government rates) together with other ancillary charges. In accordance with the applicable HKFRS Accounting Standards, the Group recognised the rent payable under the 2022 Tenancy Agreement (being fixed payments) as an acquisition of right-of-use asset of capital in nature taking into account the carrying amount of such right-of-use asset, i.e. approximately HK\$16,730,000 recognised by the Group during the year ended 31 December 2022, having been measured on the basis of the discounted present value of the fixed rent payable by the Group under the 2022 Tenancy Agreement. Such acquisition of right-of-use asset constituted a one-off connected transaction of the Company under Chapter 14A of the Listing Rules. The management fees and air-conditioning charges payable by the Group to Shahdan (being variable payments) are being recognised as expenses in the Group's profit and loss accounts in the periods in which they are incurred, and the payment of such expenses is regarded as continuing connected transactions of the Company under Chapter 14A.31 of the Listing Rules. The aggregate management fees and air-conditioning charges (exclusive of Government rates) payable under the 2022 Tenancy Agreement are subject to the annual cap of HK\$800,000 for the period from 1 January 2025 to 9 June 2025. The term of the tenancy under the 2022 Tenancy Agreement expired on 9 June 2025. Details of the 2022 Tenancy Agreement and the annual caps were set out in the announcement of the Company dated 9 June 2022.

CONNECTED TRANSACTIONS (Continued)

Connected Transactions/Continuing Connected Transactions (Continued)

Date	Connected Persons	Transactions
6 June 2025	Shahdan	Shahdan as licensor and Century Time, a non-wholly-owned subsidiary of the Company owned as to 85% by the Company, as licensee, entered into a license agreement dated 24 January 2025 (the “License Agreement”) for the granting of a license by Shahdan to Century Time to use and occupy of Unit No. 905 on 9th Floor of Mira Place Tower A, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong (“Premises 2”) for a period of six months from 10 March 2025 to 9 September 2025 (both days inclusive) at a monthly license fee (exclusive of management fee, air-conditioning charges, Government rates and other outgoings) payable by Century Time. Shahdan as landlord and Century Time as tenant entered into a tenancy agreement dated 6 June 2025 (the “Tenancy Agreement”) for the leasing by Shahdan to Century Time of (1) Premises 1 for a term of three years from 10 June 2025 to 9 June 2028 (both days inclusive); and (2) Premises 2 for a term of two years and nine months from 10 September 2025 to 9 June 2028 (both days inclusive) at a monthly rental (exclusive of management fee, air-conditioning charges and Government rates) together with other ancillary charges payable by Century Time. In accordance with the applicable HKFRS Accounting Standards, the Group recognised the rent payable under the Tenancy Agreement (being fixed payments) as acquisition of right-of-use assets of capital nature taking into account the carrying amount of such right-of-use assets, i.e. HK\$20,954,000, which has been initially measured on the basis of the discounted present value of the fixed rent payable by the Group under the Tenancy Agreement. Such acquisition of right-of-use assets constituted a one-off connected transaction of the Company under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS (Continued)

Connected Transactions/Continuing Connected Transactions (Continued)

Date	Connected Persons	Transactions
6 June 2025 (Continued)	Shahdan	The management fees and air-conditioning charges paid/to be paid by Century Time to Shahdan (being variable payments) under the Tenancy Agreement and the License Agreement were/ will be recognised as expenses in profit or loss by the Group in the periods in which they were/are incurred, and the payment of such expenses was/will be regarded as continuing connected transactions of the Company under Chapter 14A of the Listing Rules. For the License Agreement, having considered the license is short term in nature, the license fee under the License Agreement is exempt from capitalisation under the applicable HKFRS Accounting Standards and recognised as expenses in profit or loss by the Group. The aggregate management fees and air-conditioning charges (exclusive of Government rates) payable under the Tenancy Agreement and the License Agreement are subject to the annual cap of HK\$1,100,000 for the period from 10 March 2025 to 31 December 2025. Details of the Tenancy Agreement and the License Agreement and the annual caps were set out in the announcement of the Company dated 6 June 2025.

CONNECTED TRANSACTIONS (Continued)

Connected Transactions/Continuing Connected Transactions (Continued)

Date	Connected Persons	Transactions
10 June 2022	Henderson Property Agency Limited ("HPAL"), an indirect wholly-owned subsidiary of HLD	World Fame Shipping Limited ("World Fame"), a wholly-owned subsidiary of the Company, and HPAL entered into a sales management agreement dated 10 June 2022 (the "Sales Management Agreement") for the appointment of HPAL as the sales manager to provide project sales and marketing services in respect of the comprehensively planned development of a site at The Remaining Portion of New Kowloon Inland Lot No. 6559 held by Urban Renewal Authority as the owner and World Fame as the developer (the "Proposed Development") for a term of three years commencing from the date of the first initial sale of any residential units of the Proposed Development at a sales fee equivalent to 0.5% of the gross proceeds of sale of such units (but excluding those sale and purchase agreements which were effected by third party sales agent(s)), subject to the annual cap of HK\$1,000,000 for the period from 1 January 2025 to 31 May 2025. The Sales Management Agreement expired on 31 May 2025. Details of the Sales Management Agreement and the annual caps were set out in the announcement of the Company dated 10 June 2022.

Details of the above connected transactions/continuing connected transactions are set out in note 26 to the financial statements on pages 206 to 209 of this Annual Report.

The Independent Non-executive Directors of the Company have reviewed and confirmed that the above connected transactions/continuing connected transactions for the year ended 31 December 2025 have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) in accordance with the relevant agreements governing such transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits

or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued their unqualified letter containing the auditor's findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 29 to 32 of this Report of the Directors in accordance with Rule 14A.56 of the Listing Rules.

The Company's auditor have also confirmed to the Board in writing that the above connected transactions/continuing connected transactions for the year ended 31 December 2025 (i) have received the approval of the Board; (ii) have been entered into in accordance with the relevant agreements governing the transactions; and (iii) have not exceeded the cap disclosed in the previous announcements.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standard of the corporate governance. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 34 to 54 of this Annual Report.

AUDIT COMMITTEE

The Audit Committee has reviewed the audited financial statements of the Group for the year ended 31 December 2025 and discussed with internal audit department and independent external auditor in respect of matters on auditing, internal control and financial reports of the Group.

PUBLIC FLOAT

As at the date of this Report of the Directors, the Company has complied with the requirement in Rule 13.32B of the Listing Rules to maintain a minimum public float of 25%, based on the information that is publicly available to the Company and within the knowledge of the Directors.

AUDITOR

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditor of the Company is to be proposed at the 2026 annual general meeting.

On behalf of the Board

Dr. Lam Ko Yin, Colin
Chairman

Li Ning
Director

Hong Kong, 19 March 2026

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standard of corporate governance. The Board of Directors of the Company (the “Board”) is devoted to the ongoing enhancement of the corporate governance practices of the Company as the Board believes that good corporate governance practices are fundamental to the effective operation of a company and enhancement of shareholders’ value as a whole.

In the opinion of the Board, the Company had complied with the code provisions of the Corporate Governance Code (the “Code”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 December 2025. The Board shall review and update its corporate governance practices from time to time to ensure its continuous compliance with the Code.

CORPORATE CULTURE AND STRATEGY

With a commitment to maintaining rigorous standards of ethics and governance, the Board cultivates and fosters a corporate culture of integrity, growth, care and collaboration across all levels and in all aspects of operations, as befits the Group’s core values.

The Board defines, promotes and oversees such culture by ensuring its alignment and consistency with the Group’s business objectives, corporate strategies and future direction. The Group’s corporate culture is manifested in and reflected by a broad range of Group-wide policies, practices and procedures, including those relating to governance and compliance, whistleblowing, equal opportunity and diversity, employee welfare and benefits, and corporate social responsibility. Collectively, these established processes shape, sustain and drive the Group’s corporate culture.

The Company has been serving Hong Kong for over a century. Whether it is the Group’s ferry and shipyard businesses, its real estate development or medical, healthcare and beauty services, the Group upholds the concept of “Putting People First”. The Group is committed to social development, giving back to the local community and setting sail together with the people of Hong Kong.

The three principles of “Love Hong Kong”, “Love Victoria Harbour” and “Care for the Community” are embedded in the corporate culture of the Group. As a responsible corporate citizen, the Group provides a helping hand to the needy through participating in various charity events. It makes use of its unique resources to give back to the community and create long-term value for Hong Kong.

BOARD OF DIRECTORS

Responsibility and Delegation

The Board is primarily responsible for considering and deciding on matters covering overall Group strategies, business and investment plans, major acquisitions and disposals, annual financial budgets, approval of annual reports and interim reports, announcements of annual results and interim results, dividend policy and payments, appointment of directors, oversight of management and evaluation of the effectiveness of the risk management and internal control systems of the Group including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company’s accounting, internal audit, financial reporting functions as well as those relating to the Company’s environmental, social and governance (“ESG”) performance and reporting, approval of major capital transactions and other significant operational and financial matters.

The functions reserved to the Board are basically provided by the articles of association of the Company (the “Articles of Association”) and the Board will from time to time delegate the functions to the management whenever required. The management of the Company is responsible for the day-to-day operations of the Company and implementation of strategies adopted by the Board.

The Board focuses its attention on matters affecting the Company’s long-term objectives, plans for achieving these objectives, the Group’s overall business and commercial strategy as well as overall policies and guidelines.

The Board has established Board Committees with written terms of references to assist in the efficient implementation of its functions, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. Specific responsibilities have been delegated to the above Board Committees.

BOARD OF DIRECTORS (Continued)**Responsibility and Delegation (Continued)**

Board meetings are held regularly four times a year and additional meetings will be held if necessary and when required to discuss significant matters or important issues. In order to meet tight time constraints and make timely decision for the Company's policies and businesses, Board approvals have also been sought by circulation of resolutions in writing from time to time in accordance with the Articles of Association. Directors' attendance by electronic means including telephone conferencing is counted as attendance at a physical Board meeting. The Company Secretary shall attend all regular Board meetings and additional meetings to advise on statutory compliance and corporate governance, when necessary.

According to the current Board practice, if a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter cannot be dealt with by a written resolution of the Board but will be dealt with by the Board at a duly convened Board meeting.

All Directors have been provided, on a monthly basis, with the Group's management information updates, balanced and understandable assessment of the Group's performance, position and budget in order to keep them abreast of the Group's affairs and facilitate them to discharge their duties under the relevant requirements of the Listing Rules.

The Board has adopted effective mechanisms and conducted review of such mechanisms on an annual basis to ensure independent views and input are available to the Board. Subject to the approval of the Chairman of the Board, Directors may seek, at the Company's expense, independent legal, financial or other professional advices as and when necessary in appropriate circumstances to enable them to discharge their responsibilities effectively.

There is no equity-based remuneration with performance-related elements to Independent Non-executive Directors as this may lead to bias in their decision-making and compromise their objectivity and independence.

During the year, the Chairman, even though he is an Executive Director, held a meeting with all Independent Non-executive Directors without the presence of the other two Executive Directors.

BOARD COMPOSITION

The Board currently comprises eight Directors including three Executive Directors, one Non-executive Director and four Independent Non-executive Directors. The Directors of the Company during the financial year and up to the date of this report were:

Executive Directors

Dr. Lam Ko Yin, Colin (*Chairman of the Board*)
Mr. Li Ning
Mr. Lee Gabriel (*Group General Manager*)

Non-executive Director

Mr. Au Siu Kee, Alexander

Independent Non-executive Directors

Mr. Ho Hau Chong, Norman
Ms. Wong Yu Pok, Marina
Mr. Wu King Cheong
Mr. Chan Wai Yan, Ronald

The change to the composition of the Board during the year and up to the date of this Annual Report was as follows:

Mr. Lau Yum Chuen, Eddie retired as a Non-executive Director of the Company with effect from the conclusion of the annual general meeting held on 30 May 2025.

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Director of the Company, as notified to the Company, subsequent to the date of the Interim Report 2025 and up to the date of this report required to be disclosed are as follows:

Mr. Chan Wai Yan, Ronald

- (a) has been a member of the Public Shareholders Group of the Securities and Futures Commission since 14 February 2023.
- (b) has been a member of SFC (HKEC Listing) Committee since 1 April 2023.
- (c) has been a member of the Board of Directors of the Financial Services Development Council ("FSDC") since 17 January 2024.
- (d) has been a member of the Board of Directors of the Hong Kong Academy for Wealth Legacy of FSDC since 17 January 2026.

BOARD COMPOSITION (Continued)

The biographical details of the Directors are set out in the section headed “Directors’ and Senior Management’s Profile” on pages 3 to 8 of this Annual Report. A list of the Directors and their role and function is available on the Company’s website (www.hkf.com) (the “Company’s website”) and HKEXnews website (www.hkexnews.hk) (the “HKEXnews website”) respectively.

Mr. Li Ning is deemed as having substantial interests in the total number of the issued shares of the Company under Part XV of the Securities and Futures Ordinance (“SFO”). Dr. Lam Ko Yin, Colin is an executive director of Henderson Land Development Company Limited (“HLD”). Mr. Wu King Cheong and Mr. Au Siu Kee, Alexander are independent non-executive directors of HLD. HLD has discloseable interests in the Company under the provisions of the SFO.

Save as disclosed above, there is no financial, business, family or other material or relevant relationship among the Directors.

BOARD DIVERSITY POLICY

The Board approved and adopted the Board Diversity Policy setting out the approach to achieve diversity on the Board in August 2013 and revised the Board Diversity Policy in December 2018. The Nomination Committee of the Company has considered measurable objectives mainly on gender, age, professional experience and ethnicity to implement the Board Diversity Policy. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The selection and recommendation of candidates will be based on the nomination procedures, process and criteria adopted by the Board and a range of diversity perspectives, which would include but not be limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Board is satisfied that its composition is appropriate considering the skills, experience and attributes of the Directors. The Nomination Committee will monitor the implementation of the Board Diversity Policy and review the Board Diversity Policy annually to ensure its continued effectiveness. The Board Diversity Policy can be found and accessible on the Company’s website.

GENDER DIVERSITY

The Company has met gender diversity with the female representation in its Board. As at the date of this Annual Report, the Board has one female Director, the gender diversity has been achieved in respect of the Board. The percentages of male Directors and female Director are approximately 89% and 11% respectively. The Board will take opportunities to increase the proportion of female members over time when selecting and making recommendation on suitable candidates for Board appointment.

As at 31 December 2025, as set out in the section headed “Performance Data Summary” contained in ESG Report on pages 112 to 115 of this Annual Report, among the 302 employees (including senior management) of the Group, the percentages of male employees and female employees are approximately 61% and 39% respectively. The Board considers that the Group’s workforce (including senior management) is diverse in terms of gender.

NOMINATION POLICY

The Board approved and adopted the Nomination Policy in December 2018 for identifying and evaluating candidates for nomination to the Board. The Nomination Policy aims to set out the principles which guide the Nomination Committee to identify and evaluate a candidate for nomination to (i) the Board for appointment or (ii) shareholders of the Company for election as a director of the Company. The Nomination Committee will also take into account the Board Diversity Policy and the Nomination Policy when identifying suitably qualified candidates for the Board and would review the Policies regularly to ensure their continuing effectiveness. The Nomination Policy sets out the criteria and procedures in making nominations, including but not limited to, skills, experience and professional expertise; diversity; commitment and standing. When the candidate to be nominated as an independent non-executive director, he/she must satisfy the independence criteria set out in Rule 3.13 of the Listing Rules. The Nomination Policy can be found and accessible on the Company’s website.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Nomination Committee is responsible for reviewing the structure, size, diversity and composition of the Board, identifying and nominating suitable candidates to the Board, and making recommendations on any matters in relation to the appointment or re-appointment of members of the Board. Appointment of new Directors is reserved for the Board's approval.

The Nomination Committee ensures that the Board comprises members with mixed skills and experience with appropriate knowledge necessary to accomplish the Group's business development, strategies, operation, challenges and opportunities. The Nomination Committee takes into account the person's skills, qualifications and expected contributions to the Company before making any recommendations to the Board in relation to the appointment or re-appointment of members of the Board.

All Directors have formal letters of appointment setting out the key terms of their appointments. According to the Articles of Association, any Director newly appointed by the Board shall hold office until the next following general meeting of the Company (in case of filling a casual vacancy) or until the next following annual general meeting (in case of an addition to the Board) and shall then be eligible for re-election at that general meeting/annual general meeting.

The appointment of independent non-executive directors adheres to the guidelines for assessing independence as set out in Rule 3.13 of the Listing Rules.

In accordance with the Articles of Association, no Director shall hold office for a continuous period in excess of three years, or past the third annual general meeting, following the Director's appointment or re-election, whichever is the longer, without submitting for re-election at an annual general meeting of the Company.

In addition, at each annual general meeting, one-third of the Directors for the time being or, if their number is not three or a multiple of three, the number nearest to but not less than one-third, shall retire from office provided that every Director shall be subject to retirement by rotation at least once every three years.

The procedures for shareholders of the Company to propose a person for election as a Director are available and accessible on the Company's website and on the section headed "Procedures for Shareholders to Propose a Person for Election as a Director" in this Corporate Governance Report on page 54 of this Annual Report.

CHAIRMAN AND GROUP GENERAL MANAGER

The roles of the Chairman of the Board and the Group General Manager of the Company are taken by two separate individuals who are not related to each other. The separation of the roles of the Chairman and the Group General Manager enables a clear division of responsibilities between the Chairman of the Board and the Group General Manager and also provides checks and balances.

The role of the Chairman of the Board is taken by Dr. Lam Ko Yin, Colin while the role of the Group General Manager (whose status is equivalent to chief executive officer for the purpose of the Code but not otherwise) is taken by Mr. Lee Gabriel, who was appointed as an Executive Director of the Company with effect from 3 January 2023. The key function of the Chairman is the management of the Board whereas the key function of the Group General Manager is the day-to-day management of the Company's business.

NON-EXECUTIVE DIRECTORS

The Company has complied with the requirements under Rules 3.10(1) and 3.10A of the Listing Rules of having four Independent Non-executive Directors, representing more than one-third of the Board. Two of the Independent Non-executive Directors have the appropriate professional qualifications or accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

All Non-executive Directors including all Independent Non-executive Directors are eligible for re-appointment and subject to re-election on retirement by rotation in accordance with the Articles of Association.

CONFIRMATION OF INDEPENDENCE

All Independent Non-executive Directors have been identified in all corporate communications that disclosed the names of Directors. The independence of each Independent Non-executive Director is assessed based on the independence criteria under Rule 3.13 of the Listing Rules. The Nomination Committee assessed the independence of all Independent Non-executive Directors having regard to the annual independence confirmation in respect of Rule 3.13 of the Listing Rules received from each of Mr. Ho Hau Chong, Norman, Ms. Wong Yu Pok, Marina, Mr. Wu King Cheong and Mr. Chan Wai Yan, Ronald and considered all of them met the guidelines for assessment of their independence as set out in Rule 3.13 of the Listing Rules.

The Nomination Committee and the Board noted that Mr. Ho Hau Chong, Norman is an executive director of Miramar Hotel and Investment Company, Limited ("Miramar") and a director of Wealth Team Development Limited ("Wealth Team"), which is an indirect subsidiary of HLD. Mr. Ho also has an indirect beneficial interest of 9.9% in all issued share capital of Wealth Team, but is not involved in the management and operations of Wealth Team. Miramar, Wealth Team and HLD are connected persons of the Company under the Listing Rules. In view of the fact that (i) Mr. Ho is not involved in the management and operations of Wealth Team; (ii) Mr. Ho does not have any material interests in any principal business activity of and is not involved in any material business dealings with the Company, or any of its subsidiaries or any core connected persons (as defined in the Listing Rules) of the Company, and (iii) both the management and the operations of Miramar together with its subsidiaries and the Group are totally independent from each other, the Board in good faith considers that the independence of Mr. Ho as an Independent Non-executive Director of the Company is not in any way affected by his directorships in both Miramar and Wealth Team. Save as aforesaid, Mr. Ho has complied with other conditions as set out in Rule 3.13 of the Listing Rules.

The Nomination Committee and the Board also noted that Mr. Wu King Cheong is an independent non-executive director of each of HLD, Henderson Investment Limited ("Henderson Investment") and Miramar, and does not take part in the day-to-day management of the aforesaid companies. In view of Mr. Wu's independent scope of works in the past years, the Board considers Mr. Wu to be independent under Rule 3.13 of the Listing Rules despite he has served as a common director of HLD, Henderson Investment and Miramar. Also, Mr. Wu has not engaged in any executive management of the Group. Save as aforesaid, Mr. Wu has complied with other conditions as set out in Rule 3.13 of the Listing Rules.

The Board has not been aware of the occurrence of any events which would cause it to believe that their independence has been impaired.

DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

On appointment to the Board, each Director receives comprehensive induction covering business operations, policies and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

Each newly appointed Director would be provided an induction package. He or she would also receive a briefing on his or her responsibilities under the declaration and undertaking with regard to directors from an external lawyer.

The Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. In addition, the Company encourages the Directors and senior management to enroll in a wide range of professional development courses and seminars relating to the Listing Rules, the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (the "Companies Ordinance") and corporate governance practices organised by professional bodies and institutions in Hong Kong so that they can continuously update and further improve their relevant knowledge and skills.

DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT (Continued)

From time to time, the Group organises and arranges various kinds of trainings on the latest development of applicable laws, the Listing Rules and other applicable regulatory requirements for the Directors to ensure compliance and enhance their awareness of good corporate governance practices as well as assist them in discharging their duties. The Directors are also provided with written reading materials to develop and refresh their professional skills. During the year, the Group provided trainings on the topics of corporate governance, anti-corruption, new climate requirements and sustainability disclosures in Hong Kong to the Directors.

According to the records maintained by the Company, the Directors received the following training(s) in order to comply with the requirements of the Code regarding the training records receiving on continuous professional development for the year ended 31 December 2025:

Type of trainings relevant to corporate governance, regulatory updates and/or anti-corruption and sustainability	
Board of Directors	
Executive Directors	
Dr. Lam Ko Yin, Colin (<i>Chairman of the Board</i>)	A, B
Mr. Li Ning	A, B
Mr. Lee Gabriel (<i>Group General Manager</i>)	A, B
Non-executive Director	
Mr. Au Siu Kee, Alexander	A, B
Independent Non-executive Directors	
Mr. Ho Hau Chong, Norman	A, B
Ms. Wong Yu Pok, Marina	A, B
Mr. Wu King Cheong	A, B
Mr. Chan Wai Yan, Ronald	A, B

A: attending seminars and/or presentations
B: reading materials

DIRECTORS' AND OFFICERS' INSURANCE

The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group.

BOARD COMMITTEES

The Board has established three Board committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee to oversee particular aspects of the Company's affairs. Each committee has been delegated with certain functions of the Board.

Audit Committee

The Audit Committee of the Company has been established with written terms of reference setting out duties, responsibilities and authorities delegated to them by the Board. The Audit Committee comprises four Independent Non-executive Directors, namely, Mr. Ho Hau Chong, Norman (Chairman of the Audit Committee), Ms. Wong Yu Pok, Marina, Mr. Wu King Cheong and Mr. Chan Wai Yan, Ronald.

The terms of reference of the Audit Committee is available on the Company's website and HKEXnews website respectively.

The major duties and responsibilities of the Audit Committee are to review the annual and interim results and oversee the Company's financial reporting principles and practices and discuss with the external auditor on financial reporting and compliance; to recommend the appointment, re-appointment or removal of the external auditor, to determine their independence and objectivity as well as to review the scope of audit and the reporting obligation of the external auditor, to review the representation letter and engagement letter of the external auditor. The Audit Committee oversaw the effectiveness of risk management and internal control systems of the Group including the adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting, internal audit, financial reporting functions, as well as the Company's ESG performance and reporting matters. The external auditor was invited to attend the meetings of the Audit Committee to present their reports and reviews for the interim and annual results of the Group. The Audit Committee has been delegated the corporate governance functions by the Board to review and monitor the corporate compliance within the Group.

BOARD COMMITTEES (Continued)

Audit Committee (Continued)

During the year, two Audit Committee meetings were held. During the meetings, the Audit Committee members reviewed the annual results and the financial statements for the year ended 31 December 2024 with recommendation to the Board for approval, the Annual Internal Audit Report, the continuous professional development training records of the Directors and senior management, Continuing Connected Transactions, a review of the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions as well as the Company's ESG performance (including ESG risks) and reporting matters, the interim results for the six months ended 30 June 2025 and the Interim Internal Audit Report, approved the representation letters and the terms of engagement of the external auditor, the works of the Company's internal audit department, assessed the effectiveness of the Group's systems of risk management and internal control.

The Audit Committee performed the corporate governance duties by reviewing the compliance with the Code and disclosure requirements as set out in this Corporate Governance Report.

Remuneration Committee

The Remuneration Committee of the Company has been established with written terms of reference setting out duties, responsibilities and authorities delegated to them by the Board. The Remuneration Committee comprises three Independent Non-executive Directors, namely, Mr. Wu King Cheong (Chairman of the Remuneration Committee), Mr. Ho Hau Chong, Norman and Ms. Wong Yu Pok, Marina and two Executive Directors namely Dr. Lam Ko Yin, Colin and Mr. Li Ning.

The terms of reference of the Remuneration Committee is available on the Company's website and HKEXnews website respectively.

The Remuneration Committee has adopted the operation model where it performs to make recommendations to the Board on the Company's policies and structure for all Directors' and senior management's emolument and on the establishment of a formal and transparent procedure for developing emolument policy. No Director takes part in any discussion on his/her own remuneration.

The Remuneration Committee is responsible for reviewing the policies and structure for the emolument of all Directors and senior management of the Company, assessing performance of the Executive Directors and establishment of a formal and transparent procedure for developing policies on such emolument.

The emolument of the Directors and senior management are determined by reference to the skills, knowledge and the tasks assigned and also to the individual performance, the overall profitability and corporate goals and objectives of the Company as a whole. In determining the emolument package, the Remuneration Committee will also obtain relevant information from external source and consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, etc.

During the year, one Remuneration Committee meeting was held. During the meeting, the Remuneration Committee members reviewed and determined the emolument package of the staff including the senior management of the Company and made recommendations on the fees of all the Directors of the Company for the year ended 31 December 2025.

Particulars of the Directors' and Chief Executive's emoluments disclosed pursuant to the Companies Ordinance and Appendix D2 to the Listing Rules are set out in note 7 to the financial statements on page 168 of this Annual Report while the details of the emoluments of the five highest paid individuals and senior management analysed by band are set out in note 8 to the financial statements on page 169 of this Annual Report.

BOARD COMMITTEES (Continued)**Nomination Committee**

The Nomination Committee has been established with written terms of reference setting out duties, responsibilities and authorities delegated to them by the Board. The Nomination Committee comprises two Executive Directors namely Dr. Lam Ko Yin, Colin (Chairman of the Nomination Committee) and Mr. Li Ning and three Independent Non-executive Directors, namely, Mr. Ho Hau Chong, Norman, Ms. Wong Yu Pok, Marina and Mr. Wu King Cheong.

The terms of reference of the Nomination Committee are available on the Company's website and HKEXnews website respectively.

The Nomination Committee is responsible for reviewing the structure, size, diversity and composition (including the skills, knowledge, experience and length of service) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategies, with due regards to the Board Diversity Policy. It also identifies individuals suitably qualified to become the Board members and selects or makes recommendations to the Board on the selection of individuals to be nominated for directorships, assesses the independence of Independent Non-executive Directors, and makes recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Group General Manager. The Nomination Committee shall consider the candidate from a wide range of backgrounds, his/her merits and against objective criteria set out by the Board and take into consideration of his/her time devoted to the position.

During the year, one Nomination Committee meeting was held. During the meeting, the Nomination Committee members reviewed the structure, size, diversity and composition (including the skills, knowledge, experience and length of service) of the Board, reviewed the Independent Non-executive Directors' annual confirmations on their independence; reviewed the time required for a Director to perform his/her responsibilities; assessed the independence status of current Independent Non-executive Directors who have served on the Board for more than nine years; made recommendations to the Board for re-election of the retiring Directors at the annual general meeting of the Company held on 30 May 2025. The Nomination Committee also reviewed the biographies of those retiring Directors and taking into consideration their knowledge, experience, capability and various diversity aspects as set out in the Board Diversity Policy as well as their contributions to the Company over the years. The Nomination Committee is of the view that the retiring Directors would continue to contribute to the Board with their respective perspectives, skills and experience.

The Nomination Committee members also reviewed the Board Diversity Policy and the Nomination Policy remained relevant and no revision was required.

Mr. Ho Hau Chong, Norman, who has been appointed as an Independent Non-executive Director of the Company since March 1995, has served as an Independent Non-executive Director for more than nine years. Mr. Ho is also the Chairman of the Audit Committee, a member of the Nomination Committee and the Remuneration Committee of the Company. Despite Mr. Ho has other directorships as mentioned in the section headed "Confirmation of Independence" in this Corporate Governance Report on page 38 of this Annual Report, he does not have any management role in the Company. The Nomination Committee considered that Mr. Ho has continuously contributed to the Company and the Board with his relevant experience and knowledge throughout his years of service.

BOARD COMMITTEES (Continued)

Nomination Committee (Continued)

Mr. Wu King Cheong, who has been appointed as an Independent Non-executive Director of the Company since January 2005, has served as Independent Non-executive Director for more than nine years. Mr. Wu is also the Chairman of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee of the Company. Despite Mr. Wu has other directorships as mentioned in the section headed “Confirmation of Independence” in this Corporate Governance Report on page 38 of this Annual Report, he has not engaged in any executive management of the Group.

The Nomination Committee also noted that Ms. Wong Yu Pok, Marina has served as an Independent Non-executive Director of the Company for more than nine years since May 2008. Ms. Wong is also a member of Audit Committee, Remuneration Committee and Nomination Committee of the Company. Ms. Wong has met the independence guidelines as set out in Rule 3.13 of the Listing Rules and gave an annual confirmation of her independence to the Company. Notwithstanding her long-term service, given her extensive commercial and financial experiences, the Nomination Committee and the Board are of the opinion that she continues to bring independent and objective perspectives to the Company's affairs and provides valuable insights to the management. The Nomination Committee also considered that Ms. Wong has continuously contributed to the Company and the Board with her relevant experience and knowledge throughout her years of service.

Each of Mr. Ho, Mr. Wu and Ms. Wong has served the Company for more than nine years, during which period they have provided objective and independent professional advice and insight to the Board. They have in-depth understanding of the Group's businesses and operation and have also demonstrated strong independence by providing impartial views and comments at Board and Board committee meetings during their tenure of office and they remain committed to their independent roles. They have not taken part in the day-to-day management of the Company. The Nomination Committee considered that the long-term service of Mr. Ho, Mr. Wu and Ms. Wong will not affect their exercise of independent judgment and was satisfied that each of them has the required integrity and experiences to continue fulfilling the role of an Independent Non-executive Director.

Save for (i) Mr. Ho is an executive director of Miramar and a director of Wealth Team and (ii) Mr. Wu is currently an independent non-executive director of HLD, Henderson Investment and Miramar, none of them has any financial or family relationships with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company, which could give rise to a conflict of interests situation or otherwise affect their exercise of independent judgement. The Nomination Committee believes that they remain committed to their role as an Independent Non-executive Director of the Company and will continue to be independent.

BOARD COMMITTEES (Continued)**Nomination Committee** (Continued)

The current composition of the Board provides a diversity of skills, gender, experience, and knowledge to the Company. The diversity profile of the Board as at 19 March 2026 is as follows:

BOARD DIVERSITY

Number of Directors: 8

Gender	Male		Female
	7 Directors		1 Director
Designation	Executive Directors	Non-executive Director	Independent Non-executive Directors
	3 Directors	1 Director	4 Directors
Ethnicity	Chinese		
	8 Directors		
Age Group	41-60	61-70	> 70
	2 Directors	2 Directors	4 Directors
Board Tenure	0-10 years	11-30 years	> 30 years
	2 Directors	4 Directors	2 Directors



Note:

Multiple professional backgrounds and experiences may apply to a Director.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as the code for dealing in securities of the Company by the Directors of the Company. Having made specific enquiries, the Company confirmed that all Directors of the Company had complied with the required standard as set out in the Model Code throughout their tenure during the year ended 31 December 2025.

The Company has also adopted written guidelines on no less exacting terms than the Model Code for relevant employees (including employees of the Company or Directors or employees of its subsidiaries, who, because of such office or employment, are likely to be in possession of unpublished inside information in relation to the Company or its securities), in respect of their dealings in the securities of the Company in compliance with the code provision of the Code.

POLICY AND PROCEDURES ON DISCLOSURE OF INSIDE INFORMATION

The Board has adopted the Policy and Procedures on Disclosure of Inside Information which contains the guidelines to the Directors, officers and relevant employees of the Company to ensure that the inside information of the Company disseminated to public is in an equal and timely manner in accordance with the applicable laws and regulations. The Policy and Procedures on Disclosure of Inside Information is available on the Company's website.

COMPANY SECRETARY

Mr. Chow Tung Ming ("Mr. Chow"), the Company Secretary of the Company, is a full-time employee of the Group and has day-to-day knowledge of the Company's affairs. Mr. Chow is a solicitor as defined in the Legal Practitioners Ordinance, Chapter 159 of the Laws of Hong Kong, and hence he has complied with the requisite qualifications pursuant to Rule 3.28 of the Listing Rules to discharge the functions of the Company Secretary and has complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules. During the year, Mr. Chow attended over 15 hours of professional training. The biographical details of Mr. Chow are set out in the section headed "Directors' and Senior Management's Profile" on page 8 of this Annual Report.

AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL

Financial Reporting

The Directors acknowledge their responsibility for preparing the financial statements of the Group for each financial period to give a true and fair view of the financial position and financial performance of the Group. In preparing the financial statements for the year ended 31 December 2025, the Directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are prudent, fair and reasonable, and have prepared the consolidated financial statements on a going concern basis.

The statement of the Auditor of the Company regarding their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 129 to 133 of this Annual Report.

Auditor's Remuneration

Apart from carrying out the annual audit, KPMG, the Auditor of the Company also carried out the review on the interim report, report on continuing connected transactions, and agreed-upon procedures on annual results announcement of the Company. For the year ended 31 December 2025, annual audit fee included the services of report on continuing connected transactions, and agreed-upon procedures on the annual results announcement amounted to HK\$1,895,000, whereas the fee for the interim review amounted to HK\$366,000.

Save for the above, KPMG did not provide any other non-audit services to the Company.

Policies for Whistleblowing and Anti-corruption

The Company has established a system for employees and any person to report concerns about any suspected or actual improprieties relating to the Group and the relevant details are set out in the Business Ethics and Code of Business Conduct Policy. The policy aims at encouraging and enabling any person to report violations or suspected violations and to raise serious concerns about possible improprieties in matters of financial reporting or other matters of the Group by mail to the Chairman of the Whistleblowing Committee. The Group will take appropriate actions against such improprieties and, where appropriate, report the cases to the relevant enforcement authorities.

AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

Policies for Whistleblowing and Anti-corruption (Continued)

The Whistleblowing Committee, established in 2022 and consists of three members with majority are independent non-executive directors of the Company, oversees a whistleblowing policy and a set of comprehensive procedures whereby the stakeholders, including the employees, can report any actual or suspected occurrence of improper conduct involving the Company, so that matters could be investigated and dealt with efficiently in an appropriate and transparent manner. The Whistleblowing Committee would oversee the investigations and could appoint the Internal Audit Manager to conduct investigation, where appropriate.

Moreover, the Company has adopted the Anti-Corruption and Bribery Policy which provides guidance to our employees on how to recognise and deal with bribery and corruption. Every employee has a duty to report any potential violations of the policy to the Chairman of the Whistleblowing Committee through the channels set out therein.

Risk Management and Internal Control

The Board acknowledges its responsibility for overseeing the risk management and internal control systems of the Group and reviewing the effectiveness at least annually through the Audit Committee. The systems and internal control can only provide reasonable but not absolute assurance against material misstatement or loss, as they are designed to manage rather than eliminate the risk of failure to achieve business objectives.

The Internal Audit Department of the Company, which reports directly to the Audit Committee and is independent of the Company's daily operations, is responsible for conducting regular audits on the areas of financial, operational and compliance control, and risk management (including ESG risks) functions.

The Group has established an organisational structure with defined levels of responsibilities and reporting procedures. The Audit Committee supports the Board in design, implementation and monitoring of the risk management and internal control systems. The operating units of the Group are responsible for the identification, assessment and mitigation of risks at business unit level and across functional areas. The Internal Risk Management Team, composed of nominated department heads and executives, facilitates the implementation of the risk management framework. The Internal Audit Department assists the Audit Committee in review of the effectiveness of the Group's risk management (including ESG risks) and internal control systems on an ongoing basis. The Directors, through the Audit Committee, are kept regularly apprised of significant risks that may have impacts on the Group's performance.

The process of risk management involves:

- understanding the organisational objectives;
- identifying the risks associated with achieving organisational objectives and assessing the likelihood and potential impacts of particular risks;
- developing programmes to address the identified risks; and
- monitoring and evaluating the risks, internal control and the arrangements in place to address them on an ongoing basis.

AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

Risk Management and Internal Control (Continued)

(a) Approach to Risk Management

The risk management of the Group combines a top-down strategic view with a complementary bottom-up operational process.

The Board, by the top-down approach, particularly focuses on determining the nature and extent of significant risks that it is willing to take in achieving the strategic objectives of the Group. The Audit Committee supports the Board to review all significant risks in order to ensure that the business activities remain within agreed risk appetite tolerances.

The operating units of the Group are responsible for identifying their own risks and designing, implementing and monitoring the relevant risk management and internal control systems. The setting of business objectives and annual budgeting is one of their key control activities, which shall be refined to take into consideration the risk factors. The operating units of the Group consult the Group General Manager on setting the business objectives which are pursuant to the Board's strategic objectives and are consistent with its risk appetite. The process involves the maintenance of risk assessment reports, setting out particulars of material risks together with the control strategies as reported by the operating units of the Group.

This bottom-up approach is embedded in the operations of the Group and complements the top-down strategic view by identifying the principal risks and ensuring the significant risks to be considered by the Board in determining the risk appetite.

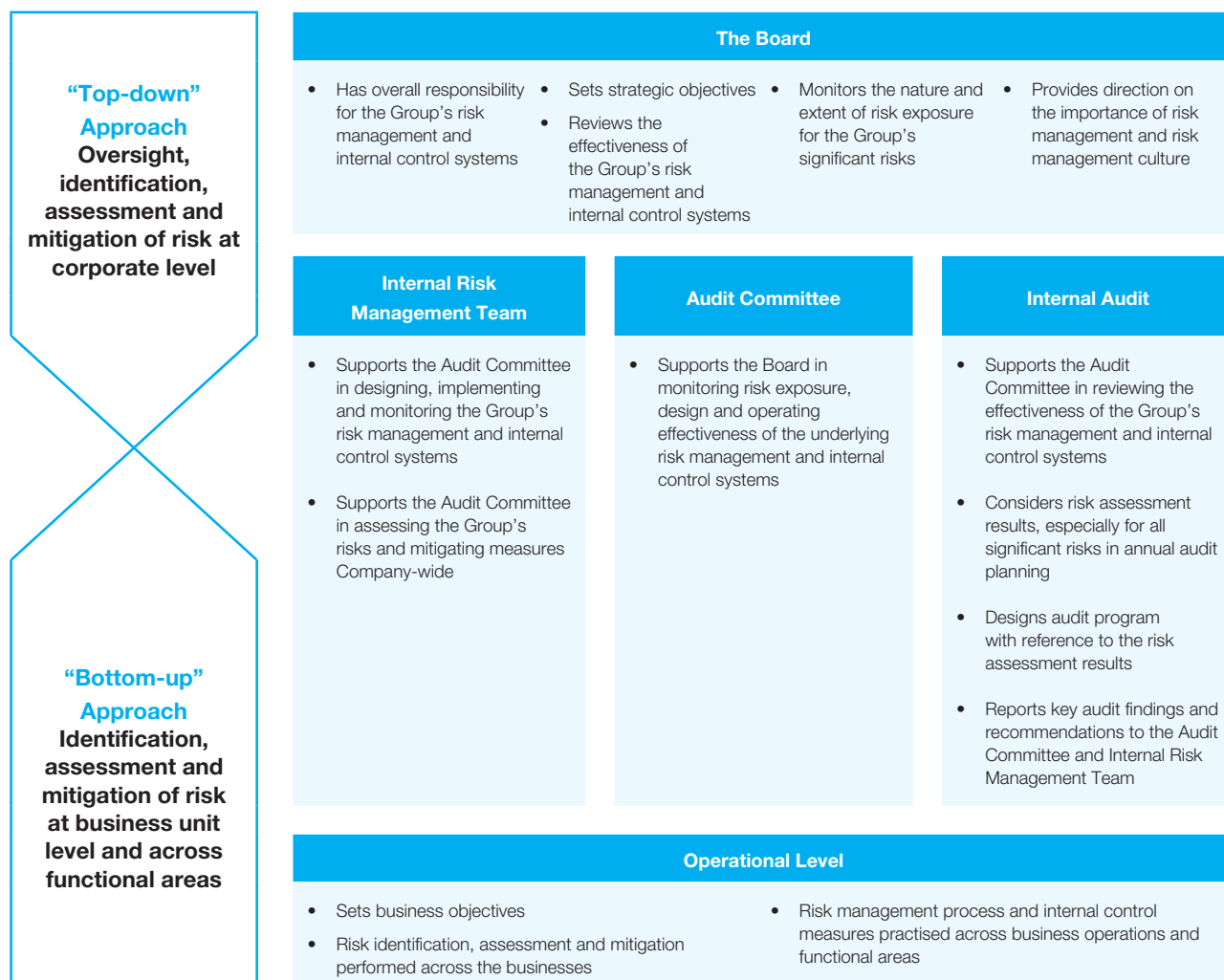
The Internal Audit Department collects the risk assessment reports from the operating units of the Group and then compiles a risk register for review at the meetings of Internal Risk Management Team which are held at least 3 times a year (2 meetings are held before the holding of the Board Meeting to review the interim and annual results of the Group). The Internal Risk Management Team coordinates risk management activities and assesses the effectiveness of the related system of internal control in managing the significant risks, having regard, in particular, to any significant failings or weaknesses in internal control that have been reported.

The Internal Audit Department adopted a risk-based approach which included all identified significant risks in each year's annual audit plan and performed audits to evaluate the proper functioning of the risk management and internal control systems for the financial year ended 31 December 2025. It is intended to carry out this evaluation process on an ongoing basis. Key audit findings and recommendations have been shared with the Internal Risk Management Team.

The Audit Committee, after reviewing and considering the risk management findings submitted by the Internal Audit Department, reported to the Board of the Company and confirmed to the Board that the risk management and internal control systems are effective and adequate.

AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL (Continued)**Risk Management and Internal Control (Continued)****(a) Approach to Risk Management (Continued)**

The diagram below summarises the complementary top-down and bottom-up aspects of the integrated approach of the Group to risk management.



AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

Risk Management and Internal Control (Continued)

(b) Significant Risks and Control/Mitigation

Certain significant risks had been identified during the year through the process of risk identification and assessment. Relevant control strategies and mitigation on identified significant risks had been reported to the Audit Committee. The Audit Committee and the Board were not aware of any areas of concern that would have material impact on the financial position or results of operations of the Group and considered that the risk management and internal control systems were generally effective and adequate. A summary of such significant risks of the Group and the respective risk movement together with the relevant internal control measures or mitigation in place is listed below:

Significant Risks and Possible Impacts	Risk Movement*	Control/Mitigation Measures
Operational Risk The Group faces operational risks across property investment operation, ferry, shipyard and related operations, medical, healthcare and beauty services business, including process disruptions, staffing constraints, equipment downtime and supply-chain interruptions. These risks may lead to service disruption, financial losses, safety incidents, and reputational damage impacting business performance.	→	- The Group maintains an internal control framework designed to identify, assess and mitigate operational risks. This includes documented policies and procedures, segregation of duties, regular employee trainings, occupational health and safety protocols, regular safety drills and contingency planning. - Our medical aesthetics and specialist centres operate under clinical protocols, maintain licenses and certificates required by local authorities, and conduct regular inspections of customer care standards.

AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

Risk Management and Internal Control (Continued)

(b) Significant Risks and Control/Mitigation (Continued)

Significant Risks and Possible Impacts	Risk Movement*	Control/Mitigation Measures
Compliance and Legal Risk The Group's diversified operation is exposed to and subject to extensive government policies and regulations of Hong Kong. Any non-compliance with these policies and regulations may cause damage to the Group, affecting its ability to deliver its primary objectives.	→	The Group is committed to complying with the relevant policies, regulations and guidelines applicable to its operations through internal standing instructions, staff training, review process, compliance monitoring by experienced and professional staff as well as by consultation with external experts.
Cybersecurity Risk The Group may suffer loss resulting from a cyber-attack or data breach by hackers. These incidents can result in the loss of sensitive information such as personal and financial data, leading to reputational damage and financial losses.	→	- The Group continues to monitor and improve risk management in cybersecurity and information technology development. - The Group manages the risks by employing experienced IT personnel and external professionals to improve the system controls and cybersecurity. - Data disaster recovery planning is in place to solve data loss and recover system functionality. - The Group has arranged seminars and training to enhance staff's cybersecurity awareness.

AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

Risk Management and Internal Control (Continued)

(b) Significant Risks and Control/Mitigation (Continued)

Significant Risks and Possible Impacts	Risk Movement*	Control/Mitigation Measures
ESG and Climate Risk The variables related to ESG factors can potentially affect the operational efficiency and financial performance of the Group. The climate change may create adverse consequences for human or ecological systems. This may cause impacts on lives, livelihoods, health and wellbeing, economic, social and cultural assets and investments, infrastructure, services provision, ecosystems and species.	→	- The Group has established clear sustainability strategies and coverage as well as performs on-going monitoring of the ESG initiatives. - The ESG working group, which includes representatives from all business units, was established for the systematic oversight and management of material ESG issues. - The Group has engaged external ESG consultants to provide professional advice. - The Group provides guidelines for emergency response measures and relevant training for employees.
Market Risk The Group's principal businesses and operations are concentrated in Hong Kong. Accordingly, the Group is subject to market risks arising from Hong Kong's economic conditions, interest rate fluctuations, changes in market supply and demand dynamics, market sentiment, and shifts in consumer behaviour.	→	- The Group closely monitors the market situation and adopts appropriate strategies. - The Group enhances public awareness of its various brands through diversified promotional and marketing initiatives. - The Group maintains operational flexibility and conducts regular risk assessments to refine its business strategies in response to unforeseen challenges.

* Risk Movement (Change from last year)

↑ Risk level increased

↓ Risk level decreased

→ Risk level remained broadly the same

AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

Management's confirmation on risk management and internal control systems

Based on the risk management mechanism and internal audit review activities mentioned in the aforesaid paragraphs, the management made a confirmation to the Board that the Group's risk management and internal control systems during the year ended 31 December 2025 are effective and adequate.

Inside Information

With regard to procedures and internal control for the handling and dissemination of inside information, the Company:

- is required to disclose inside information as soon as reasonably practicable in accordance with the Securities and Futures Ordinance and the Listing Rules.
- conducts its affairs with close regard to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission.
- has included in its Code of Conduct a strict prohibition on the unauthorised use of confidential or inside information.
- ensures, through its own internal reporting processes and the consideration of their outcomes by senior management, the appropriate handling and dissemination of inside information.

ATTENDANCE RECORD OF DIRECTORS AND BOARD COMMITTEE MEMBERS

Details of the attendance (in person or by electronic means) of each Director at the Board Meetings ("BM"), Audit Committee Meetings ("ACM"), Remuneration Committee Meeting ("RCM") and Nomination Committee Meeting ("NCM") during the year ended 31 December 2025 and Annual General Meeting held on 30 May 2025 ("2025 AGM") are set out in the following table:

Board of Directors	Number of Meetings attended/held				2025
	BM	ACM	RCM	NCM	AGM
Executive Directors					
Dr. Lam Ko Yin, Colin (Note 1)	4/4	N/A	1/1	1/1	1/1
Mr. Li Ning (Note 2)	3/4	N/A	0/1	1/1	0/1
Mr. Lee Gabriel (Note 3) (Group General Manager)	4/4	2/2	1/1	1/1	1/1
Non-executive Directors					
Mr. Au Siu Kee, Alexander	4/4	N/A	N/A	N/A	1/1
Mr. Lau Yum Chuen, Eddie (Note 4)	0/2	N/A	N/A	N/A	0/1
Independent Non-executive Directors					
Mr. Ho Hau Chong, Norman (Note 5)	4/4	2/2	1/1	1/1	1/1
Ms. Wong Yu Pok, Marina (Note 6)	4/4	2/2	1/1	1/1	1/1
Mr. Wu King Cheong (Note 7)	4/4	2/2	1/1	1/1	1/1
Mr. Chan Wai Yan, Ronald (Note 8)	4/4	2/2	N/A	N/A	1/1

ATTENDANCE RECORD OF DIRECTORS AND BOARD COMMITTEE MEMBERS (Continued)

Notes:

1. Chairman of the Board, Member of the Remuneration Committee and Chairman of the Nomination Committee.
2. Member of the Remuneration Committee and the Nomination Committee.
3. Mr. Lee Gabriel was invited to attend two Audit Committee Meetings, one Remuneration Committee Meeting and one Nomination Committee Meeting in the capacity of the Group General Manager of the Company.
4. Mr. Lau Yum Chuen, Eddie retired as a Non-executive Director with effect from the conclusion of the annual general meeting held on 30 May 2025. The attendance of Mr. Lau is stated by reference to the number of Board meetings and general meeting held during his tenure as a Director.
5. Chairman of the Audit Committee, Member of the Remuneration Committee and the Nomination Committee.
6. Member of the Audit Committee, the Remuneration Committee and the Nomination Committee.
7. Chairman of the Remuneration Committee, Member of the Audit Committee and the Nomination Committee.
8. Member of the Audit Committee.

DIRECTORS' TIME COMMITMENT

The Board regularly reviews the contributions required from a Director to perform his/her responsibilities to the Company, and whether he/she is spending sufficient time performing his/her role. Directors have disclosed to the Company the number and nature of offices held in Hong Kong or overseas listed public companies or organisations and other significant commitments and an indication of time involved. The Company has received confirmation from each Director that he/she has spent sufficient time during the year ended 31 December 2025. None of the Directors held directorships in more than six listed companies during the year.

COMMUNICATION WITH SHAREHOLDERS

The Company continues to pursue investor relations and communications with shareholders.

The Board has adopted a Shareholders Communication Policy setting out the Company's procedures in providing the shareholders with prompt and equal access to information about the Company, in order to enable the shareholders to access the Company's overall performance, exercise their rights in an informed manner and engage actively with the Company. The Board reviews the Shareholders Communication Policy annually to ensure its continued effectiveness.

The Company has established an effective communication system. The Company's updated financial information, announcements, circulars, notices of meetings, press releases and contact details can be accessed by the shareholders and investors through the Company's website. The Board believes that the Company's website provides an alternative mean for the public investors to obtain information of the Company in a convenient and timely manner.

The annual general meeting also provides an important opportunity for constructive communication between the Board and the shareholders. The Chairman and the chairmen of the Audit Committee, Remuneration Committee and Nomination Committee as well as the Company's independent external auditor maintain an on-going dialogue with the shareholders and answer questions raised by the shareholders throughout annual general meetings.

DIVIDEND POLICY

The Board approved and adopted the Dividend Policy in December 2018 setting out the factors in determination of dividend payment of the Company including the financial conditions in general, operating results, capital requirements, shareholders' equity, contractual restraints and other factors considered relevant by the Board. The Dividend Policy shall be reviewed periodically and submitted to the Board for approval if amendments are required. During the year, the Board reviewed the Dividend Policy and it was agreed that it remained applicable and no revision was required. The Dividend Policy is available on the Company's website.

DIVIDEND POLICY (Continued)

With respect to the Financial Statements and Dividends for the year ended 31 December 2025, please refer to the Report of the Directors set out on page 22 of this Annual Report.

SHAREHOLDERS' RIGHTS

Set out below are procedures by which shareholders may: (1) request to call a general meeting; (2) put forward enquiries to the Board; and (3) request to circulate a resolution for an annual general meeting. These procedures are generally governed by the provisions of the Articles of Association and applicable laws, rules and regulations, which prevail over what are stated in this section in case of inconsistencies.

1. Procedures by which shareholders may request to call a general meeting

Pursuant to the Articles of Association and Section 566 of the Companies Ordinance, shareholders representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings of the Company can make a request to call a general meeting.

The request: (a) must state the general nature of the business to be dealt with at the general meeting; (b) may include the text of a resolution that may properly be moved and is intended to be moved at the general meeting; (c) may consist of several documents in like form; (d) may be sent to the Company Secretary in hard copy form to the registered office of the Company at 98 Tam Kon Shan Road, TYTL 102, Ngau Kok Wan, North Tsing Yi, New Territories, Hong Kong or in electronic form via e-mail at hkferry@hkf.com; and (e) must be authenticated by the shareholders making it.

Pursuant to Section 567 of the Companies Ordinance, the Directors required under Section 566 of the Companies Ordinance to call a general meeting must call a general meeting within 21 days after the date on which they become subject to the requirement and a general meeting so called must be held on a date not more than 28 days after the date of the notice convening a general meeting. If the Directors do not do so, the shareholders who requested the general meeting, or any of them representing more than one half of the total voting rights of all of them, may themselves call a general meeting pursuant to Section 568 of the Companies Ordinance, but the general meeting must be called for a date not more than 3 months after the date on which the Directors become subject to the requirement to call a general meeting. Any reasonable expenses incurred by the shareholders requesting the general meeting by reason of the failure of the Directors duly to call the meeting shall be reimbursed to the shareholders by the Company.

2. Procedures for putting forward enquiries to the Board

Shareholders may put forward enquiries to the Board through the Company Secretary who will direct the enquiries to the Board for handling. The contact details of the Company Secretary are as follows:

The Company Secretary
Hong Kong Ferry (Holdings) Company Limited
98 Tam Kon Shan Road
TYTL 102
Ngau Kok Wan
North Tsing Yi
New Territories
Hong Kong

E-Mail : hkferry@hkf.com
Telephone : (852) 2394 4294
Facsimile : (852) 2786 9001

SHAREHOLDERS' RIGHTS (Continued)

3. Procedures to circulate a resolution for an annual general meeting

Pursuant to Section 615 of the Companies Ordinance, shareholders can make a request to circulate a proposed resolution that may properly be moved and is intended to be moved at an annual general meeting. The request must be made by:

- (i) shareholders representing at least 2.5% of the total voting rights of all the shareholders who have a right to vote on the resolution at the annual general meeting to which the request relates; or
- (ii) at least 50 shareholders who have a right to vote on the resolution at the annual general meeting to which the request relates.

The request: (a) may be sent to the Company Secretary in hard copy form to the registered office of the Company at 98 Tam Kon Shan Road, TYTL 102, Ngau Kok Wan, North Tsing Yi, New Territories, Hong Kong or in electronic form via e-mail at hkferry@hkf.com; (b) must identify the resolution of which notice is to be given; (c) must be authenticated by the shareholders making it; and (d) must be received by the Company not later than 6 weeks before the annual general meeting to which the request relates; or if later, not later than the time at which notice is given of that annual general meeting.

PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

According to the Articles of Association, a notice signed by a shareholder of his/her intention to propose a person for election and also a notice signed by the person (the "Candidate") to be proposed of his/her willingness to be elected shall be lodged at the registered office of the Company no earlier than the day after the despatch of the notice of the general meeting appointed for such election and no later than 7 days prior to the date of such general meeting.

The Candidate is required to provide his/her biographical details set out under Rule 13.51(2) of the Listing Rules.

The Nomination Committee, where applicable, will review and make recommendations to the Board on the selection of any individuals nominated for directorships in accordance with the terms of reference of the Nomination Committee.

The Company will, where appropriate, issue a supplementary circular which shall include the name of the Candidate together with his/her biographical details set out in Rule 13.51(2) of the Listing Rules, to the shareholders for them to make decision on their election at a general meeting.

INVESTOR RELATIONS

The Company held its annual general meeting in physical form on 30 May 2025.

During the year ended 31 December 2025, no amendment was made to the Articles of Association. The latest version of the Articles of Association is available on the Company's website and HKEXnews website respectively.

The Company's information would be communicated to the shareholders mainly through the Company's corporate communications (such as interim and annual reports, announcements and circulars) and annual general meetings, as well as disclosures on the Company's website.

Interim reports, annual reports and circulars are sent to the shareholders in a timely manner and are also available on the Company's website and HKEXnews website respectively. The Company's website provides shareholders with its corporate information, such as its principal business activities, the development of corporate governance and the sustainable development of the Group. For efficient communication with shareholders and in the interest of environmental protection, arrangements are made to allow shareholders to elect to receive corporate communications of the Company by electronic means through the Company's website.

Shareholders are provided with contact details of the Company, such as telephone number, fax number, email address and postal address, in order to enable them to make any queries that they may have with respect to the Company. In addition, shareholders can contact the Company's Share Registrar if they have any enquiries about their shareholdings and entitlements to dividend.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MESSAGE FROM THE CHAIRMAN

On behalf of Hong Kong Ferry (Holdings) Company Limited (the “Company”) and its subsidiaries (collectively, the “Group”), I am delighted to present the Environmental, Social and Governance Report 2025 (“ESG Report”), which outlines the progress of the Group’s continuous efforts and achievements of integrating environmental, social and governance (“ESG”) related considerations into our businesses. Against the backdrop of growing global attention to ESG issues, we have consistently refined our sustainability practices to align with the evolving expectations of our stakeholders.

Upholding the principle of “Love Hong Kong and the Harbour”, we are privileged to serve the Hong Kong community for over a century. While remaining committed to our core business, we strived to transcend the traditional boundaries of ferry and shipyard focused business. Our goal is to integrate diverse elements into our services, enhancing customers’ overall experience and diversifying our business portfolio to ensure sustainable growth.

In the healthcare sector, we expanded services to better meet community needs. In addition to our pain management centres at Mira Place and Metro Harbour Plaza, we opened a new pain management centre in Tai Hung Fai (Tsuen Wan) Centre in 2026. We have partnered with a professional fitness centre with around 20 years of experience in Hong Kong to establish a physiotherapy centre at H Zentre. Our joint venture, namely Total Healthcare Specialists Centre has also been rebranded to Alliance Medical Centre to reflect our collaboration with Alliance Medical Centre, aligning its operations to enhance service delivery and uphold its shared commitment to excellence in healthcare.

Giving back to the community is a core value we have upheld for decades. Upholding our core values of “caring for the community”, we actively participated in volunteer activities and community events, with a view to contributing to the community and supporting those in need. We also support youth development through arranging lectures, visits and mentoring relating to the maritime industry and help cultivate talents for the industry’s long-term development. In addition, we obtained Urban Renewal Authority’s approval to convert the residential portion of our redevelopment project “The Symphonie” for use as a youth hostel operated by Tung Wah Group of Hospitals, which is the sixth project approved by the Home and Youth Affairs Bureau under the Subsidy Scheme for Using Hostels and Guesthouses as Youth Hostels.

Looking ahead, we shall continue to align our environmental efforts with the Hong Kong’s Climate Action Plan 2050 and to implement the low-carbon and energy efficiency initiatives across our business operations. We aim to reduce our carbon footprint while enhancing the climate resilience of our operations. We remain committed to shaping a sustainable future.

This ESG Report highlights our achievements in 2025, and these achievements would not have been attainable without the joint endeavours of our stakeholders. I would like to extend my sincere gratitude to the Board of Directors (the “Board”) for their strategic foresight and guidance, and as well as my sincere appreciation to our management, employees, investors, business partners, customers and the community for their support and dedication. With our ongoing efforts and commitments, I am confident that we can continue forging ahead our sustainability path and build a brighter future for Hong Kong.

Dr. Lam Ko Yin, Colin
Chairman



ABOUT THIS REPORT

Reporting Scope

The Group is pleased to present this ESG Report covering the period from 1 January 2025 to 31 December 2025 (the “Reporting Year”), which outlines the Group’s ESG-related policies, practices, performance and outcomes. This ESG Report focuses on the sustainability performance of the Group’s business portfolio including property development, property investment, ferry, shipyard and related operations, and medical, healthcare and beauty services. During the Reporting Year, the Group partnered with a professional fitness centre to establish a physiotherapy centre in Tsim Sha Tsui, providing customised training and rehabilitation programs tailored to individual patients.

The Group’s principal business operations are based in Hong Kong. To provide a comprehensive picture of our sustainability performance, this ESG Report covers the following companies:

Business Unit	Company Name
1 Principal Office	Hong Kong Ferry (Holdings) Company Limited
2 Property Development	Win Standard Enterprises Limited
3 Property Investment	Well Dynamic Limited
4	World Fame Shipping Limited
5	World Light Limited
6	Lenfield Limited
7	HKF Property Investment Limited
8	Prosper Link Investment Limited
9 Shipyard Operations	The Hong Kong Shipyard Limited
10 Dangerous Goods Vehicular Ferry Services	The Hongkong and Yaumati Ferry Company Limited
11 Harbour Cruise - Bauhinia	Galaxy Hotel Management Company Limited
12 Medical, healthcare and beauty services	Century Time Holdings Limited
13	Topkey Development Limited
14	Ever Vision International Limited
15	Ever Peace Investment Limited

ABOUT THIS REPORT (Continued)

Reporting Standard

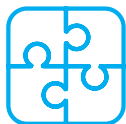
This ESG Report has been prepared in accordance with the requirements of the ESG Reporting Code (“ESG Reporting Code”) in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”). The content of this ESG Report follows four reporting principles.

Materiality	This ESG Report’s structure follows the results of stakeholders’ engagement in the form of an online survey distributed to the Group’s external and internal stakeholders about materiality assessment specialised in ESG issues. Please refer to the sub-sections headed “Stakeholder Engagement” and “Materiality Assessment” under the section headed “Sustainability Governance” for detailed information.
Quantitative	The key performance indicator(s) (“KPI” or “KPIs”) is/are measurable with respective calculation methodologies and thus the ESG performance of the Group can be evaluated and validated continuously.
Balance	The information provided in this ESG Report is based on the Group’s policies, documents and recorded practices. It provides an unbiased overview of the Group’s ESG performance and areas for improvement.
Consistency	This ESG Report adopts methodologies that are consistent with previous years, which allows for meaningful comparisons of ESG data over time.

To assist readers in finding the relevant information in this ESG Report, we have set out the HKEX ESG Reporting Code Content Index.

2025 AT A GLIMPSE

Performance Highlights



Core Businesses

- Property Development
- Property Investment
- Ferry, Shipyard and Related Operations
- Medical, Healthcare and Beauty Services



Achieving Overall Local Procurement Rate of Over 80%
Across our Diverse Businesses in Support of Local Economy

10 consecutive years



Achieving Customer Satisfaction Rate of
Over 90%¹ (Harbour Cruise - Bauhinia)

11 consecutive years



Local Procurement Rate

84 %



Employees' Training Hours

4,588 hours



Number of Volunteer Activities and
Community Events Participated

37



Total Volunteer Activities and
Community Events Engagement Hours

1,044 hours



Sulphur Content In Diesel

0.001 %

¹ Customer satisfaction survey conducted according to ISO 9001:2015 Quality Management System

AWARDS, CERTIFICATES AND MEMBERSHIPS

Environmental Leadership

BEAM Plus New Buildings V1.2 – Final Gold Rating – The Symphonie



BEAM Plus New Buildings V1.2 – Final Silver Rating – The Royale



by Hong Kong Green Building Council Limited

Charter on External Lighting – Platinum Award – Green Code Plaza



by Environment Bureau

Hong Kong Green and Sustainability Contribution Award 2025 – Gold Seal for Contribution to Sustainable Property – Promote Environmental Protection – Green Code Plaza



by Hong Kong Quality Assurance Agency

BOCHK Corporate Low-Carbon Environmental Leadership Awards 2024

– The Hong Kong Shipyard Limited



– The Hongkong and Yaumati Ferry Company Limited



by Bank of China (Hong Kong) Limited and Federation of Hong Kong Industries

AWARDS, CERTIFICATES AND MEMBERSHIPS (Continued)

Environmental Leadership (Continued)

Hong Kong Green Organisation

– Metro Harbour Plaza



– Green Code Plaza



by Environmental Campaign Committee

Hong Kong Green Organisation Certification

– Wastewi\$e Certificate – Excellent Level – Metro Harbour Plaza



– Wastewi\$e Certificate – Basic Level – Green Code Plaza



by Environmental Campaign Committee

Hong Kong Green Organisation Certification

– Energywi\$e Certificate – Basic Level – Metro Harbour Plaza



– Energywi\$e Certificate – Good Level – Green Code Plaza



by Environmental Campaign Committee

AWARDS, CERTIFICATES AND MEMBERSHIPS (Continued)

Environmental Leadership (Continued)

Quality Water Supply Scheme for Buildings

- Flushing Water (Gold)
- Metro Harbour Plaza
- Fresh Water (Management System) (Gold)
- Metro Harbour Plaza
- Fresh Water (Management System) (Gold)
- Green Code Plaza



by Water Supplies Department

Indoor Air Quality Certificate (Good Class) (2025–2026)

- Metro Harbour Plaza
- Green Code Plaza



- Principal Office of the Company



by Environmental Protection Department

AWARDS, CERTIFICATES AND MEMBERSHIPS (Continued)

Environmental Leadership (Continued)

Energy Saving Charter 2025

– Metro Harbour Plaza

– Green Code Plaza



by Environment and Ecology Bureau and Electrical and Mechanical Services Department

2025 Peach Blossom Trees Recycling Programme – Certificate of Appreciation

– Metro Harbour Plaza

– Green Code Plaza



by Environmental Protection Department

Programme on Source Separation of Commercial and Industrial Waste

– Metro Harbour Plaza

– Green Code Plaza



by Environmental Protection Department

AWARDS, CERTIFICATES AND MEMBERSHIPS (Continued)

Environmental Leadership (Continued)

Earth Hour 2025 – Certificate of Appreciation

– Metro Harbour Plaza



– Green Code Plaza



by World Wide Fund For Nature Hong Kong

2024/25 Universal Design Award Scheme

– Gold Award

– Metro Harbour Plaza



– Silver Award

– Green Code Plaza



by Equal Opportunities Commission

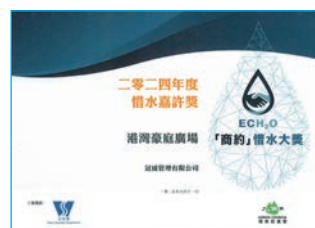
2024 ECH₂O – Enterprises Cherish Water Campaign

– Metro Harbour Plaza

– ECH₂O Charter



– Cherishing Water Recognition Award



by Water Supplies Department and Green Council

AWARDS, CERTIFICATES AND MEMBERSHIPS (Continued)

Environmental Leadership (Continued)

Carbon Neutrality (Waste Reduction) Charter – Certificate of Appreciation – Galaxy Hotel Management Company Limited – Harbour Cruise – Bauhinia



by 30•50 FoodSmart Partnership Programme, Environmental Protection Department and Hong Kong Productivity Council

Food Wise Hong Kong Campaign – Food Wise Charter – Galaxy Hotel Management Company Limited – Harbour Cruise – Bauhinia



Food Wise Eateries Scheme – Gold Class – Galaxy Hotel Management Company Limited – Harbour Cruise – Bauhinia



by Environmental Protection Department

The Government of the Hong Kong Special Administrative Region Buildings Energy Efficiency Ordinance (Chapter 610) – Certificate of Compliance Registration

– Residential & Commercial Development at 280 Tung Chau Street – Podium



– Residential & Commercial Development at 280 Tung Chau Street – Tower 1



– Residential & Commercial Development at 280 Tung Chau Street – Tower 2



by Electrical and Mechanical Services Department

AWARDS, CERTIFICATES AND MEMBERSHIPS (Continued)

Caring Company

Caring Company Logo (2003–2026)
– 2024/25: above-average performance
by The Hong Kong Council of Social Service

Good MPF Employer and MPF Support Award
by Mandatory Provident Fund Schemes Authority

Happy Company 2025 and 10 Years* Certificate
by Promoting Happiness Index Foundation

**ERB Manpower Developer Award Scheme –
Super MD Award (2020–2030)**
by Employees Retraining Board

**CSR Recognition Scheme Industry Cares 2025 –
10+ Year Award (Enterprise Group)**
by Federation of Hong Kong Industries

Community Contributions

**Hong Kong Volunteer Award 2025 –
Corporate – Volunteer Hour Certificate of
Appreciation (500–1,999 hours)**
by Home and Youth Affairs Bureau and Agency for
Volunteer Service

Day of the Seafarer 2025 – Silver Sponsor
by Hong Kong Seamen's Union

Heart To Heart Company (2005–2026)
by The Hong Kong Federation of Youth Groups

**“Neighbourhood First – Rice-Giving” Scheme –
2024–2025 Volunteer Service – Certificate of
Appreciation**
by The Hong Kong Federation of Youth Groups

**Ronald McDonald House Charities Hong Kong
– Certificate of Appreciation**
by Ronald McDonald House Charities Hong Kong

**Ronald McDonald House Charities Hong Kong
Raffle Ticket Sale 2025 – Prize Sponsor**
by Ronald McDonald House Charities Hong Kong

**A Good Ferry Neighbour in the Community –
Certificate of Appreciation**
by Children, Youth and Family Services, Pok Oi Hospital

**The 1st Metro Charity Badminton Tournament –
Certificate of Appreciation**
by Metro Broadcast Corporation Limited

**Outstanding Industrial Attachment Scholarships
2025 – Certificate of Appreciation**
by Vocational Training Council

AWARDS, CERTIFICATES AND MEMBERSHIPS (Continued)

Quality Services

Hong Kong Q-Mark Service Scheme – Hong Kong Q-Mark Certificate for Harbour Cruise - Bauhinia

by The Hong Kong Q-Mark Council, Federation of Hong Kong Industries

Hong Kong Top Brand Mark Scheme – Ordinary & Premier Mark

by Hong Kong Brand Development Council and The Chinese Manufacturers' Association of Hong Kong

ISO 9001:2015 Quality Management System Certification for Harbour Cruise - Bauhinia

by Intertek

ISO 9001:2015 Quality Management System Certification for The Hongkong and Yaumati Ferry Company Limited

by Lloyd's Register Quality Assurance Limited

ISO 9001:2015 Quality Management System Certification for The Hong Kong Shipyard Limited

by Lloyd's Register Quality Assurance Limited

The Best of the Best Masterchef Recommendation Restaurant 2025 for Harbour Cruise - Bauhinia

by Asia Art of Cuisine Society

Membership	Organisation
Corporate Member	Hong Kong Brand Development Council
Corporate Member	International Food Safety Association
Corporate Member	The Institute of Purchasing & Supply of Hong Kong
Green Cross Group Member	Occupational Safety & Health Council
Member	Data Protection Officers' Club
Member	Employers' Federation of Hong Kong
Member	Hong Kong Federation of Restaurants & Related Trades Limited
Organisation Member	The Chartered Institute of Logistics and Transport in Hong Kong

SUSTAINABILITY GOVERNANCE

Sustainability Governance Structure

Board Statement

The Board has the overall responsibility and accountability for overseeing ESG matters, including management approach, strategy, and performance related to climate-related risks and opportunities. ESG matters relevant to the Group are included in the Board meetings' agenda on a regular basis, ensuring that climate-related issues are addressed and prioritised.

The Board is responsible for strategic direction on ESG, reviewing and endorsing ESG-related policies and targets, and approving our annual ESG Report. The Board ensures that appropriate skills and competencies are available within its members to effectively oversee strategies designed to respond to climate-related risks and opportunities. This includes assessment of the Board's capabilities and development of necessary skills through training and external expertise.

The Board oversees the effectiveness of our sustainability-related programs and tracks progress towards our 2030 environmental targets. It ensures that these initiatives are in alignment with the Group's vision and mission. In addition, the Board evaluates how climate-related risks and opportunities are integrated into the overall strategy, risk management processes and related policies. This evaluation takes into account the costs and benefits associated with those risks and opportunities, ensuring that informed decisions are made that align with our long-term sustainability goals.

ESG Working Group

The ESG working group, which includes representatives from all business units, was established to support the Board in the systematic oversight and management of material ESG issues. The ESG working group is committed to enhancing the Group's approach to the management of ESG and climate-related risks and opportunities by integrating a top-down strategic perspective with bottom-up processes to comprehensively identify and evaluate sustainability risks across all business divisions.

In line with our internal risk management processes and control systems, the ESG working group is tasked with reviewing, evaluating, and monitoring key sustainability risks, including long-term talent recruitment, occupational health and safety, and regulatory compliance. The ESG working group works closely across different departments to ensure that management controls and procedures are effectively implemented. This collaboration facilitates the oversight of climate-related risks and opportunities while integrating climate-related considerations into decision-making processes across the business operations.

Furthermore, the ESG working group reports to the Board with updates on sustainability risks and ESG targets process, enabling informed discussions about climate-related issues, promoting effective decision-making and strategic oversight. The Group is committed to addressing climate-related risks and opportunities and understands the importance of aligning incentives with our sustainability objectives.

SUSTAINABILITY GOVERNANCE (Continued)

Stakeholder Engagement

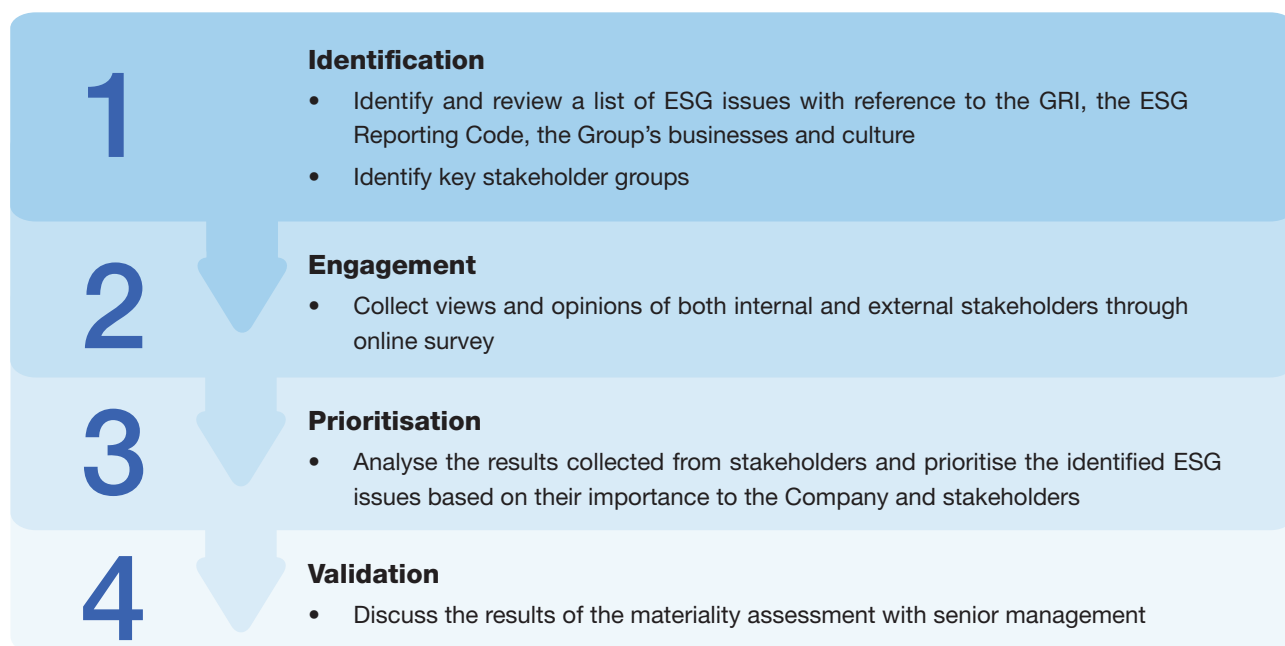
The Group recognizes the important role of stakeholders in its sustainable development journey and places emphasis on incorporating stakeholders' feedback and opinions to guide its management approach on pertinent sustainability matters. The Group engages with a diverse group of stakeholders on an on-going basis to better understand and respond to their views, make better-informed business decisions and identify risks and opportunities. The communication channels used to engage with various stakeholder groups are illustrated in the table below.

Stakeholder Group	Communication Channels
 Employees	• Internal newsletters • Staff activities • Birthday lunch • Surveys • Employee performance appraisals
 Shareholders/Investors	• Announcements, circulars, financial reports and other corporate communication • Annual general meetings • Company website • Investors' meetings or presentations • Email • Social media
 Clients/Customers	• Company website • Email and hotline • Questionnaires • Social media
 Suppliers/Vendors	• Company website • Email and telephone • Questionnaires • Meetings
 Business Partners	• Company website • Email and telephone • Questionnaires • Meetings
 Government/Regulators	• Compliance inspections and supervision • Regular report disclosure • Telephone • Seminars
 Community	• Company website • Charitable activities and community services • Social media

SUSTAINABILITY GOVERNANCE (Continued)

Materiality Assessment

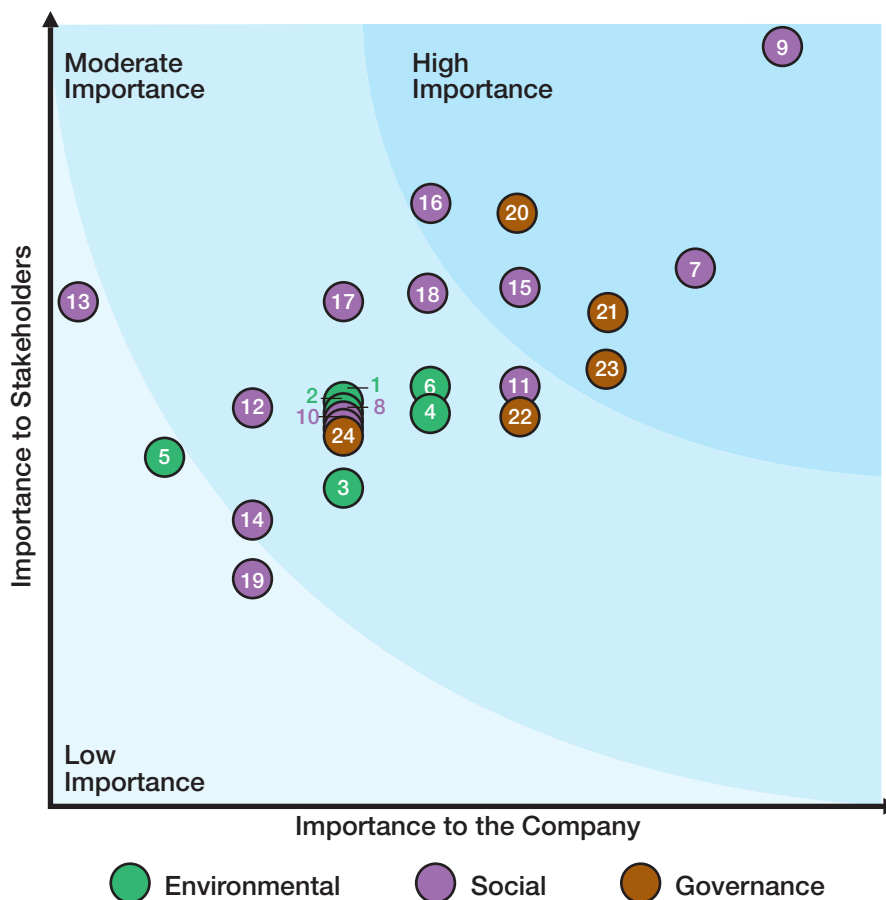
During the Reporting Year, the Group engaged an independent consultant to conduct a materiality assessment. The assessment primarily involved assessing and prioritising ESG issues related to the Group, with reference to the Global Reporting Initiative (“GRI”) and the ESG Reporting Code. Our 4-step approach to materiality assessment is outlined below:



SUSTAINABILITY GOVERNANCE (Continued)

Materiality Assessment (Continued)

The matrix below illustrates 24 material ESG issues, reflecting their relative importance to the Group's strategic implementation and business operations.



Environmental	Social	Governance
1. Energy efficiency	7. Employee well-being	20. Anti-corruption
2. Emissions reduction	8. Employment practices	21. Corporate governance
3. Water conservation	9. Occupational health and safety	22. Risk management
4. Waste management	10. Staff training and development	23. Business ethics
5. Use of packaging materials	11. Talent attraction and retention	24. Stakeholder engagement and collaboration
6. Climate change	12. Diversity and inclusion	
	13. Elimination of child and forced labour	
	14. Supply chain management	
	15. Service/product quality	
	16. Customer health and safety	
	17. Quality assurance	
	18. Consumer data protection and privacy	
	19. Community investment and engagement	

SUSTAINABILITY GOVERNANCE (Continued)

Risk Management

The Group has established robust ESG risk management and internal control systems to identify, assess and manage ESG risks associated with its business operations, including climate-related risks. Risk assessment matrix is adopted to determine the risk rating based on the severity of consequences and the likelihood of occurrence.

Recognising the growing importance of climate-related risks, the Group has implemented specific measures to assess potential impacts on business operations. This includes evaluating physical risks, such as extreme weather events and long-term shifts in climate patterns, as well as transition risks associated with regulatory changes and market dynamics related to climate action.

In our risk management framework, the Board holds ultimate responsibility for the Group's risk management and internal control systems, as well as for assessing the nature and extent of the risks that are acceptable in pursuit of its strategic objectives. The Audit Committee supports the Board in monitoring risk exposure and assessing the design and operational effectiveness of the risk management and internal control systems. At the business unit level and across functional areas, the line management is tasked with the identification, assessment and mitigation of risks. The Internal Risk Management Team is responsible for establishing relevant policies and conducting regular reviews of the line management's risk assessment reports, which document critical risks evaluations and the strengths and weaknesses of the internal control systems, and outline control strategies to address identified deficiencies in their respective operating sections. The Internal Audit Department supports the Audit Committee in evaluating the effectiveness of our risk management and internal control systems.

In addition, the Group is dedicated to enhancing its resilience to climate-related risks by integrating sustainability practices into its business operations, utilizing low-carbon technologies and engaging with stakeholders to promote awareness and collaborative efforts towards climate adaptation and mitigation.

The diagram below illustrates our 4-step approach to risk management.



SUSTAINABILITY GOVERNANCE (Continued)

Anti-Corruption

The Group is dedicated to upholding high standard of ethical business conducts across our business operations and has adopted a zero-tolerance approach towards bribery, money laundering, extortion and fraud in business dealings.

Our Business Ethics and Code of Business Conduct Policy, Anti-Corruption and Bribery Policy, Code of Conduct, along with the guidelines and policies, clearly outline the expectations for professional, appropriate and ethical behaviour for all employees. All employees of the Group must adhere to the relevant policies concerning bribery, anti-corruption, money laundering and anti-competition. Accepting money or any gifts from customers, suppliers, contractors, related authorities or other business partners is strictly prohibited for our employees. We also issue memoranda to all employees to ensure awareness of anti-corruption measures and understanding of our Code of Conduct.

To equip our employees with reviews of ethical conduct and up-to-date anti-corruption practices, the Group from time to time arranged training sessions conducted by the Independent Commission Against Corruption for relevant staff. These sessions are particularly targeted towards business units that are at higher risk of corruption, such as purchasing and procurement, tendering, sales and marketing. In addition, relevant training materials have been distributed to the Board to further enhance their understanding of ethical practices and anti-corruption measures.

The Group has established a Whistleblowing Policy to encourage employees to report any suspected unethical behaviour. This policy offers a reporting channel and guidance for whistleblowing, enabling employees to report grievances or concerns regarding suspected irregularities, malpractices or misconduct within the Group. We are committed to keeping the identity of the whistleblower and the details of any investigation confidential. Every report received is carefully assessed by the Whistleblowing Committee, which will decide if an investigation is required. For more information, please refer to the sub-section headed “Audit, Risk Management and Internal Control” in the “Corporate Governance Report” of our Annual Report 2025.

During the Reporting Year, there were no confirmed cases of non-compliance with the anti-corruption regulations of Hong Kong.

OPERATING PRACTICES

The Group is dedicated to upholding operational excellence by delivering high-quality products and services to our customers. We recognise that our long-term success is not solely based on our performance, but also on the contributions by our supply chain partners, who align with our values and vision for a sustainable future. We strive to foster ethical and responsible practices throughout our supply chain network.

Product and Service Responsibilities

The Group is committed to deliver high-quality, responsible products and services to customers and has established a policy to guide employees on quality assurance, intellectual property rights and customer privacy. During the Reporting Year, there were no reported cases of non-compliance with relevant laws and regulations in respect of the products and services quality.

Our Business Ethics and Code of Business Conduct Policy underpins our commitment to protecting personal data privacy and the confidentiality of customers' information. Our employees have easy access to the Group's Employee Internet and Email Use Policy, which covers the use and management of data and information following the relevant regulatory requirements. All employees must comply with these internal guidelines to ensure that customer data is handled safely and securely. To address potential regulatory risks that may significantly affect our business, Harbour Cruise - Bauhinia has updated its data collection statement on its website from passive consent to active consent in accordance with the user consent requirements of the General Data Protection Regulation ("GDPR")².

At Harbour Cruise - Bauhinia, we are aware of the potential concerns regarding intellectual property rights and music copyright laws. To address these concerns, we use licensed computer software and have paid all necessary music royalties under a Copyright Music Performance Licence Contract. Harbour Cruise - Bauhinia is also registered as a trademark with the Trade Marks Registry, Intellectual Property Department of the Hong Kong Government.

Our shipyard, ferry and Harbour Cruise - Bauhinia operations adhere to the ISO 9001:2015 Quality Management System to ensure that quality products and services are delivered and that customer expectations and relevant regulatory requirements are fulfilled, if not exceeded. Since the health and comfort of our customers are directly related to satisfaction, we continuously monitor indoor air quality at our managed properties. During the Reporting Year, both Metro Harbour Plaza and Green Code Plaza participated in the Environmental Protection Department's Indoor Air Quality Certification Scheme. Metro Harbour Plaza and Green Code Plaza have again, for the period 2025/26, successfully achieved the Good Class objectives.

Our commitment to service excellence drives us to make informed decisions, based on our understanding of the needs and expectations of our customers. To achieve this, we have implemented various engagement channels, including customer satisfaction surveys, to gather feedback in a proactive manner. In addition, we have established a comprehensive product and service complaints mechanism in compliance with the requirements of ISO 9001:2015, which includes our quarterly Docking Repair Service Customer Satisfaction Survey and bi-annual On-Time Maintenance Services survey.

² According to the user consent requirements of GDPR, consent of customer means specific, informed and unambiguous indication of the wishes by the customer, using a statement or a clear affirmative action, which signifies agreement to the processing of personal data relating to the customer.

OPERATING PRACTICES (Continued)

Product and Service Responsibilities (Continued)

For our healthcare, medical aesthetic and beauty services business, complaints are handled by the person-in-charge and reported to the manager. Safety or compliance-related complaints are immediately reported to the manager and handled by either the person-in-charge or the manager, as appropriate. During the Reporting Year, the Group received no material complaints relating to product and service quality. In addition, logos of our developed brands are registered as trademarks with the Trade Marks Registry, Intellectual Property Department of the Hong Kong Government.

The frequency and overall results of customer satisfaction surveys

Business Unit	Frequency	Satisfaction Rate
Harbour Cruise - Bauhinia	Weekly	98%
Shipyard Operation	Quarterly	100%
Dangerous Goods Vehicular Ferry Services	Yearly	97%
Medical Aesthetic Clinic and Premium Beauty Service Centre	All customers	70%

AMOUR Aesthetic, being our medical aesthetic and beauty services arm, was honoured with 2025 Hong Kong Emerging Service Brand Award, presented jointly by the Hong Kong Brand Development Council and the Chinese Manufacturers' Association of Hong Kong. This award recognizes young Hong Kong brands with enterprising spirit, following a rigorous selection process assessing six key factors: reputation, distinctiveness, innovation, quality, image and ESG performance. Established for only three years, this award affirms AMOUR Aesthetic's brand strength and its team's diligence, commitment and professionalism.



In June 2025, the Group attended the seminar on how Esso Renewable Diesel R20 helps reduce greenhouse gas ("GHG") emissions. The event raises attention to low-carbon alternative fuels in relevant local fields, contributing to the advancement of green and low-carbon transformation.



OPERATING PRACTICES (Continued)

Supply Chain Management

To safeguard sustainable operations, the Group has formulated Climate Change Policy and Environmental Policy to address climate risks and demonstrate commitment to environmental protection and well-being of the society through collaboration with stakeholders. The Climate Change Policy encourages our suppliers, consultants, contractors and business partners to reduce carbon emissions and energy consumption in their daily operations, incorporates climate change considerations into our procurement process and encourages the use of low carbon, low embodied-energy and energy efficient products and materials. The Environmental Policy fosters environmental awareness in our decision-making and operating practices, gives priority to environmentally-friendly designs, materials and construction approach, and favours consultants, contractors, and suppliers who follow environmentally-friendly practices in providing their designs, services, and products. Our Code of Conduct outlines our requirements on ethical standards, labour rights and environmental practices.

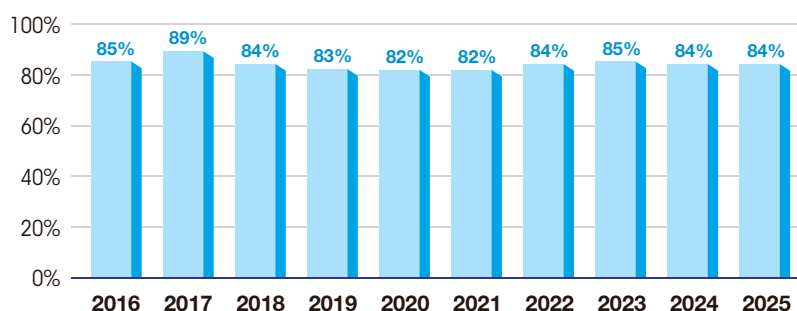
We implement our commitments and initiatives by establishing evaluation criteria for our suppliers' engagement and tender process. These criteria include product and service quality, safety performance, operational needs, price and compliance with our Code of Conduct. We ensure that our suppliers' interests are aligned with our commercial, environmental and social requirements. We recognise that partnering with environmentally responsible suppliers can reduce the Group's carbon footprints and promote more sustainable practices.

We have adopted a stringent monitoring system to ensure compliance with our ESG commitments. Our property development operations conduct safety audits, while our other operations conduct supplier evaluations to identify areas of concern and recommend remedial actions. We have remained committed to reducing our impact on the environment and promoting sustainability throughout our supply chain. To meet evolving global requirements, since 2021 and during the Reporting Year, we have incorporated ESG-related supplier certifications in our supplier review process by considering Energy Audit, Carbon Audit and GRI as factors that may affect our supplier selection.

For any new supplier onboarding, the Supplier Evaluation Report will be produced according to different acceptance criteria and needs to be approved by our senior management before the supplier can be added to our Approved Supplier Lists.

As a Hong Kong-based company, we strive to support the local economy through local sourcing and procurement. This approach not only supports local businesses but also contributes to carbon emission reduction by minimising transport distance. During the Reporting Year, we maintained an overall local procurement rate of about 84%, marking our 10th consecutive year with a rate exceeding 80%. During the Reporting Year, our Harbour Cruise - Bauhinia business, and medical aesthetic clinic and premium beauty service centre achieved a 100% local sourcing rate from Hong Kong suppliers. In 2025, we maintained our commitment to promoting environmentally friendly products and services, placing a strong emphasis on sustainability in our operations.

Overall local procurement rate of the Group



84%

Local procurement rate
achieved by the Group
in 2025



PEOPLE AND COMMUNITY

We believe that our progress towards sustainable development greatly relies on our employees. We strive to provide a healthy, diverse and respectful workplace that nurtures employees' personal growth and career advancement. The Group believes that this is not only a corporate responsibility, but also a strategic investment in our future, allowing our employees to thrive and reach their full potential.

Occupational Health and Safety

Health and safety is our top priority. To cultivate a safe and healthy workplace for employees, contractors, and visitors, the Group has Safety Policy and Safety Plan in place that reflects our commitment to occupational health and safety. To create a safe working environment, we have taken preventive steps to reduce the risk of occupational hazards in our premises. Our Substance Use Policy strictly prohibits the use of alcohol and drugs in the workplace for shipyard personnel, contractors and suppliers. Regular reminders are issued to our employees to ensure alignment and understanding of our policies. Non-compliance with these policies is taken seriously, and violations may result in disciplinary actions up to and including termination of employment.

For additional preventive measures, the Safety Committee is responsible for overseeing safety management and risk control of the shipyard. The Safety Officer and Supervisors operate the safety management system and conduct safety inspections to ensure that all employees can work safely and are provided with appropriate safety gear and personal protective equipment. The committee generates weekly safety inspection reports to identify areas for immediate correction and potential safety hazards, and to develop best practices for future use.

In addition, we conduct quarterly safety meetings with staff, workers and contractors to provide updated policies, directions, and regulations regarding occupational health and safety. To further foster a culture of safety, we arrange daily morning exercises and safety briefing sessions for frontline workers and staff before the commencement of their duties. We also provide occupational health and safety videos to remind our frontline workers to put safety first.

During the Reporting Year, we provided safety-related training to our employees, which accounted for more than one-fourth of our total training hours of approximately 4,588 hours. For more details, please refer to below sub-section headed "Development and Training" under this section.

Joyful@Healthy Workplace Charter

During the Reporting Year, the Group participated in the "Joyful@Healthy Workplace" Programme, an initiative promoting healthy eating, physical activity and mental well-being and arranged health-focused seminars to align with the programme's objectives.

Webinar on Chinese Medicine Pain Management

In October 2025, the Group arranged a webinar led by a registered Chinese medicine practitioner from United Christian Nethersole Community Health Service. It covered causes of work-related shoulder and back strain and shared pain management strategies to address employees' occupational musculoskeletal discomfort.

Webinar on "Three Highs" Prevention and Heart Protection

The Group arranged a health webinar led by registered nurse in December 2025. The nurse shared knowledge on "Three Highs" (Hypertension, Hyperglycemia, Hyperlipidemia) and common heart diseases, provided practical suggestions on preventing these illnesses, helping employees to manage their health more effectively.

PEOPLE AND COMMUNITY (Continued)

Occupational Health and Safety (Continued)

Mental Health Friendly Organisation

During the Reporting Year, the Group joined the Mental Health Workplace Charter, was commended as Mental Health Friendly Organisation, and held events to reaffirm its commitment to workplace mental health.



Mental Health Workshop

In November 2025, The Mental Health Association of Hong Kong held a workshop at our office to discuss common emotional and mental health issues, helping us to identify employees experiencing emotional or mental distress and exploring techniques for interacting with them, thereby fostering workplace mental health support.



Webinar on High-quality Sleep

The Group arranged a webinar on establishing good sleep habits. A professor of psychology introduced methods on how to enhance sleep quality which addresses stress-induced problems like insomnia and helps employees to maintain a good rest and healthy lifestyle.

Massage Experience Day

In September 2025, the Group organised a “Massage Experience Day” to promote the well-being of our employees. Visually impaired masseuses from Hong Kong Blind Union offered head and shoulder massages to help alleviate fatigue.



PEOPLE AND COMMUNITY (Continued)

Occupational Health and Safety (Continued)

Free Influenza Vaccine Injection

To combat autumn and winter influenza peak seasons and boost immunity, the Company offered free influenza vaccine injections for our Group's employees.

Cooling Relief: Ice Cream Day for Employees

The Group distributed free ice cream to colleagues every Friday at our staff canteen in the summer of 2025, delivering a refreshing cool-down from the sweltering heat and a pleasant, relaxing break during their workdays.



Fire Safety Seminar and Fire Drill

Fire safety remains a top priority in our operations. In addition to drills on vessels twice a month, monthly drills at pier and quarterly joint drills of Harbour Cruise - Bauhinia and our Dangerous Goods Vehicular Ferry Services, representative(s) from Tsing Yi fire station held a seminar on fire safety at our Tsing Yi office and a fire drill was conducted in collaboration with Tsing Yi fire station in 2025 to strengthen our knowledge on fire safety and raise our preparedness for fire emergency.



PEOPLE AND COMMUNITY (Continued)

Occupational Health and Safety (Continued)

Medical Aesthetic and Beauty Business

Our medical aesthetic and beauty business offers a range of treatments, some of which require the use of special equipment and tools, including equipment that generate high heat, laser or high energy. We strictly control and limit the use of such equipment and ensure that only employees who have been trained and passed examinations are assigned to operate them.



New Physiotherapy Centre in H Zentre

To better address the rehabilitation needs of patients in orthopaedics, post-surgery and various types of injuries, the Group has partnered with a Hong Kong professional fitness therapy centre to establish a physiotherapy centre at H Zentre. The centre commenced operations in the third quarter of 2025.



The Group understands that the health of our employees is fundamental to the effective operation of our business. To support the well-being of our employees, we provide comprehensive medical insurance coverage for our employees, including outpatient and inpatient coverage for employees and their families, certain free vaccinations and regular medical check-up allowances. Furthermore, we offer other voluntary insurance plans such as self-insured dental plans for our employees, as well as free health check-ups exclusively for frontline workers, operational ferry staff, cruise kitchen and shipyard employees.

PEOPLE AND COMMUNITY (Continued)

Occupational Health and Safety (Continued)

We had a code of practice for working at height to suit our working environment to enhance and enrich our safety measures. Our Safety Committee contributes to the ongoing enhancement of our safety practices by daily and regular site visit safety monitoring without interruption. Our shipyard has taken steps to enhance safety for our workers. We installed monitoring system on crawler crane, which includes a monitor in the cabin providing continuous footage captured by four cameras. This enhances the safety of lifting operation. In addition, we purchased breathing apparatuses and MotionSCOUT for confined space rescue and operation in order to enhance the safety of workers in confined space. We also installed additional fire extinguishers in office and other operation area to strengthen our fire precaution measures. Furthermore, we purchased light duty working platforms including step platforms and hop-up platforms to enhance the safety of work above ground. We are committed to continually prioritising the safety and security of our employees.

No reported cases of non-compliance with applicable occupational health and safety laws and regulations in Hong Kong took place during the Reporting Year that had a significant impact on the Group.

Talent Attraction and Retention

The Group is committed to empowering our people to acquire the essential skills and experiences needed for their personal and professional growth. We believe in upholding equal employment practices, respective of nationality, race, religion, gender, age, or family status. Our commitment extends to ensuring that child labour and forced labour are prohibited in our business operations. Our employee remuneration and compensation packages are based on an individual's experience, merit and responsibilities within the Group. We also provide attractive employee benefits, such as shopping discount offers, maternity and paternity leave, and medical insurance coverage that extends to their family members.

To facilitate open dialogue between employees and managers regarding their past performance, future prospects and innovative ideas for the Group, we have established communication channels such as our annual appraisals. In our endeavour to assist our employees in achieving a healthy work-life balance, we provide all employees with adequate breaks and reasonable working hours. For our office staff, we have implemented a five-day work week.

During the Reporting Year, the Group participated in the Local Shipping Industry Employers' Meeting 2025, which was organised by the Hong Kong Sea School, Transport and Logistics Bureau and Hong Kong & Kowloon Motor Boats & Tug Boats Association Limited. This event enabled us to connect with and recruit graduates eager to build career in the shipping industry. Through our efforts in talent attraction, retention and industry engagement, we strive to promote the well-being of our employees while maintaining high productivity levels.

Staff Gathering

Team gathering activities were held for colleagues to share interesting work and life stories with each other, thereby offering a relaxed environment for employee networking and promoting team communication.



PEOPLE AND COMMUNITY (Continued)

Talent Attraction and Retention (Continued)

Lunar New Year Lunch Gathering

Lunar New Year lunch gathering was organised for our colleagues at our Tsing Yi office to celebrate the Year of Snake. We wish for a prosperous year ahead, where both the Group and our colleagues flourish.



Birthday Celebration

Regular gatherings are held to celebrate birthdays of colleagues. Employees from different departments come together to share birthday cakes and happiness.



PEOPLE AND COMMUNITY (Continued)

Talent Attraction and Retention (Continued)

Movie Fun Day

The Group hosted a “Movie Fun Day” in March 2025, treating colleagues and their families to two films at a cinema. Colleagues enjoyed snacks, took photos and shared joyful moments, especially with kids at the animated movie, making for a delightful evening.



Spring Trip to Foshan for Employees and their Relatives and Friends

In April 2025, the Group organised a weekend Foshan trip for employees and their relatives and friends to enhance relationship among colleagues and strengthen cross-team connections. The itinerary included a visit to Foshan new attraction called “Guangdong Romance Park” (廣東千古情), to enjoy grand variety shows and enhance employees’ understanding of Lingnan culture, and enjoying local culinary delights.



PEOPLE AND COMMUNITY (Continued)

Talent Attraction and Retention (Continued)

Handmade Tulip Workshop

In July 2025, the Group arranged a handmade tulip workshop at our Tsing Yi office, teaching colleagues to make tulip flowers using twist sticks. During the session, participants made colorful tulips, which can be used as office decorations or gifted to family and friends, adding a lively touch to daily life.



Mid-Autumn Gift Boxes

To celebrate the Mid-Autumn Festival, the Group provided premium healthy gift boxes to employees, featuring health-focused tea leaves and vitamins, with a view to enhancing employee well-being and fostering cultural appreciation and engagement.



PEOPLE AND COMMUNITY (Continued)

Talent Attraction and Retention (Continued)

Scented Sand Candle Workshop

With employee well-being as its core goal, the Group strives to create a healthy and positive working environment. We invited art instructor from New Life Psychiatric Rehabilitation Association to teach participants how to design multi-layered sand art and make scented candles, allowing colleagues to relax during the art creation process and obtain their own healing souvenir.



Christmas Thanksgiving Gathering

In December 2025, we organised a Christmas thanksgiving gathering featuring delicious food, lucky draw, singing session and various games for our staff. This event served to recognize our employees' hard work and commitment over the past year and create an inclusive atmosphere for our employees.



During the Reporting Year, there were no reported cases of non-compliance with relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare, and preventing child and forced labour that had a significant impact on the Group.

PEOPLE AND COMMUNITY (Continued)

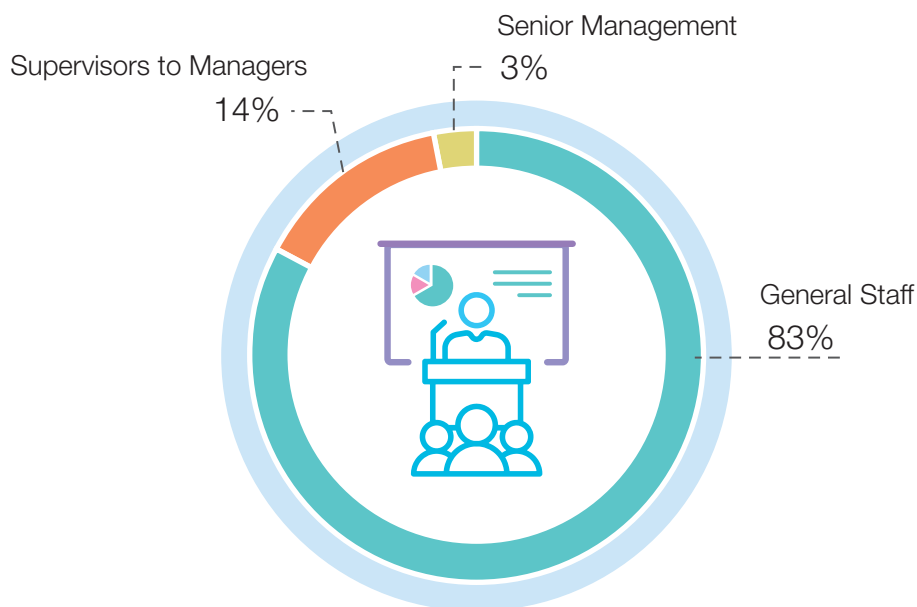
Development and Training

The Group is dedicated to promoting a culture of continuous learning and personal development among our employees, which is important to maintaining business continuity and resilience. During the Reporting Year, we arranged health seminars for our staff to enhance employees' health and safety awareness. To motivate all employees to participate in training programmes relevant to their roles and professional aspirations, we offer both financial and non-financial incentives. For employees who have completed certain qualifications or professional attainments, they will be considered a salary increment.

Each year, we allocate a specific budget to sponsor our staff in enrolling in award-bearing courses and other external training programmes, both for personal development and job enrichment.

For certain trainings, we offer or arrange hybrid face-to-face and online trainings to/for our employees, enabling employees to flexibly select the mode aligned with their personal circumstances and learning preferences.

Percentage of employees' training hours by employee category during the Reporting Year



PEOPLE AND COMMUNITY (Continued)

Development and Training (Continued)

Training Sessions on Artificial Intelligence (AI) Data Security and Privacy Risk

In July 2025, the Group held a cybersecurity training seminar covering AI privacy issues, ways to detect deepfake, 2025 phishing attacks, WhatsApp hijacking and corresponding preventive measures. The seminar aimed to raise employee vigilance, deepen understanding of AI data crises and mitigate workplace AI application risks.



Community Investment

As a responsible corporate entity, the Group is dedicated to contributing to the community in which we operate and creating a positive social impact while benefiting our business. We believe that it is our obligation to give back to the society and help those in need. Therefore, we assist underprivileged groups through various community activities and charitable projects.

The Group and the Hong Kong Community

Guided by the Board and senior management, we remain committed to generating long-term shared value for the community of Hong Kong. The three principles of “Love Hong Kong”, “Love Victoria Harbour” and “Care for the People” are deeply rooted in our corporate culture.

PEOPLE AND COMMUNITY (Continued)

Community Investment (Continued)

The Group and the Hong Kong Community (Continued)

“My Epilepsy Journey” in Victoria Harbour

On International Epilepsy Day 2025, six organisations including Epilepsy Foundation of Hong Kong, Health and Social Exchange of Hong Kong, Hong Kong Epilepsy Society, The Hong Kong Brain Foundation, The Hong Kong Epilepsy Association and The Hong Kong Neurological Society organised a ride on Harbour Cruise - Bauhinia in Victoria Harbour under the theme “My Epilepsy Journey”. Epilepsy patients and their families enjoyed the beautiful scenery of Victoria Harbour and played games while gaining epilepsy-related knowledge in a relaxed atmosphere.



Vehicular Ferry Cruise in Victoria Harbour

In February 2025, the Group partnered with Hong Kong Maritime Museum to host the “Vehicular Ferry Cruise in Victoria Harbour”, offering the experience of boarding a ferry while driving, sharing of history of Hong Kong ferry services, and passengers can also enjoy a light meal, reminiscing about the nostalgic past.



PEOPLE AND COMMUNITY (Continued)

Community Investment (Continued)

The Group and the Hong Kong Community (Continued)

Launch of Yaumati Vehicular Ferry Block Model

The Young Innovators Bazaar was held in March 2025 and over 1,500 students participated in the event. The Group sponsored students of Hong Kong Sea School to design and make the “Man Lok” ferry block models. The fair improves students’ sales skills, builds their confidence, and explores their potential beyond the classroom.



“TN Residence” Youth Hostel

In June 2025, the Group obtained the approval from Urban Renewal Authority to convert the residential portion of its redevelopment project “The Symphonie” located in Cheung Sha Wan for use as a youth hostel. This hostel is operated by Tung Wah Group of Hospitals and named as “TN Residence”, which is the sixth project approved by the Home and Youth Affairs Bureau under the Subsidy Scheme for Using Hostels and Guesthouses as Youth Hostels. This initiative meets Hong Kong youth’s housing needs through tripartite collaboration, balancing social impact and stable rentals to uphold the Group’s sustainable community commitment.



PEOPLE AND COMMUNITY (Continued)

Community Investment (Continued)

The Group and the Hong Kong Community (Continued)

Total HealthCare Health Centre – Wholehearted Protection for Your Health

In July and August 2025, our Total HealthCare Health Centre hosted the “Summer Health Seminar and Experience Campaign” in three Hong Kong community venues. The events included health lectures, free pain assessments and a cardiovascular zone providing preliminary assessment of the cardiovascular condition of the participant. Our chiropractors provided on-site analysis and recommendations for common issues such as neck, shoulder, knee and lower back problems. Through these activities, the public’s awareness of health issues was enhanced and it is hoped that their quality of life will be improved.



Pok Oi Chinese Culture Maritime Party 2025

We, together with Pok Oi Hospital, co-organised Pok Oi Chinese Culture Maritime Party 2025, attracting over 300 children and parents to board our ferry to cruise the Victoria Harbour and share joyful moments. The three-hour voyage featured the theme “Chinese culture”, with classic character catwalk show, dance, musical and vocal performances, volunteer team crafting various balloon sculptures on-site to gift to guests, lucky draws and buffet lunch. The performances drew enthusiastic applause and cheers from the audience. Against the backdrop of beautiful Victoria Harbour scenery, the vessel was filled with joy and laughter and the participants were left with warm and unforgettable memories.



PEOPLE AND COMMUNITY (Continued)

Community Investment (Continued)

The Group and the Hong Kong Community (Continued)

PIERSIDE RUN 2025

In June 2025, our colleagues participated in “PIERSIDE RUN 2025”. The Group also specifically arranged its vehicular ferry to transport participating runners across Victoria Harbour, allowing them to enjoy the beautiful scenery of the harbour and have the fun of boarding vehicular ferry.



Caring for the Community

The Group strives to support the community by focusing on the following areas: serving underprivileged families, children and the elderly as well as providing a platform for learning and exchanging knowledge.

Industry Knowledge and Experience Sharing

The Group is dedicated to fostering a culture of knowledge sharing with professionals, academia, non-governmental organisations, students and others. To bring positive impact to the industry and support Hong Kong's social and economic development, we offer regular internship programs for students from tertiary institutions, Hong Kong Sea School and secondary schools.

PEOPLE AND COMMUNITY (Continued)

Community Investment (Continued)

Caring for the Community (Continued)

Industry Knowledge and Experience Sharing (Continued)

Shipyard Tours to Broaden Horizons

The Group has participated in a campaign developed by the Vocational Training Council for outreaching to secondary schools through life planning education and assisting students in identifying individual aspiration, exploring industries, experiencing operations of industries and making life planning. During 2025, we organized shipyard tours for secondary school students. During the tours, our staff introduced to them the operations and facilities of our shipyard and briefed them on the career opportunities and prospects. These initiatives seek to support students' career planning, allow them to gain insights into the maritime industry and help cultivate talents for the industry's long-term development.



Opportunities for Recruitment and Career Advancement Scheme of The Hong Kong Polytechnic University

In February 2025, we participated in Opportunities for Recruitment and Career Advancement Scheme of The Hong Kong Polytechnic University. We met with students and identified outstanding students who are passionate in the field of marine engineering to join our shipyard as intern. We briefed students on our business operations, future plan and internship program to help them understand industry trends and plan their career development. The program integrates practice with theory, allowing students to gain an early exposure to workplace through internship.



PEOPLE AND COMMUNITY (Continued)

Community Investment (Continued)

Caring for the Community (Continued)

Industry Knowledge and Experience Sharing (Continued)

Hong Kong Sea School – Journey with CEO

In 2025, the Group continued to participate in the “Journey with CEO” scheme organised by Hong Kong Sea School. The general manager of our Marine Division acted as mentor to provide guidance for two mentees. Through various activities and experiences, the scheme helps students gain an early understanding of the workplace environment and requirements and help them prepare for the future career path.



Hong Kong Maritime Talent Career Planning Seminar

In May 2025, the China Merchants Industry Holdings Co., Ltd. held the “2025 Hong Kong Youth Maritime Culture Programme’s Opening Ceremony cum the Third Hong Kong Maritime Talent Career Planning Seminar” (2025年香港青年海事文化行開幕典禮暨第三屆香港海事人才生涯規劃講座). The Group was invited to attend, supporting local young people in understanding maritime professions and career prospects and guiding them to pursue a career in the maritime industry.



PEOPLE AND COMMUNITY (Continued)

Community Investment (Continued)

Caring for the Community (Continued)

Industry Knowledge and Experience Sharing (Continued)

2025 Maritime and Aviation Internship Scheme

The Group participated in 2025 Maritime and Aviation Internship Scheme. During the summer in 2025, ten interns embarked on a rich two-month journey, visiting our shipyard, boarding our vessel and providing them with a basic understanding of performance testing and operations of vessel.



Strive and Rise Programme

Shipyard Visit

The Group is committed to supporting the Strive and Rise Programme and arranged shipyard visit for its mentees and mentors. At the visit, we introduced different vessel types and operations of our shipyard, and daily work of our mentor. Our colleagues also shared with them career opportunities and prospects, and shared insights into shipyard operations.

Anti-Scam Promotion Activity

In March 2025, the mentees of the Strive and Rise Programme participated in the anti-scam promotion activity held by Hong Kong Marine Police. The mentees helped the elderly to install the “Scameter” App to boost protection against scam calls and emails. We are committed to supporting scam prevention activities and upholding our social responsibility.



PEOPLE AND COMMUNITY (Continued)

Community Investment (Continued)

Caring for the Community (Continued)

Corporate Volunteer Team

Upholding our core values of “caring for the community”, we remain committed to environmental protection and caring for underprivileged groups. In 2025, our Corporate Volunteer Team supported and participated in 37 volunteer activities and community events, contributing around 1,044 engagement hours.

Chairman Awarded the Gold Bauhinia Star (GBS)

Dr. Lam Ko Yin, Colin, our Chairman, was awarded the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region, in recognition of his outstanding contributions to the community.



The Hong Kong Federation of Youth Groups' 65th Anniversary Luncheon and Neighbour Fest

In January 2025, The Hong Kong Federation of Youth Groups invited our Group to participate in its “65th Anniversary Luncheon and Neighbour Fest”, in recognition of the engagement and efforts of volunteers of “Neighbourhood First” to care for members in the community, spreading the spirit of “Neighbourhood First” and calling for continued support under the anniversary theme “Here for You, Grow with Youth;” in working together for a better future.



PEOPLE AND COMMUNITY (Continued)

Community Investment (Continued)

Caring for the Community (Continued)

Corporate Volunteer Team (Continued)

Green Cheung Hang FUN Share Love

In January 2025, we assisted in running a game booth of “Green Cheung Hang FUN Share Love – Carnival for Environmental Protection and Cherishing Public Housing Resources” organised by Pok Oi Hospital Wai Yin Association Family Multiple Intelligences Centre (Cheung Hang) (“FMIC”). Through games, we promoted environmental consciousness and the importance of cherishing public resources to the community and shared our love and care with the elderly.



Elderly Home Repair Service in Cheung Hang Estate and Cheung Wang Estate

Starting from 2024, the Group has partnered with the FMIC to offer home repair services for the elderly living in Cheung Hang Estate and Cheung Wang Estate in Tsing Yi. This program aims at providing free home repair services for elderly residents, while also offering companionship and care during home visits.



PEOPLE AND COMMUNITY (Continued)

Community Investment (Continued)

Caring for the Community (Continued)

Corporate Volunteer Team (Continued)

“Neighbourhood First – Rice-Giving” Scheme

As a “Heart to Heart Company” of The Hong Kong Federation of Youth Groups, we have acted as volunteers in its “Neighbourhood First – Rice-Giving” Scheme, with our colleagues distributing rice bags to beneficiaries, offering support and care to ease the burden of low-income individuals.



Dragon Boat Festival Care

In May 2025, the Group participated in a Dragon Boat Festival care activity for the elderly. Our colleagues learned to make dumplings under the guidance of elderly instructors at FMIC, and then visited elderly residents in Cheung Hang Estate and Cheung Wang Estate in Tsing Yi and delivering the dumplings to them, bringing them festive care and greetings.



Visiting Ronald McDonald House Charities Hong Kong

In May 2025, our colleagues visited Ronald McDonald House Charities Hong Kong and brought warmth and care to children who were ill or injured. We had a heartwarming meal and made dragon boat crafts with the children and their families, spending an afternoon filled with festive warmth and affection.



PEOPLE AND COMMUNITY (Continued)

Community Investment (Continued)

Caring for the Community (Continued)

Corporate Volunteer Team (Continued)

Supporting Build & Wish Voluntary Team's "Night for the Homeless, Romantic Night"

In July 2025, the Group lent the canteen kitchen facilities of our Tsing Yi office to the Build & Wish Voluntary Team, a voluntary team dedicated to help the underprivileged, to support its event "Night for the Homeless; Romantic Night", and prepared a tasty dinner for the homeless people in various districts in Hong Kong. The colleagues teamed up with the volunteer team to make this caring dinner together. This activity delivered care to homeless individuals and helped nurture a community atmosphere of care for vulnerable groups.



Metro Charity Badminton Tournament

Metro Broadcast Corporation Limited hosted the Metro Charity Badminton Tournament in July 2025, bringing together community members from all walks of life and raising funds for the Para Athlete Ambassador Programme of Para Athletes and Friends. The Group supported the event by having a team of four to compete in the event. They interacted with other corporate teams to gain tournament experience while demonstrating the power of inclusion and compassion through action. In addition, sports therapists from our Total HealthCare Health Centre were also present at the venue to provide treatment and support to participants in need.



ENVIRONMENT AND RESOURCES

Our Environmental Policy sets forth our principles and approaches to the sustainable management of our environmental footprint. The Group is dedicated to strengthening its sustainability efforts by incorporating innovative solutions into our operations, fostering environmental consciousness among our employees through education and training, and participating in environmental friendly initiatives led by the Hong Kong Government and non-governmental organisations.

During the Reporting Year, we complied with all applicable laws and regulations regarding environmental protection and there were no non-compliance cases relating to air and GHG emissions, discharges into water and land, and the generation of hazardous and non-hazardous wastes.

Climate Resilience and Adaptation

The increase in the frequency and severity of extreme weather events may pose threat to miscellaneous business operations. At the 30th United Nations Climate Change Conference, there was a focus on actionable climate resilience and climate risk management. In response to the climate challenge, we have formulated the Climate Change Policy that governs our strategy for managing climate change issues and supports the application of renewable energy and other sustainable energy sources. We are dedicated to enhancing our resilience and preparedness for climate change by integrating climate-related risks into our business decision-making process.

The Group is committed to managing climate-related risks that could affect our business operations. We have engaged external expert to conduct climate risk assessment under different climate scenarios. This scenario analysis used advanced climate risk analytic tools to identify these risks across our major operational regions and properties, aligning with the same scope as this report. Meanwhile, desktop research has been performed to identify, assess, prioritize and monitor climate-related opportunities. The assessment evaluated the climate-related physical risks and opportunities, potential impacts, potential financial implications and mitigation measures.

The assessment utilised two climate scenarios, integrating climate models, land use and elevation data, and models for hydrology, wildfire and severe weather. These scenarios were based on the Shared Socio-economic Pathways ("SSPs"), and the Representative Concentration Pathways ("RCPs") from the Sixth Assessment Report (AR6) published by Intergovernmental Panel on Climate Change ("IPCC") since these selected scenarios provide time frames that align with our strategic planning time horizon and align Paris Agreement. These scenarios selected will support our future strategic planning and resources allocation. The assessment prioritised climate-related risks that are more material to the Group than other types of risks by evaluating the likelihood and severity of identified risks using quantitative thresholds. The table below summarises some of the key characteristics of the two climate scenarios.

ENVIRONMENT AND RESOURCES (Continued)

Climate Resilience and Adaptation (Continued)

Referenced Scenarios	SSP 1-2.6 (Intermediate pathway)	SSP 5-8.5 (High emissions pathway)
Time horizons	Short-term: till 2030 Medium-term: till 2050 Long-term: till 2100	
Assumptions	Analysis conducted in 2024, expect asset locations to remain the same over the time horizon. Mitigating measures will remain the same.	
Global Mean Temperature Increase	About 1.7°C by 2060 and 1.8°C by 2100	About 2.4°C by 2060, reaching 4.4°C by 2100
Scenario Description	This scenario represents a future that is committed to combating climate change. Governments have pledged to reduce carbon emissions, and stringent climate policies are introduced and more companies are committed to international climate action goals. This would mostly result in an increasingly decarbonized economy, with low physical risk and high transition risk.	This scenario represents a future where business continues as normal with little to no climate action taken. Governments and companies are reluctant to compromise economic growth for climate change mitigation. The absence of climate policies and actions and weak public awareness eventually lead to a high level of physical risk and a low level of transition risk.

The Group will ongoingly monitor climate-related risks and review climate risk assessments to ensure prompt responses to any significant changes in risk profiles. With such risk management approach, the Group aims to fully integrate climate related risks and opportunities into our overall risk management system. For more details, please refer to the sub-section headed "Risk Management" under the section headed "Sustainability Governance".

Climate-related Risks and Opportunities

Through climate risk assessment, we identified physical and transition risks and major opportunities for our business operations. The most significant climate-related risks typically involve property assets located in coastal area, where typhoon-related wind risks and abnormal precipitation patterns are expected to grow in intensity over the long term compared to the short and medium terms, threatening asset reliability. Under our risk management framework, our material risk category of operational risks incorporates such climate-related physical risks, ensuring climate change adaptation or mitigation policies are in place. Based on these findings, we have developed corresponding resilience mitigation measures to reduce risks and capitalise on opportunities. Considering recent typhoon and abnormal rainfall disasters, we have allocated budgets to maintain or enhance the typhoon and flood defense capabilities of existing vessels and properties. However, uncertainty remains regarding potential future changes in the frequency and severity of typhoons and abnormal precipitation.

ENVIRONMENT AND RESOURCES (Continued)

Climate-related Risks and Opportunities (Continued)

Physical Risks

Risk Category	Risk Driver	Potential Impact	Potential Financial Implication(s)	Mitigating Measures
Precipitation (Short, Medium, Long term)	Increased rainfall intensity and frequency	Potential disruptions to ferry operations, property or facilities damage, increased maintenance costs, interruptions in services and increased cancellation rates for in-person treatment appointments	- Increased repair and maintenance costs - Potential loss of revenue during service disruptions - Decreased property values due to flood risk - Increased insurance cost	- Implement weather monitoring and forecasting to anticipate extreme precipitation events - Develop a contingency plan for service disruptions - Elevate properties where feasible to mitigate the risk of water intrusion during heavy rainfall - Deploy sandbags to protect vulnerable areas from flooding during storms - Periodically measure sea water rising propagation in the waters near our shipyard - Relocation of vessels apart from waterfront during tropical cyclone seasons - Replacement to waterproof and high integrity yard facilities along waterfront areas

ENVIRONMENT AND RESOURCES (Continued)

Climate-related Risks and Opportunities (Continued)

Physical Risks (Continued)

Risk Category	Risk Driver	Potential Impact	Potential Financial Implication(s)	Mitigating Measures
Wind (Short, Medium, Long term)	Rising wind speeds that are prone to tropical cyclones	Potential disruption to ferry operations, damage to facilities and vessels, potential safety hazards for occupants, increased operational risks for ferry services and reduced staff availability due to commuting restrictions	- Increased costs for repairs and renovations - Potential liability costs from injuries - Higher insurance premiums due to increased risk	- Assign extra manpower for overseeing operations during extreme weather events - Conduct drills for tropical cyclone preparedness - Monitor updates from the Hong Kong Observatory regarding the frequency and intensity of tropical cyclones - Secure vessels using high-strength slings during tropical cyclone events - Limit the number of vessels docked or berthed alongside during tropical cyclone seasons - Provide emergency repairing services on vessels through contractors or our shipyard - Follow the Crisis Management Manual to handle the vessel in distress during typhoon - Cover five vessels with an insurance policy that includes Protection and Indemnity (P&I) and Hull and Machinery (H&M) - Apply tape to windows to prevent cracking during tropical cyclones - Implement a Virtual Private Network (VPN) service with Multi-Factor Authentication (MFA) for certain staff to enable them to securely access company systems remotely during extreme weather events

ENVIRONMENT AND RESOURCES (Continued)

Climate-related Risks and Opportunities (Continued)

Transition Risks

Risk Category	Risk Driver	Potential Impact	Potential Financial Implication(s)	Mitigating Measures
Policy and Legal (Short, Medium Term)	Increased ambition of national/regional decarbonization strategies and enhanced regulatory requirements	More stringent compliance requirements on climate-related disclosure and decarbonization	- Increased expenditure on decarbonization and for meeting disclosure requirements - Decreased operating expenses, including utilities, due to improved energy efficiency	- Keep track of the latest ESG regulatory regimes in Hong Kong - Review our Climate Change Policy from time to time to incorporate effective strategies and initiatives, ensuring up-to-date ESG and climate compliance during operations
Technology (Medium Term)	Investment in low carbon technology	Technology with lower emissions or generate clean energy shall be considered when making investment decisions to retain customers	- Increased investment in low carbon technology and green transportation technology - Decreased operating costs due to improved energy efficiency	- Conduct annual energy audits at the two most fuel-intensive subsidiaries since 2011 - Install rooftop solar panels, wall-mounted solar lights with an adjustable solar receiver and turn-on sensors, and solar system on two floating pontoons at our shipyard - Install electric vehicle charging systems in the parking area within our premises - Replace the traditional tungsten light bulbs in the ferries' main deck with LED bulbs
Market (Medium Term)	Customer behaviour change	With consumer demand for green products, the Group shall focus on improving its sustainability performance and transition to low carbon products and/or services	Reduced demand for existing services due to shift in consumer preferences	- Communicate with stakeholders especially with government, clients and investors to understand and manage their expectations - Adopt green building standards by integrating sustainability considerations into the design and construction phases of the property projects - Select environmentally responsible suppliers to minimize our carbon footprints
Reputation (Long term)	Reputational impact	Increased public concerns about climate change may bring negative feedback from various stakeholders on the Group's carbon reduction efforts against their expectations	Reduced revenue from decreased demand for services	- Analyse market trends - Enhance disclosure of our actions and achievements in improving carbon reduction and energy efficiency

ENVIRONMENT AND RESOURCES (Continued)

Climate-related Risks and Opportunities (Continued)

Opportunities

Opportunity Category	Opportunity Driver(s)	Potential Impact(s)	Potential Financial Implication(s)
Resource Efficiency	Improvement in resource efficiency	We have adopted energy-efficient measures such as installing LED lighting, rainwater harvesting tanks, solar panels and wall-mounted solar lights. Increasing market trends for energy-efficient products, renewable energy and advancement of their development would lead to lower prices for better products, resulting in a wider adoption across our business operations.	Reduced expenses and/or increased revenue
Energy Source	Use of lower carbon emission sources of energy	We have been promoting the use of clean energy to reduce its GHG emissions. Rooftop solar panels and wall-mounted solar lights have been installed in the principal office or shipyard. Electric vehicle charging systems have also been installed in the parking area within our premises.	Reduced exposure to GHG emissions and anticipated carbon taxes/pricing
Products and Services	Development of green infrastructure and increasing need for healthcare services	- Developing green infrastructure, such as sustainable buildings or eco-friendly transportation option contributes to environmental sustainability while potentially attracting environmentally conscious tenants or customers and enhancing the value of the business. - Widespread impacts of climate change on human health increase the likelihood of chronic diseases, increasing the need for healthcare.	Increased revenue

ENVIRONMENT AND RESOURCES (Continued)

Climate-related Risks and Opportunities (Continued)

Opportunities (Continued)

Opportunity Category	Opportunity Driver(s)	Potential Impact(s)	Potential Financial Implication(s)
Markets	- Expanding demand for sustainable services - Growth in healthcare and wellness sectors	- Rising consumer climate awareness drives demand for sustainable real estate and eco-friendly transport option. We can leverage this trend by integrating sustainable practices in property development and investment, attracting environmentally conscious tenants and buyers. - The demand for healthcare sector may increase due to climate-related health impacts. Our diversification into medical and healthcare services positions it to capitalize on this trend, offering health solutions that align with sustainability goals and increasing revenue streams.	- Increased rental and/or sales income from sustainable properties - Higher customer loyalty and occupancy rates - Increased revenue from healthcare services that cater to the growing demand for wellness and sustainability
Resilience	- Adoption of resilience planning - Integration of climate adaptation measures in core operations	- Implementing resilience planning will enable us to identify vulnerabilities in our property development, ferry and shipyard operations, ensuring facilities can withstand extreme weather events and other climate-related risks. - By integrating climate adaptation measures into its projects, such as flood-resistant designs and energy-efficient technologies, we can enhance longevity and attractiveness of our properties, protect assets and build trust with stakeholders, investors and customers.	- Increased value through resilience planning - Less potential damage and rectification costs under severe weather events

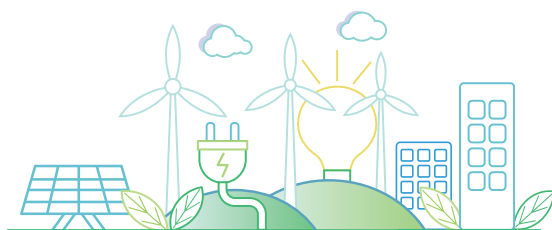
Looking forward, we will continue to evaluate our exposure to climate-related risks and opportunities and monitor the impacts of climate change on our business activities, building operations and the community.

ENVIRONMENT AND RESOURCES (Continued)

Energy and GHG Emissions Management

From 2011 onwards, the Group has implemented the Energy and Carbon Management Programme and conducted annual energy audits at our two most fuel-intensive subsidiaries, namely The Hong Kong Shipyard Limited and The Hongkong and Yumati Ferry Company Limited. The results of the energy audit provide us with valuable insights, allowing us to monitor energy consumption patterns more effectively and identify potential areas where energy efficiency can be improved.

The Group has formulated climate-related targets. As part of our governance practice, the Board conducts annual review of these targets and our performance on Scope 1 and Scope 2 GHG emissions to ensure their continued relevance and alignment with the Group's strategic direction. Given the recent changes in the Group's business structure and the corresponding adjustments to the ESG reporting scope, the existing climate-related targets have been revised during the Reporting Year to reflect the updated operational landscape, thereby maintaining their feasibility, measurability and alignment with the Group's long-term sustainability development goal.

2030 Electricity Consumption Intensity Target³

↓10% against 2023 baseline

2030 GHG Emissions (Scope 1 and Scope 2) Intensity Target^{3,4}

↓10% against 2023 baseline

³ For the business units covered in the above targets, please refer to note 2 in the section headed "Performance Data Summary" of this ESG Report.

⁴ This target is a gross GHG emissions target and includes carbon dioxide and other GHG such as nitrous oxide and methane.

ENVIRONMENT AND RESOURCES (Continued)

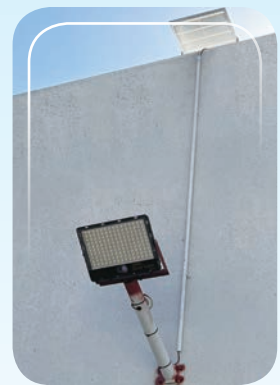
Energy and GHG Emissions Management (Continued)

The Group has established 2030 targets, focusing on the reduction of its energy consumption and GHG emissions. During the Reporting Year, the Group made progress in advancing its climate-related targets. To achieve these goals, we have implemented various measures and initiatives to enhance energy efficiency. These include the installation of rooftop solar panels, wall-mounted solar lights with an adjustable solar receiver and turn-on sensors, and solar system on two floating pontoons at our shipyard. In addition, we are replacing traditional air conditioners on our vessels, switching from older refrigerants to more environmentally friendly options. We continue to use energy-saving bulbs and reduce daylight exposure by controlling direct sunlight from the windows. This year, we have purchased a new electric vehicle, which helps to save energy and contribute to lower GHG emissions. As part of our continuous efforts, we shall continue to replace traditional tungsten light bulbs with LED bulbs on the main deck of the ferries, thereby decreasing our energy consumption. We controlled indoor working temperature to 25 degree celsius in our Tsing Yi office to save energy. Auto-start sensor has been installed along staircase which saves electricity for lighting.

Use of wall-mounted solar lights with enhanced features

Since 2021, the Group has installed LED lights and wall-mounted solar lights across our buildings and office premises, which account for a significant portion of our carbon footprint, to enhance building performance and energy efficiency.

The wall-mounted solar lights are equipped with adjustable solar receiver and turn-on sensors. These enhanced functionalities optimize sunlight exposure during daylight hours, thereby boosting energy efficiency.



ENVIRONMENT AND RESOURCES (Continued)

Energy and GHG Emissions Management (Continued)

Maximising the use of renewable energy system

Reducing dependence on traditional fuels is highly contingent on the adoption of renewable energy. The Group has installed solar photovoltaic system on the rooftop and two floating pontoons. Utilizing solar energy not only decreases our carbon footprint but also supports the transition to a more sustainable and low-carbon future.



In our property development and investment operations, we continue to explore ways to improve energy efficiency beyond the technical guidance of the Performance-based Building Energy Code published by the Electrical and Mechanical Services Department. We not only adopt green building standards but also incorporate sustainability considerations into the design and construction phases of our projects. Our managed properties proactively participate in various environmental campaigns, contributing to collective efforts to tackle climate challenges. Green Code Plaza and Metro Harbour Plaza participated in “Earth Hour 2025”, turning off the lights for an hour to raise awareness about the importance of energy conservation. Further, Green Code Plaza and Metro Harbour Plaza also encourage community-wide participation in saving energy and reducing carbon emissions by supporting Hong Kong Government’s Energy Saving Charter, which, among others, had the property committed to switching off electrical appliances and systems when not in use, procuring energy efficient appliances and systems from June 2025 to May 2026, promoting the use of renewable energy and engaging staff, students or tenants to adopt energy saving practices together.

For over a decade, the Group has supported the Hong Kong Government’s efforts to enhance local air quality through the adoption of fuel-efficient technologies. Going forward, we shall continue to reduce energy consumption and GHG emissions in compliance with local and international regulations and standards.

ENVIRONMENT AND RESOURCES (Continued)

Air Quality Improvement

The Group continues to uphold the core value of “Love Hong Kong and the Harbour” and is committed to enhancing the air quality of the city. For over a decade, we have been proactive in responding to the Hong Kong Government’s initiatives to improve local air quality by adopting fuel-efficient technologies and turning off part of the generators during the voyage to reduce engine exhaust emission. Under our replacement programme, we successfully substituted a total of 13 generators and 10 engines on-board with environmentally friendly alternatives. Our objective is to reduce our emissions of key air pollutants, including nitrogen oxides (“NOx”), sulphur oxides (“SOx”), and particulate matter (“PM”). As part of our ongoing efforts to improve the environmental performance of our vessels, we have gone beyond the legal requirements by reducing the sulphur content in diesel for our dangerous goods vehicular ferries to 0.001% starting from January 2020. In addition, we have studied using hydrogen, solar and electric power as potential alternatives to our diesel engine to achieve further emission reduction.

Electric vehicle charging systems

To minimise the generation of toxic exhaust emissions in the environment, we encourage the use of electric vehicles by installing electric vehicle charging systems in the parking area within our premises, i.e. the shipyard and principal office. We aim to promote the transition to electric vehicles among our employees, logistic suppliers and customer visitors, thereby reducing emissions.



Water Conservation

The Group recognises that water is a precious and valuable resource and is committed to enhancing water conservation. We have conducted training sessions for our shipyard staff on the use of water jets, with an emphasis on the significance of water conservation during the cleaning process. In addition, we have installed rainwater harvesting tanks, which allow us to reuse the collected water for vehicle washing, floor cleaning and irrigation purposes. Furthermore, we have replaced our faucets with water-saving ones and upgraded our washing machines to more water-efficient models, facilitating us to conserve water.

ENVIRONMENT AND RESOURCES (Continued)

Waste Management

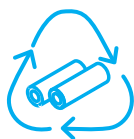
The Group emphasises proper waste management, acknowledging it as a cornerstone of our commitment to environmental stewardship. Over the years, we have prioritised reducing waste and promoting recycling across our business operations. At our shipyard, we engage contractors to sort and separate scrap metals into steel, aluminium and bronze alloys for further processing and reuse. To responsibly manage waste oil generated from the use of cranes, forklifts and emergency generators, we engage the service of licensed collectors to collect and convert it into high-quality green lubricants. Furthermore, our shipyard previously introduced a “Waste Filter Pressing Treatment Equipment” that utilises powerful pressing equipment to reduce the volume of waste products. The waste oil produced from the process will be collected for further processing. Below is a key highlight of certain hazardous and non-hazardous wastes recycled during the Reporting Year. For more details, including other wastes recycled and other wastes produced but not recycled, please refer to the section headed “Performance Data Summary” of this ESG Report.



Recycled spent oil
21,484 litres



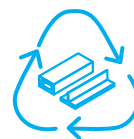
Recycled cooking oil for industrial use
600 litres



Recycled bronze
250 kg



Recycled aluminium
751 kg



Recycled zinc alloy
900 kg



Recycled steel scrap
30,000 kg



Processed oily water
6,791 litres

ENVIRONMENT AND RESOURCES (Continued)

Waste Management (Continued)

New Recycling Bins

To promote environmental protection, the Group has set up new sorting recycling bins at our Tsing Yi office for office recyclables: blue for waste paper, yellow for metal waste and brown for plastic waste. Colleagues are encouraged to sort waste by the colour labels and clean the items before disposal. It helps improve recycling efficiency, reduce pollution and effectively protect the environment.



Mooncake Boxes Recycling Program

In October 2025, the Group participated in the “Mooncake Boxes Recycling Program 2025” organised by Greeners Action. After gathering paper or metal mooncake boxes from our colleagues, we delivered them to the designated collection points. The program facilitates resource recycling, reduces waste and supports a cleaner and greener community by collecting mooncake boxes.



ENVIRONMENT AND RESOURCES (Continued)

Waste Management (Continued)

At Harbour Cruise - Bauhinia, we have implemented a range of waste reduction measures. We have provided customers with a green dining menu. An onshore sewage system is located at the ferry pier, which avoided the direct discharge of 1,988 litres of wastewater into the harbour in 2025. In respect of our property development and investment operations, Metro Harbour Plaza and Green Code Plaza were recognised for fulfilling the requirements for the Programme on Source Separation of Commercial and Industrial Waste, the initiative being organised by the Environmental Protection Department.

Environmental Awareness

The Group believes that fostering environmental awareness among our employees and the general public is important for creating a sustainable world and promoting positive change in behaviour. We actively encourage our employees to participate in various activities that support sustainable development.

THE WAY FORWARD

With over a century of dedicated service to Hong Kong, the Group carries forward its legacy by anchoring sustainability in future growth, guided by the “Love Hong Kong and the Harbour” motto. This milestone is not just a testament to our past achievements, but a foundation for integrating ESG into every dimension of our future development. We shall continue to align our environmental efforts with the Hong Kong Climate Action Plan 2050 and to implement the low-carbon and energy efficiency initiatives across our business operations. We aim to reduce our carbon footprint while enhancing the climate resilience of our operations. For our people, we shall continue to sustain a safe and inclusive workplace with enhanced safety measures and wellness initiatives for employees. In the community, we have collaborated with Tung Wah Group of Hospitals to launch the youth hostel project and have opened the new pain management centre, while continuing our efforts in contributing to the community – from supporting underprivileged groups to promoting anti-scam awareness. The Group will stay aligned with local ESG regulations and stakeholder expectations, and leverage synergies between business development and sustainability to build a more prosperous future for Hong Kong.

PERFORMANCE DATA SUMMARY

HKEX KPI	Description	Unit	2025	2024
A. Environmental				
A1.1	The types of emissions and respective emissions data ^(Note 1)			
	NOx	Tonnes	121.68	129.80
	SOx	Tonnes	1.07	1.14
	PM	Tonnes	4.33	4.62
A1.2	Greenhouse gas emissions in total and intensity ^(Notes 2,3,4)			
	– Direct GHG emissions (Scope 1) ^(Note 5)	Tonnes of CO ₂ e	4,254.39	4,714.60
	– Indirect GHG emissions (Scope 2) ^(Note 6) (Location based)	Tonnes of CO ₂ e	561.96	776.39
	– Other indirect GHG emissions (Scope 3) ^(Note 7)	Tonnes of CO ₂ e	30.26	37.79
	– in total	Tonnes of CO ₂ e	4,846.61	5,528.78
	– in intensity ^(Note 8)	Tonnes of CO ₂ e per revenue (HK\$ million)	21.56	25.17
A1.3	Total hazardous waste produced and intensity			
	Recycled Spent Oil ^(Note 10.a)			
	– in total	Litres	21,484	13,400
	– in intensity	Litres/FTE ^(Note 9)	73.07	45.42
	Ink Cartridge ^(Note 10.d,e,f)			
	– in total	Pieces	123	73
	– in intensity	Piece/FTE	0.42	0.25
	Clinical (Medical) Waste ^(Note 10.d)			
A1.4	– in total	Kg	77	60
	– in intensity	Kg/FTE	0.26	0.20
	Total non-hazardous waste produced and intensity			
	General Waste ^(Note 10.a,b,d,f)			
	– in total	Kg	13,720	17,256
	– in intensity	Kg/FTE	46.67	58.49
	Food Waste ^(Note 10.b)			
	– in total	Kg	1,278	1,346
	– in intensity	Kg/FTE	4.35	4.56
	Paper Waste ^(Note 10.b,d,f)			
	– in total	Kg	1,509	1,609
	– in intensity	Kg/FTE	5.13	5.45
	Used Cosmetic/Medical/Healthcare Products Packaging Disposed ^(Note 10.d,f)			
	– in total	Kg	79	45
	– in intensity	Kg/FTE	0.27	0.15

PERFORMANCE DATA SUMMARY (Continued)

HKEX KPI	Description	Unit	2025	2024
A. Environmental (Continued)				
A1.4 (Continued)	Total non-hazardous waste produced and intensity (Continued)			
	Recycled Glass Bottle ^(Note 10.b)			
	– in total	Kg	443	485
	– in intensity	Kg/FTE	1.51	1.64
	Recycled Paper ^(Note 10.b,e,f)			
	– in total	Kg	2,298	7,410
	– in intensity	Kg/FTE	7.82	25.12
	Recycled Aluminium ^(Note 10.a,e)			
	– in total	Kg	751	850
	– in intensity	Kg/FTE	2.55	2.88
	Recycled Bronze ^(Note 10.a)			
	– in total	Kg	250	300
	– in intensity	Kg/FTE	0.85	1.02
	Recycled Steel ^(Note 10.a)			
	– in total	Kg	30,000	35,050
	– in intensity	Kg/FTE	102.04	118.81
	Recycled Zinc Alloy ^(Note 10.a)			
	– in total	Kg	900	1,100
	– in intensity	Kg/FTE	3.06	3.73
	Recycled Used Cooking Oil ^(Note 10.a)			
	– in total	Litres	600	432
	– in intensity	Litres/FTE	2.04	1.46
	Recycled Oily Water ^(Note 10.a,b)			
	– in total	Litres	6,791	4,786
	– in intensity	Litres/FTE	23.10	16.22
	Recycled Used Battery ^(Note 10.a)			
	– in total	Kg	120	170
	– in intensity	Kg/FTE	0.41	0.58
	Recycled Plastic ^(Note 10.e)			
	– in total	Kg	47	201
	– in intensity	Kg/FTE	0.16	0.68
A2.1	Energy consumption by type and intensity ^(Note 2)			
	– Fuel oil	kWh	17,393,653	19,271,516
	– Electricity	kWh	1,420,716	1,717,310
	– in total	In 1,000 kWh	18,814	20,989
	– in intensity ^(Note 8)	1,000 kWh per revenue (HK\$ million)	83.71	95.57
A2.2	Water consumption in total and intensity ^(Note 10.a,b,c,d,e)			
	– in total	m ³	26,262	29,955
	– in intensity	m ³ /FTE	89.33	101.54
A2.5	Total packaging material used for finished products and intensity ^(Note 10.d)			
	– in total	Kg	30	24
	– in intensity	Kg/FTE	0.10	0.08

PERFORMANCE DATA SUMMARY (Continued)

HKEX KPI	Description	Unit	2025			2024				
B. Social										
Employment and Labour Practices										
B1.1	Total workforce by employment type and gender (all in Hong Kong)		Male		Female		Male		Female	
	Full-time	No. of people	177		117		170		125	
	Part-time	No. of people	6		2		5		0	
	Total workforce by employment type and age group (all in Hong Kong)		<30	30–50	>50	<30	30–50	>50		
	Full-time	No. of people	41	127	126	46	113	136		
	Part-time	No. of people	5	1	2	4	1	0		
B1.2	Employee turnover rate by gender		Male		Female		Male		Female	
		%	20.3		32.5		30.0		36.0	
	Employee turnover rate by age group		<30	30–50	>50	<30	30–50	>50		
		%	51.2	22.0	19.8	41.3	25.7	35.3		
B2.1	Number and rate of work-related fatalities		2025		2024		2023			
	– By number	No. of people	0		0		1 (Note 11)			
	– By rate	%	0		0		0.36			
B2.2	Lost days due to work injury (including sick leaves taken by employees)									
		Days	1,042			1,342				
B3.1	The percentage of employees trained by gender and employee category		Total	Male	Female	Total	Male	Female		
	– General	%	80.39	87.50	69.67	81.49	90.95	67.65		
	– Supervisors to Managers	%	87.50	90.48	85.19	88.64	94.12	85.19		
	– Senior Management	%	64.29	75.00	50.00	82.35	90.00	71.43		
	– Overall	%	80.71	87.32	71.61	82.32	91.15	70.59		
B3.2	The average training hours completed per employee by gender and employee category		Total	Male	Female	Total	Male	Female		
	– General	Hours	12.47	9.93	16.32	10.30	8.93	12.31		
	– Supervisors to Managers	Hours	13.32	14.10	12.70	14.83	7.40	19.51		
	– Senior Management	Hours	9.45	14.13	3.21	18.00	24.15	9.21		
	– Overall	Hours	12.47	10.50	15.18	11.14	9.49	13.32		
Operating Practices										
B5.1	Number of suppliers by geographical region (Note 12)									
	– Hong Kong	No. of organisations	248			737				
	– Mainland China	No. of organisations	30			69				
	– Others (e.g. Asia and Europe)	No. of organisations	19			74				

PERFORMANCE DATA SUMMARY (Continued)

HKEX KPI	Description	Unit	2025	2024
B. Social (Continued)				
Operating Practices (Continued)				
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons			
	No. of cases		0	0
B6.2	Number of products and services related complaints received			
	No. of cases		0	0
B7.1	Number of concluded legal cases regarding corrupt practices brought against the Company or its employees during the reporting year			
	No. of cases		0	0

Notes:

- Emission data are confined to The Hongkong and Yaumati Ferry Company Limited. Marine air emissions data are calculated based on harbour craft emissions estimation methodology in Port of Los Angeles Inventory of Air Emissions 2005 Technical Report (https://kentico.portoflosangeles.org/getmedia/59baf614-fdfe-4cfa-9d58-3032d32583d7/2005_Air_Emissions_Inventory_Full_Doc).
- GHG emissions data and energy consumption data in 2025 and 2024 are confined to The Hong Kong Shipyard Limited, The Hongkong and Yaumati Ferry Company Limited, Harbour Cruise - Bauhinia, the Principal Office, Century Time Holdings Limited and Topkey Development Limited.
- The GHG emissions data are measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004).
- An operational approach is adopted to measure GHG emissions, as operational information is accessible.
- Scope 1 emissions include direct GHG emissions from the combustion of diesel oil for ferries, vehicles and electricity generators.
- Scope 2 emissions include indirect GHG emissions from purchased electricity. The emission factors used to calculate GHG emissions from purchased electricity are referenced from the local power and utility companies.
- Scope 3 emissions include other indirect GHG emissions from metal purchased for repair or maintenance of our vessels, purchased paper, electricity used for fresh water and sewage processing, paper waste disposal and air travel.
- With consideration of the scope, the intensity figures of GHG emissions and energy consumption for 2025 and 2024 are calculated using the total revenue generated from the ferry, shipyard and Harbour Cruise - Bauhinia operations and medical, healthcare and beauty services (HK\$ million).
- FTE: Full-time equivalent employees; excluding part-time employees.
- The data in 2025 are confined to:
 - The Hong Kong Shipyard Limited
 - Harbour Cruise - Bauhinia
 - The Hongkong and Yaumati Ferry Company Limited
 - Century Time Holdings Limited
 - Principal Office
 - Topkey Development Limited
- The legal proceedings of the inadvertent incident commenced in 2023 and were concluded in 2024.
- Supplier data in 2025 and 2024 are confined to The Hong Kong Shipyard Limited, The Hongkong and Yaumati Ferry Company Limited, Harbour Cruise - Bauhinia, Century Time Holdings Limited and Topkey Development Limited.

HKEX ESG REPORTING CODE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Section/Remarks
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environment and Resources
KPI A1.1	The types of emissions and respective emissions data.	Environment and Resources – Air Quality Improvement; Performance Data Summary
KPI A1.2	[Repealed 1 January 2025]	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environment and Resources – Energy and GHG Emissions Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environment and Resources – Waste Management The Group has not set a waste reduction target.
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environment and Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environment and Resources – Energy and GHG Emissions Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	There were no issues in sourcing water that is fit for purpose and the Group has not set a water efficiency target.

HKEX ESG REPORTING CODE CONTENT INDEX (Continued)

Aspects, General Disclosures and KPIs	Description	Section/Remarks
A. Environmental (Continued)		
Aspect A2: Use of Resources (Continued)		
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Performance Data Summary
Aspect A3: The Environmental and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment and Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and Resources
Aspect A4: Climate Change		
General Disclosure	[Repealed 1 January 2025]	
KPI A4.1	[Repealed 1 January 2025]	
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	People and Community – Talent Attraction and Retention
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Performance Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Summary
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	People and Community – Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Data Summary
KPI B2.2	Lost days due to work injury.	Performance Data Summary
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	People and Community – Occupational Health and Safety

HKEX ESG REPORTING CODE CONTENT INDEX (Continued)

Aspects, General Disclosures and KPIs	Description	Section/Remarks
B. Social (Continued)		
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	People and Community – Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	People and Community – Development and Training; Performance Data Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Summary
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	People and Community – Talent Attraction and Retention
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	People and Community – Talent Attraction and Retention
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	People and Community – Talent Attraction and Retention
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Operating Practices – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Performance Data Summary
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Operating Practices – Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Operating Practices – Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Operating Practices – Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Operating Practices – Product and Service Responsibilities

HKEX ESG REPORTING CODE CONTENT INDEX (Continued)

Aspects, General Disclosures and KPIs	Description	Section/Remarks
B. Social (Continued)		
Aspect B6: Product Responsibility (Continued)		
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Performance Data Summary
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Operating Practices – Product and Service Responsibilities; Performance Data Summary
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Operating Practices – Product and Service Responsibilities
KPI B6.4	Description of quality assurance process and recall procedures.	Operating Practices – Product and Service Responsibilities
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Operating Practices – Product and Service Responsibilities
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Sustainability Governance – Anti-Corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Performance Data Summary
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Sustainability Governance – Anti-Corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Sustainability Governance – Anti-Corruption
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	People and Community – Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	People and Community – Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	People and Community – Community Investment

HKEX ESG REPORTING CODE CONTENT INDEX (Continued)

Part D: Climate-related Disclosures	
Description	Section/Remarks
I. Governance	
19. An issuer shall disclose information about:	
(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	Sustainability Governance – Sustainability Governance Structure
(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Sustainability Governance – Sustainability Governance Structure
(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Sustainability Governance – Sustainability Governance Structure
(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	Sustainability Governance – Sustainability Governance Structure
(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies; and	Sustainability Governance – Sustainability Governance Structure
(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	Sustainability Governance – Sustainability Governance Structure
(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Sustainability Governance – Sustainability Governance Structure
(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Sustainability Governance – Sustainability Governance Structure
II. Strategy	
Climate-related risks and opportunities	
20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Environment and Resources – Climate Resilience and Adaptation
(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	Environment and Resources – Climate Resilience and Adaptation
(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	Environment and Resources – Climate Resilience and Adaptation

HKEX ESG REPORTING CODE CONTENT INDEX (Continued)

Part D: Climate-related Disclosures (Continued)	
Description	Section/Remarks
II. Strategy (Continued)	
Climate-related risks and opportunities (Continued)	
(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Environment and Resources – Climate Resilience and Adaptation
Business model and value chain	
21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Environment and Resources – Climate Resilience and Adaptation
(b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Environment and Resources – Climate Resilience and Adaptation
Strategy and decision making	
22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	Environment and Resources – Energy and GHG Emissions Management; Air Quality Improvement; Water Conservation; Waste Management
(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	Environment and Resources – Climate Resilience and Adaptation
(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	The Group currently has no climate-related transition plan, therefore no disclosure information is provided.
(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	Environment and Resources – Energy and GHG Emissions Management
(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Environment and Resources – Energy and GHG Emissions Management
23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	No disclosure is provided as no plans were disclosed in or prior to the financial year 2024.

HKEX ESG REPORTING CODE CONTENT INDEX (Continued)

Part D: Climate-related Disclosures (Continued)	
Description	Section/Remarks
II. Strategy (Continued)	
Financial position, financial performance and cash flows	
24. An issuer shall disclose qualitative and quantitative information about:	
(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	Environment and Resources – Climate Resilience and Adaptation
(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Environment and Resources – Climate Resilience and Adaptation
25. The issuer shall provide qualitative and quantitative disclosures about:	
(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration;	Environment and Resources – Climate Resilience and Adaptation
(i) its investment and disposal plans; and	Qualitative Information: Environment and Resources – Climate Resilience and Adaptation Quantitative Information: Due to the high level of measurement uncertainty involved in estimating the investment amount, no quantitative data has been provided.
(ii) its planned sources of funding to implement its strategy; and	Qualitative Information: Environment and Resources – Climate Resilience and Adaptation Quantitative Information: Due to the high level of measurement uncertainty involved in estimating the sources of funding, no quantitative data has been provided.
(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Environment and Resources – Climate Resilience and Adaptation
Climate resilience	
26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	
(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	Environment and Resources – Climate Resilience and Adaptation
(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	

HKEX ESG REPORTING CODE CONTENT INDEX (Continued)

Part D: Climate-related Disclosures (Continued)	
Description	Section/Remarks
II. Strategy (Continued)	
Climate resilience (Continued)	
(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	Environment and Resources – Climate Resilience and Adaptation
(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	Environment and Resources – Climate Resilience and Adaptation
(b) how and when the climate-related scenario analysis was carried out, including:	
(i) information about the inputs used, including:	
(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	Environment and Resources – Climate Resilience and Adaptation
(2) whether the analysis included a diverse range of climate-related scenarios;	Environment and Resources – Climate Resilience and Adaptation
(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	Environment and Resources – Climate Resilience and Adaptation
(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	Environment and Resources – Climate Resilience and Adaptation
(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	Environment and Resources – Climate Resilience and Adaptation
(6) time horizons the issuer used in the analysis; and	Environment and Resources – Climate Resilience and Adaptation
(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	Environment and Resources – Climate Resilience and Adaptation
(ii) the key assumptions the issuer made in the analysis; and	Environment and Resources – Climate Resilience and Adaptation
(iii) the reporting period in which the climate-related scenario analysis was carried out.	Environment and Resources – Climate Resilience and Adaptation
III. Risk Management	
27. An issuer shall disclose information about:	
(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about;	
(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	Environment and Resources – Climate Resilience and Adaptation
(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	Environment and Resources – Climate Resilience and Adaptation
(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	Sustainability Governance – Sustainability Governance Structure
(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	Environment and Resources – Climate Resilience and Adaptation
(v) how the issuer monitors climate-related risks; and	Environment and Resources – Climate Resilience and Adaptation

HKEX ESG REPORTING CODE CONTENT INDEX (Continued)

Part D: Climate-related Disclosures (Continued)	
Description	Section/Remarks
III. Risk Management (Continued)	
(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	No disclosure is provided as no changes were made to the processes used.
(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	Environment and Resources – Climate Resilience and Adaptation
(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Sustainability Governance – Sustainability Governance Structure
IV. Metrics and Targets	
Greenhouse gas emissions	
28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as:	
(a) Scope 1 greenhouse gas emissions;	Performance Data Summary
(b) Scope 2 greenhouse gas emissions; and	Performance Data Summary
(c) Scope 3 greenhouse gas emissions.	Performance Data Summary
29. An issuer shall:	
(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	Performance Data Summary
(b) disclose the approach it uses to measure its greenhouse gas emissions including:	
(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	Performance Data Summary
(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	Performance Data Summary
(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	No disclosure is provided as there were no changes made to the measurement approach, inputs or assumptions during the reporting period.
(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	Performance Data Summary
(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Performance Data Summary

HKEX ESG REPORTING CODE CONTENT INDEX (Continued)

Part D: Climate-related Disclosures (Continued)	
Description	Section/Remarks
IV. Metrics and Targets (Continued)	
Climate-related transition risks	
30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	All properties, assets and business activities in the ESG Report located in Hong Kong are included in the climate risk assessment.
Climate-related physical risks	
31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	All properties, assets and business activities in the ESG Report located in Hong Kong are included in the climate risk assessment.
Climate-related opportunities	
32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	All properties, assets and business activities in the ESG Report located in Hong Kong are included in the climate risk assessment.
Capital deployment	
33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	The Group may consider to develop a data collection mechanism to assess the capital expenditure, financing or investment deployed towards climate-related risks and opportunities.
Internal carbon prices	
34. An issuer shall disclose:	The Group currently does not adopt an internal carbon pricing mechanism but will continue to monitor developments in carbon pricing frameworks and regulatory requirements.
(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	
(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;	
or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	
Remuneration	
35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	The Group currently does not incorporate climate-related considerations into its remuneration policy and will continue to monitor industry trends and regulatory requirements, considering relevant remuneration mechanism if appropriate.

HKEX ESG REPORTING CODE CONTENT INDEX (Continued)

Part D: Climate-related Disclosures (Continued)	
Description	Section/Remarks
IV. Metrics and Targets (Continued)	
Industry-based metrics	
36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Industry-based metrics are not disclosed in this report.
Climate-related targets	
37. An issuer shall disclose (a) the qualitative and quantitative climate related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
(a) the metric used to set the target;	Environment and Resources – Energy and GHG Emissions Management
(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	Environment and Resources – Energy and GHG Emissions Management
(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	Environment and Resources – Energy and GHG Emissions Management
(d) the period over which the target applies;	Environment and Resources – Energy and GHG Emissions Management
(e) the base period from which progress is measured;	Environment and Resources – Energy and GHG Emissions Management
(f) milestones or interim targets (if any);	Currently no phased or interim targets have been set.
(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	Environment and Resources – Energy and GHG Emissions Management
(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	The Group may consider to disclose the process of setting target with the assistance of the latest international climate change agreement if appropriate, based on the nature of its business.

HKEX ESG REPORTING CODE CONTENT INDEX (Continued)

Part D: Climate-related Disclosures (Continued)	
Description	Section/Remarks
IV. Metrics and Targets (Continued)	
Climate-related targets (Continued)	
38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
(a) whether the target and the methodology for setting the target has been validated by a third party;	The Group has not undergone third-party validation of the target and the methodology for setting it.
(b) the issuer's processes for reviewing the target;	Environment and Resources – Energy and GHG Emissions Management
(c) the metrics used to monitor progress towards reaching the target; and	Environment and Resources – Energy and GHG Emissions Management
(d) any revisions to the target and an explanation for those revisions.	Environment and Resources – Energy and GHG Emissions Management
39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Environment and Resources – Energy and GHG Emissions Management
40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
(a) which greenhouse gases are covered by the target;	Environment and Resources – Energy and GHG Emissions Management
(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	Environment and Resources – Energy and GHG Emissions Management
(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	Environment and Resources – Energy and GHG Emissions Management
(d) whether the target was derived using a sectoral decarbonisation approach; and	The Group's targets are not derived from sectoral decarbonisation approach.

HKEX ESG REPORTING CODE CONTENT INDEX (Continued)

Part D: Climate-related Disclosures (Continued)	
Description	Section/Remarks
IV. Metrics and Targets (Continued)	
Climate-related targets (Continued)	
(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	The Group currently has no plans to utilise carbon credits to offset greenhouse gas emissions in pursuit of any net greenhouse gas emissions target.
(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	
(ii) which third-party scheme(s) will verify or certify the carbon credits;	
(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
Applicability of cross-industry metrics and industry-based metrics	
41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) industry based metrics (see paragraph 36).	Regarding the details of cross-industry metrics, please see paragraphs 28 to 35 above. Regarding industry based metrics, please see paragraph 36 above.



**Independent auditor's report to the members of
Hong Kong Ferry (Holdings) Company Limited**
(incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Hong Kong Ferry (Holdings) Company Limited ("the Company") and its subsidiaries ("the Group") set out on pages 134 to 211, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS (Continued)

Valuation of investment properties

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

The Key Audit Matter

The Group's investment properties which comprise retail and residential properties, car parking spaces and godowns are located in Hong Kong. These investment properties were stated at their fair values of HK\$4,556 million as at 31 December 2025 which accounted for 87% of the Group's non-current assets as at that date.

The fair values of the Group's investment properties as at 31 December 2025 were assessed by the board of directors based on valuations prepared by a firm of qualified external property valuers.

The valuation of the Group's investment properties is complex and involves a significant degree of management judgement and estimation in respect of the determination of capitalisation rates and prevailing market rents, particularly given the dissimilar nature of the investment properties held by the Group.

We identified valuation of investment properties as a key audit matter because these properties represent the majority of the Group's non-current assets and because the valuations are inherently subjective and involve a significant degree of judgement and estimation by management which increases the risk of error or potential management bias.

How the matter was addressed in our audit

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

- obtaining and inspecting the valuation reports prepared by the external property valuers engaged by the Group and on which the directors' assessment of the fair values of investment properties was based;
- assessing the external property valuers' qualifications, experience and expertise in the properties being valued and considering their objectivity;
- with the assistance of our internal property valuation specialists and utilising their industry knowledge and experience, discussing with the external property valuers, without the presence of management, their valuation methodologies, and assessing the key estimates and assumptions adopted in the valuations by comparing capitalisation rates, prevailing market rents and comparable market transactions with the available market data, on a sample basis;
- comparing tenancy information, including committed rents and occupancy rates, provided by the Group to the external property valuers with underlying contracts and related documentation, on a sample basis.

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

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ho Wai Ming (practising certificate number: P05285).

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

19 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Revenue	3(a)	427,252	422,910
Direct costs		(264,176)	(258,803)
		<u>163,076</u>	<u>164,107</u>
Other revenue	3(a) & 4	63,255	69,764
Other net income	4	20,743	12,304
Valuation gains on investment properties	3(d) & 11	50,301	2,004
Selling and marketing expenses		(5,584)	(7,589)
Administrative expenses		(114,571)	(98,174)
Other operating expenses		(11,142)	(7,479)
Profit from operations	3(b)	<u>166,078</u>	<u>134,937</u>
Interest on lease liabilities		(569)	(473)
Share of profits less losses of associates		520	857
Share of profits less losses of joint ventures		174,616	41,003
Profit before taxation	5	<u>340,645</u>	<u>176,324</u>
Taxation	6(a)	(5,917)	(15,948)
Profit for the year		<u><u>334,728</u></u>	<u><u>160,376</u></u>
Attributable to:			
Equity shareholders of the Company		335,366	163,875
Non-controlling interests		(638)	(3,499)
Profit for the year		<u><u>334,728</u></u>	<u><u>160,376</u></u>
Earnings per share			
– Basic and diluted	10	<u><u>\$ 0.94</u></u>	<u><u>\$ 0.46</u></u>

The notes on pages 141 to 211 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 9.

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	334,728	160,376
Other comprehensive income for the year (after tax and reclassification adjustments):		
Items that will not be reclassified to profit or loss:		
Remeasurement of employee retirement benefits assets	981	1,471
Financial assets at fair value through other comprehensive income – changes in fair value recognised in securities revaluation reserve (non-recycling)	10,441	15,864
	11,422	17,335
Total comprehensive income for the year	346,150	177,711
Attributable to:		
Equity shareholders of the Company	346,788	181,210
Non-controlling interests	(638)	(3,499)
Total comprehensive income for the year	346,150	177,711

The notes on pages 141 to 211 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

		2025		2024	
	Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets					
Investment properties	11		4,555,511		2,495,790
Other property, plant and equipment	11		70,128		60,015
Interest in leasehold land	11		29,448		30,817
			<u>4,655,087</u>		<u>2,586,622</u>
Interest in associates	13		5,094		5,430
Interest in joint ventures	14		388,590		691,388
Other financial assets	15		160,919		132,965
Other receivables and prepayments	18(a)		40,196		83,304
Net employee retirement benefits assets	16(b)		4,368		3,127
Deferred tax assets	22(b)		6,712		3,479
			<u>5,260,966</u>		<u>3,506,315</u>
Current assets					
Inventories	17(a)		75,034		1,803,089
Trade and other receivables	18(b)		200,975		186,214
Tax recoverable	22(a)		3,740		838
Cash and bank balances	19(a)		2,111,073		1,876,592
			<u>2,390,822</u>		<u>3,866,733</u>
Current liabilities					
Trade and other payables	20		(209,210)		(206,577)
Lease liabilities	21		(8,384)		(4,025)
Tax payable	22(a)		(16,072)		(16,179)
			<u>(233,666)</u>		<u>(226,781)</u>
Net current assets			<u>2,157,156</u>		<u>3,639,952</u>
Total assets less current liabilities			<u>7,418,122</u>		<u>7,146,267</u>
Non-current liabilities					
Long service payment liabilities	16(c)		(1,949)		(1,229)
Lease liabilities	21		(13,908)		(3,999)
Deferred tax liabilities	22(b)		(91,900)		(87,756)
			<u>(107,757)</u>		<u>(92,984)</u>
NET ASSETS			<u>7,310,365</u>		<u>7,053,283</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2025

		2025		2024	
	Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000
CAPITAL AND RESERVES					
Share capital	23(b)		1,754,801		1,754,801
Reserves			5,565,638		5,307,918
Total equity attributable to equity shareholders of the Company			7,320,439		7,062,719
Non-controlling interests			(10,074)		(9,436)
TOTAL EQUITY			7,310,365		7,053,283

Approved and authorised for issue by the board of directors on 19 March 2026.

Dr. Lam Ko Yin, Colin
Chairman

Li Ning
Director

The notes on pages 141 to 211 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to the equity shareholders of the Company					Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital (Note 23(b)) HK\$'000	Securities revaluation reserve (non-recycling) (Note 23(c)) HK\$'000	Other capital reserves (Note 23(c)) HK\$'000	Retained profits HK\$'000	Total HK\$'000		
<i>Note</i>							
Balance at 1 January 2024	1,754,801	(21,532)	8,015	5,229,293	6,970,577	(5,937)	6,964,640
Changes in equity for 2024:							
Profit for the year	–	–	–	163,875	163,875	(3,499)	160,376
Other comprehensive income	–	15,864	–	1,471	17,335	–	17,335
Total comprehensive income	–	15,864	–	165,346	181,210	(3,499)	177,711
Dividends approved in respect of the previous year	9	–	–	(53,441)	(53,441)	–	(53,441)
Dividends declared in respect of the current year	9	–	–	(35,627)	(35,627)	–	(35,627)
Balance at 31 December 2024 and 1 January 2025	1,754,801	(5,668)	8,015	5,305,571	7,062,719	(9,436)	7,053,283
Changes in equity for 2025:							
Profit for the year	–	–	–	335,366	335,366	(638)	334,728
Other comprehensive income	–	10,441	–	981	11,422	–	11,422
Total comprehensive income	–	10,441	–	336,347	346,788	(638)	346,150
Dividends approved in respect of the previous year	9	–	–	(53,441)	(53,441)	–	(53,441)
Dividends declared in respect of the current year	9	–	–	(35,627)	(35,627)	–	(35,627)
Balance at 31 December 2025	1,754,801	4,773	8,015	5,552,850	7,320,439	(10,074)	7,310,365

The notes on pages 141 to 211 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025

	Note	2025		2024	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Operating activities					
Profit before taxation			340,645		176,324
Adjustments for:					
Amortisation of leasehold land premium	5(b)	1,369		1,369	
Depreciation	5(b)	18,842		18,059	
Impairment losses on trade and other receivables	5(b)	1,246		54	
Reversal of impairment losses on trade and other receivables	4	—		(262)	
Change in fair value of other financial assets designated at fair value through profit or loss	4	(17,513)		(9,912)	
Profit on disposal of other property, plant and equipment	4	(45)		—	
Valuation gains on investment properties	11	(50,301)		(2,004)	
Interest income	5(b)	(64,296)		(93,522)	
Interest on lease liabilities		569		473	
Dividend income from listed investments	5(b)	(6,957)		(6,898)	
Share of profits less losses of associates		(520)		(857)	
Share of profits less losses of joint ventures		(174,616)		(41,003)	
			(292,222)		(134,503)
Operating profit before changes in working capital			48,423		41,821
(Increase)/decrease in net employee retirement benefits assets		(260)		444	
Decrease/(increase) in inventories		413		(949)	
Decrease/(increase) in trade and other receivables		26,013		(16,927)	
Increase/(decrease) in trade and other payables		3,353		(6,169)	
			29,519		(23,601)
Cash generated from operations			77,942		18,220
Profits tax paid		(8,015)		(13,194)	
			(8,015)		(13,194)
Net cash generated from operating activities			69,927		5,026

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

For the year ended 31 December 2025

		2025	2024
	Note	HK\$'000	HK\$'000
Investing activities			
Interest received		65,384	96,239
Payment for the purchase of other property, plant and equipment		(7,242)	(6,083)
Payment for addition to investment properties		(281,777)	(5,096)
Receipt from disposal of property, plant and equipment		45	–
Repayment from associates		19	1,047
Loan repaid by a joint venture	14	65,500	50,000
Dividends received from a joint venture		412,000	–
Dividends received from listed investments		6,957	6,898
Dividends received from an associate		750	750
(Increase)/decrease in bank deposits with maturity over three months at acquisition		(598,357)	343,184
Net cash (used in)/generated from investing activities		(336,721)	486,939
Financing activities			
Capital element of lease rental paid	19(b)	(7,445)	(8,082)
Interest element of lease rental paid	19(b)	(569)	(473)
Dividends paid		(89,068)	(89,068)
Net cash used in financing activities		(97,082)	(97,623)
Net (decrease)/increase in cash and cash equivalents		(363,876)	394,342
Cash and cash equivalents at 1 January		495,398	101,056
Cash and cash equivalents at 31 December	19(a)	131,522	495,398

The notes on pages 141 to 211 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

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

The HKICPA has issued new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

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

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

- investment properties (see note 1(g)); and
- investments in equity securities (see note 1(f)).

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

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

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.

1 MATERIAL ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period.

Such amendments do not have a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in these financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

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

1 MATERIAL ACCOUNTING POLICIES (Continued)

(e) Associates and joint arrangements

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An interest in an associate or a joint venture is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence or joint control ceases.

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

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Company's statement of financial position, investments in associates and joint ventures are stated at cost less impairment losses (see note 1(j)), unless classified as held for sale (or included in a disposal group that is classified as held for sale).

(f) Investments in securities

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

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments (see note 24(e)). These investments are subsequently accounted for as follows, depending on their classification.

1 MATERIAL ACCOUNTING POLICIES (Continued)

(f) Investments in securities (Continued)

Non-equity investments

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

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see note 1(s)(v)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- fair value through other comprehensive income ("FVOCI") – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. ECLs, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

Equity investments

An investment in equity securities is classified as FVPL unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the securities revaluation reserve (non-recycling) is transferred to retained profits and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see note 1(s)(vi)).

(g) Investment properties

Investment property is initially measured at cost, and subsequently at fair value with changes therein recognised in profit or loss.

Any gain or loss on disposal of investment property is recognised in profit or loss. Rental income from investment properties is recognised in accordance with note 1(s)(i).

1 MATERIAL ACCOUNTING POLICIES (Continued)

(h) Other property, plant and equipment

The following property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(j)):

- right-of-use assets arising from leases over leasehold properties where the Group is not the registered owner of the property interest; and
- items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see note 1(i)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Any related revaluation surplus is transferred from the revaluation reserve to retained profits and is not reclassified to profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values, if any, using the straight line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	40 years or over the unexpired terms of the leases, if shorter
Leasehold land	Over the unexpired terms of the leases
Ferry vessels and other crafts	8 to 20 years
Machinery, furniture and other plant and equipment	
– Dry dock and ship lift	30 to 40 years
– Others	4 to 10 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(i) Leased assets

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

As a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

1 MATERIAL ACCOUNTING POLICIES (Continued)

(i) Leased assets (Continued)

As a lessee (Continued)

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

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 1(h) and 1(j)(iii)), except for the right-of-use assets that meet the definition of investment property are carried at fair value in accordance with note 1(g).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see notes 1(f), 1(s)(v) and 1(j)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

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

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

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

The Group presents right-of-use assets that do not meet the definition of investment property in 'Other property, plant and equipment' and presents lease liabilities separately in the statement of financial position.

1 MATERIAL ACCOUNTING POLICIES (Continued)

(i) Leased assets (Continued)

As a lessor

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

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

(j) Credit losses and impairment of assets

(i) Credit losses from financial instruments, contract assets and lease receivables

The Group recognises a loss allowance for ECLs on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables and loans to associates and joint ventures);
- contract assets (see note 1(k)(iii));
- non-equity securities measured at FVOCI (recycling) (see note 1(f)); and
- lease receivables.

Financial assets measured at fair value, including units in trust funds and equity securities designated at FVOCI (non-recycling) are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate; and
- lease receivables: discount rate used in the measurement of the lease receivable.

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

1 MATERIAL ACCOUNTING POLICIES (Continued)

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

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

Measurement of ECLs (Continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments (including loan commitments issued) for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

1 MATERIAL ACCOUNTING POLICIES (Continued)

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

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

Significant increases in credit risk (Continued)

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

The Group considers a financial instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade’.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument’s credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the securities revaluation reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position.

Credit-impaired financial assets

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

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

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

1 MATERIAL ACCOUNTING POLICIES (Continued)

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

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

Write-off policy

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

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

(ii) Credit losses from financial guarantees issued

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

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

The amount initially recognised as deferred income is subsequently amortised in profit or loss over the term of the guarantee as income from financial guarantees issued.

The Group monitors the risk that the specified debtor will default on the contract and remeasures the above liability at a higher amount when ECLs on the financial guarantees are determined to be higher than the carrying amount in respect of the guarantees.

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

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

1 MATERIAL ACCOUNTING POLICIES (Continued)

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

(iii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than property carried at revalued amounts, investment property, inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs").

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Inventories

(i) Trading stocks

Trading stocks are stated at the lower of cost and net realisable value. Cost includes the cost of materials computed using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Inventories (Continued)

(ii) Spare parts and consumables

Spare parts and consumables are stated at cost, computed using the weighted average method, less provision for obsolescence.

(iii) Contract assets

Contract assets are recognised when the Group recognises revenue (see note 1(s)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECLs (see note 1(j)(i)) and are reclassified to receivables when the right to the consideration has become unconditional (see note 1(l)).

(iv) Property development

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

- Properties under development for sale

The cost of properties under development for sale comprises specifically identified cost, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, and an appropriate proportion of overheads. Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

- Completed properties held for sale

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

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

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1 MATERIAL ACCOUNTING POLICIES (Continued)

(l) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see note 1(j)(i)), less allowance for impairment losses.

(m) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(n) Contract liabilities

A contract liability is recognised as forward sales deposits received when the customer pays consideration before the Group recognises the related revenue (see note 1(s)). A contract liability is also recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable is also recognised (see note 1(l)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL (see note 1(j)(i)).

1 MATERIAL ACCOUNTING POLICIES (Continued)

(p) Employee benefits

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

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Defined benefit plan obligations

The Group has the following two categories of defined benefit plans:

- defined benefit retirement plans registered under the Hong Kong Occupational Retirement Schemes Ordinance (the “ORSO plans”); and
- Long service payments (“LSP”) under the Hong Kong Employment Ordinance.

The Group’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. For ORSO plans, the net obligation is after deducting the fair value of plan assets. For LSP obligations, the estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group’s MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

The calculation of defined benefit obligation is performed by a qualified actuary using the projected unit credit method. For ORSO plans, when the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements arising from defined benefit plans, which comprise actuarial gains and losses, the return on plan assets in ORSO plans (excluding interest) and the effect of any asset ceiling (excluding interest), are recognised immediately in OCI. Net interest expense for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

1 MATERIAL ACCOUNTING POLICIES (Continued)

(q) Income tax

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

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

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

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

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

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

1 MATERIAL ACCOUNTING POLICIES (Continued)

(q) Income tax (Continued)

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

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

(r) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see note 1(j)(iii)).

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

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

(s) Revenue recognition

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

Except for the healthcare agency services, the Group is the principal for its revenue transactions and recognises revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

1 MATERIAL ACCOUNTING POLICIES (Continued)

(s) Revenue recognition (Continued)

Further details of the Group's revenue recognition policies are as follows:

(i) Rental income from operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(ii) Sale of goods

Revenue is recognised when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

(iii) Ferry and shipyard operations

Revenue relating to ferry operations is recognised when the relevant ferry services are provided.

Revenue from shipyard operations is recognised progressively over time using the cost-to-cost method, i.e. based on the proportion of the actual costs incurred relative to the estimated total costs.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

(iv) Medical, healthcare and beauty services

Revenue from medical, healthcare and beauty services is recognised when the relevant services are provided.

Revenue from healthcare agency services is recognised when the obligation to arrange for the provision of the specified service is fulfilled.

(v) Interest income

Interest income is recognised as it accrues using the effective interest method. Effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 1(j)(i)).

1 MATERIAL ACCOUNTING POLICIES (Continued)

(s) Revenue recognition (Continued)

(vi) Dividends

Dividend income from listed investments is recognised in profit or loss on the date when the Group's right to receive payment is established.

(vii) Other practical expedients applied

In addition, the Group has applied the following practical expedients:

- The Group has recognised the incremental costs of obtaining contracts relating to the sale of properties and services as an expense when incurred in accordance with paragraph 94 of HKFRS 15, as the amortisation period of the assets that the Group otherwise would have recognised is within the same reporting period as the date of entering into the contract.
- For sales contracts that had an original expected duration of one year or less, the Group has not disclosed the information related to the aggregated amount of the transaction price allocated to the remaining performance obligations in accordance with paragraph 121(a) of HKFRS 15.

(t) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations are translated into Hong Kong dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Hong Kong dollars at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

1 MATERIAL ACCOUNTING POLICIES (Continued)

(u) Related parties

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

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

(v) Segment reporting

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

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

2 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

Notes 16(b), 16(c) and 24 contain information about the assumptions and their risk factors relating to ORSO plan assets, LSP liabilities and financial instruments. Other key sources of estimation uncertainty and critical accounting judgements in applying the Group's accounting policies are as follows:

(a) Valuation of investment properties

In determining the fair value of the investment properties, the Group has considered information from different sources, including a valuation performed by a firm of professional valuers after taking into consideration the net rental income allowing for reversionary income potential, and other available market survey reports.

The assumptions adopted in the property valuations are based on the market conditions existing at the end of the reporting period, with reference to the appropriate capitalisation rate and occupancy rate.

(b) Recognition of deferred tax assets

At 31 December 2025, the Group had recognised deferred tax assets in relation to the unused tax losses amounting to approximately HK\$58,840,000 (2024: HK\$11,570,000). The realisability of the deferred tax assets mainly depends on whether it is probable that future taxable profits or taxable temporary differences will be available against which related tax benefits under the deferred tax assets can be utilised. In cases where the actual future taxable profits or taxable temporary differences generated are less than expected, a reversal of deferred tax assets may arise, which will be recognised in profit or loss for the period in which such a reversal takes place.

3 SEGMENT INFORMATION

The operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following five reportable segments.

- Property development: development and sale of properties.
- Property investment: rental income from leasing of properties.
- Ferry, shipyard and related operations: income from operation of dangerous goods vehicular ferry service and ship repairs and maintenance services and sales of goods on cruise vessels.
- Medical, healthcare and beauty services: income from provision of medical, healthcare and beauty services.
- Securities investment: dividend, interest and other income from listed securities investments.

Segment information is presented only in respect of the Group's business segments. No geographical analysis is shown as substantially all of the Group's revenue and profit from operations were derived from activities in Hong Kong.

3 SEGMENT INFORMATION (Continued)

Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The segment information for the years ended 31 December 2025 and 2024 about these reportable segments is presented below:

(a) Segment revenue

	Total revenue		Elimination of inter-segment revenue		Revenue from external customers	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Property development	–	–	–	–	–	–
Property investment	194,142	172,523	257	189	193,885	172,334
Ferry, shipyard and related operations	167,674	179,416	1,916	1,552	165,758	177,864
Medical, healthcare and beauty services	57,090	40,209	13	106	57,077	40,103
Securities investment	9,405	11,792	–	–	9,405	11,792
Others	182,801	187,591	118,419	97,010	64,382	90,581
	<u>611,112</u>	<u>591,531</u>	<u>120,605</u>	<u>98,857</u>	<u>490,507</u>	<u>492,674</u>
Analysed by:						
Revenue					427,252	422,910
Other revenue					<u>63,255</u>	<u>69,764</u>
					<u>490,507</u>	<u>492,674</u>

The principal activities of the Group are property development, property investment, ferry, shipyard and related operations, medical, healthcare and beauty services and securities investment.

3 SEGMENT INFORMATION (Continued)

Segment results (Continued)

(a) Segment revenue (Continued)

Disaggregation in revenue

Disaggregation of revenue from contracts with customers by major service lines is as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by service lines		
– Revenue from property development	–	–
– Revenue from ferry operations	101,896	104,589
– Revenue from shipyard operations	52,889	60,254
– Revenue from medical, healthcare, and beauty services	56,958	37,399
	<u>211,743</u>	<u>202,242</u>
Revenue from other sources		
– Property investment	147,032	125,361
– Securities investment	6,957	6,898
– Others	61,520	88,409
	<u>215,509</u>	<u>220,668</u>
	<u>427,252</u>	<u>422,910</u>

Apart from revenue from shipyard operations which is recognised over time, the Group's other revenue streams within the scope of HKFRS 15 are recognised at a point in time.

Revenue represents gross income from the sale of properties, sales value of goods delivered to customers, income from services rendered, rental income, interest income and dividend income.

At 31 December 2025, the aggregate amount of revenue expected to be recognised in profit or loss in the future from construction and repairing contracts entered into in relation to the Group's shipyard operations amounted to HK\$18,831,000 (2024: HK\$18,884,000), which will be recognised over time until the work is completed, which is expected to occur over the next 12 months.

3 SEGMENT INFORMATION (Continued)

Segment results (Continued)

(b) Segment result

	Reportable segment (loss)/profit	
	2025	2024
	HK\$'000	HK\$'000
Property development	(10,394)	(9,241)
Property investment (note 3(d))	119,806	76,507
Ferry, shipyard and related operations	(20,088)	(7,977)
Medical, healthcare and beauty services	(4,354)	(27,616)
Securities investment	23,944	16,372
	<u>108,914</u>	<u>48,045</u>
Others (note 3(e))	<u>57,164</u>	<u>86,892</u>
	<u>166,078</u>	<u>134,937</u>

(c) Reconciliation of reportable segment profit

	2025	2024
	HK\$'000	HK\$'000
Reportable segment profit derived from external customers	108,914	48,045
Other profit derived from external customers	57,164	86,892
Interest on lease liabilities	(569)	(473)
Share of profits less losses of associates and joint ventures	<u>175,136</u>	<u>41,860</u>
Profit before taxation in the consolidated statement of profit or loss	<u>340,645</u>	<u>176,324</u>

(d) The segment result of the "Property investment" included valuation gains on investment properties of HK\$50,301,000 (2024: HK\$2,004,000).

(e) "Others" mainly comprises interest income, corporate expenses and exchange gains/losses.

3 SEGMENT INFORMATION (Continued)

Segment results (Continued)

(f) Other segment information

	Depreciation and amortisation		Provision for/(reversal of) impairment losses		Capital expenditure incurred	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Property investment	–	–	1,084	(208)	281,776	5,096
Ferry, shipyard and related operations	7,539	8,297	162	–	2,398	1,987
Medical, healthcare and beauty services	11,880	10,343	–	–	4,484	3,512
Others	792	788	–	–	361	584
	<u>20,211</u>	<u>19,428</u>	<u>1,246</u>	<u>(208)</u>	<u>289,019</u>	<u>11,179</u>

4 OTHER REVENUE AND NET INCOME

	2025	2024
	HK\$'000	HK\$'000
Other revenue		
Management fee income	29,411	27,772
Other income	16,351	19,110
Air-conditioning charges income	14,660	17,768
Other interest income	2,833	5,114
	<u>63,255</u>	<u>69,764</u>
Other net income		
Change in fair value of other financial assets designated at FVPL	17,513	9,912
Sundry income	2,172	1,042
Income from sale of spare parts	998	1,105
Profit on disposal of other property, plant and equipment	45	–
Net exchange gains/(losses)	15	(17)
Reversal of impairment losses on trade and other receivables	–	262
	<u>20,743</u>	<u>12,304</u>

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Staff costs

	2025 HK\$'000	2024 HK\$'000
Expense recognised in respect of defined benefit retirement plans:		
– ORSO plans (<i>note 16(b)(v)</i>)	220	388
– LSP (<i>note 16(c)</i>)	308	285
Contributions to defined contribution retirement plan	4,157	3,917
Total retirement costs	4,685	4,590
Salaries, wages and other benefits	139,000	136,088
	<u>143,685</u>	<u>140,678</u>

(b) Other items

	2025 HK\$'000	2024 HK\$'000
Amortisation of leasehold land premium	1,369	1,369
Depreciation	18,842	18,059
Cost of inventories (<i>note 17(b)</i>)	7,252	8,279
Auditor's remuneration		
– audit services	1,978	1,992
– other services	366	366
Impairment losses on trade and other receivables	1,246	54
Rentals receivable from investment properties less direct outgoings of HK\$74,920,000 (2024: HK\$64,249,000) (<i>note</i>)	(72,112)	(61,112)
Rentals receivable from leases, other than those relating to investment properties, less direct outgoings of HK\$1,022,000 (2024: HK\$841,000)	(2,097)	(2,215)
Interest income	(64,296)	(93,522)
Dividend income from other financial assets designated at FVPL	(3,588)	(2,559)
Dividend income from other financial assets designated at FVOCI	(3,369)	(4,339)

Note: Included contingent rental income which is determined based on turnover of certain shops and commercial arcades of HK\$2,386,000 (2024: HK\$2,989,000).

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

	2025 HK\$'000	2024 HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	4,911	9,027
Provision for the claims (<i>note</i>)	97	107
(Over)/under-provision in respect of prior years	(2)	50
	<u>5,006</u>	<u>9,184</u>
Deferred tax		
Origination and reversal of temporary differences	911	6,764
	<u>5,917</u>	<u>15,948</u>

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2024.

The provision for Hong Kong Profits Tax for 2025 takes into account a reduction granted by the Government of 100% of the tax payable for the year of assessment 2024/25 subject to a maximum reduction of HK\$1,500 for each business (2024: a maximum reduction of HK\$3,000 was granted for the year of assessment 2023/24 and was taken into account in calculating the provision for 2024).

Note: In prior years, the Inland Revenue Department (“IRD”) raised additional profits tax assessments on a subsidiary of the Group covering the years of assessment from 2001/02 to 2009/10 as the IRD disallowed the deduction of certain capital expenditure incurred by the subsidiary (the “claims”). Notices of objection were filed with the IRD by the subsidiary. In February 2017 and March 2022, the IRD further raised additional profits tax assessments covering the years of assessment from 2010/11 to 2014/15 and 2015/16 in respect of such disallowance. Management has sought advice from the Group’s tax adviser and has filed a notice of objection against such additional tax assessments. In August 2022, IRD issued a determination regarding previous objections and continued to disallow the claims. The subsidiary filed a notice of appeal to the Board of Review in September 2022 and the appeal was heard in July and August 2024. As at the approval date of these financial statements, the Board of Review has yet to hand down its decision. During the year ended 31 December 2025, the Group made an additional provision of HK\$97,000 for the claims.

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

(b) Reconciliation between tax expense and accounting profit at an applicable tax rate

	2025 HK\$'000	2024 HK\$'000
Profit before taxation	<u>340,645</u>	<u>176,324</u>
Notional tax on profit before taxation, calculated at the rates applicable to profit in tax jurisdictions concerned	56,040	28,926
Tax effect of non-deductible expenses	3,732	1,160
Tax effect of non-taxable income	(53,329)	(23,727)
Tax effect of current year's tax losses not recognised	4,148	7,223
Tax effect of prior years' unrecognised tax losses recognised this year	(4,404)	–
Tax effect of temporary differences on investment properties and other property, plant and equipment	(268)	2,316
(Over)/under-provision in respect of prior years	<u>(2)</u>	<u>50</u>
Actual tax expense	<u>5,917</u>	<u>15,948</u>

7 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and Chief Executive's emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance, Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation and Appendix D2 to the Listing Rules are as follows:

	Directors' fees		Retirement schemes contribution	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Executive directors				
Dr. Lam Ko Yin, Colin	200	200	—	—
Mr. Li Ning	150	150	—	—
Mr. Lee Gabriel	150	150	—	—
Non-executive directors				
Mr. Au Siu Kee, Alexander	100	100	—	—
Mr. Lau Yum Chuen, Eddie (retired on 30 May 2025)	41	100	—	—
Independent non-executive directors				
Mr. Ho Hau Chong, Norman	300	300	—	—
Ms. Wong Yu Pok, Marina	300	300	—	—
Mr. Wu King Cheong	300	300	—	—
Mr. Chan Wai Yan, Ronald	250	250	—	—
	<u>1,791</u>	<u>1,850</u>	<u>—</u>	<u>—</u>
	Salaries and other emoluments		Retirement schemes contributions	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Group General Manager				
Mr. Lee Gabriel	<u>5,291</u>	<u>5,230</u>	<u>264</u>	<u>261</u>

8 EMOLUMENTS OF FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT

(a) Five highest paid individuals

Of the five individuals with the highest emoluments, one (2024: one) is the chief executive whose emoluments is disclosed in note 7. The aggregate of the emoluments in respect of the remaining four (2024: four) individuals are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other emoluments	7,607	6,379
Retirement scheme contributions	379	318
	<u>7,986</u>	<u>6,697</u>

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

HK\$	2025 Number of individuals	2024 Number of individuals
1,500,001–2,000,000	2	4
2,000,001–2,500,000	1	–
2,500,001–3,000,000	<u>1</u>	<u>–</u>

(b) Emoluments of senior management

Other than the emoluments of directors, chief executive and five highest paid individuals disclosed in notes 7 and 8(a), the emoluments of the remaining senior management whose profiles are provided in Directors' and Senior Management's Profile fell within the following band:

HK\$	2025 Number of individuals	2024 Number of individuals
500,001–1,000,000	1	1
1,000,001–1,500,000	<u>1</u>	<u>1</u>

9 DIVIDENDS

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

	2025 HK\$'000	2024 HK\$'000
Interim dividend declared and paid of HK10 cents (2024: HK10 cents) per ordinary share	35,627	35,627
Final dividend proposed after the end of the reporting period of HK15 cents (2024: HK15 cents) per ordinary share	53,441	53,441
	<u>89,068</u>	<u>89,068</u>

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

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

	2025 HK\$'000	2024 HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of HK15 cents (2024: HK15 cents) per ordinary share	53,441	53,441

10 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK\$335,366,000 (2024: HK\$163,875,000) and 356,273,883 (2024: 356,273,883) ordinary shares in issue during the year.

There were no dilutive potential ordinary shares in existence during the years ended 31 December 2025 and 2024, therefore diluted earnings per share are the same as basic earnings per share for both years.

11 INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT AND INTEREST IN LEASEHOLD LAND

	Buildings HK\$'000	Ferry vessels and other crafts HK\$'000	Machinery, furniture and others HK\$'000	Sub-total HK\$'000	Investment properties HK\$'000	Interest in leasehold land HK\$'000	Total HK\$'000
Cost or valuation:							
At 1 January 2024	111,226	120,610	303,578	535,414	2,488,690	159,407	3,183,511
Additions	7,414	219	4,794	12,427	5,096	–	17,523
Disposals	(5,907)	–	(348)	(6,255)	–	–	(6,255)
Valuation gains	–	–	–	–	2,004	–	2,004
At 31 December 2024	112,733	120,829	308,024	541,586	2,495,790	159,407	3,196,783
Representing:							
Cost	112,733	120,829	308,024	541,586	–	159,407	700,993
Valuation	–	–	–	–	2,495,790	–	2,495,790
	112,733	120,829	308,024	541,586	2,495,790	159,407	3,196,783
Accumulated amortisation and depreciation:							
At 1 January 2024	85,169	119,338	265,260	469,767	–	127,221	596,988
Charge for the year	10,997	220	6,842	18,059	–	1,369	19,428
Written back on disposals	(5,907)	–	(348)	(6,255)	–	–	(6,255)
At 31 December 2024	90,259	119,558	271,754	481,571	–	128,590	610,161
Net book value:							
At 31 December 2024	22,474	1,271	36,270	60,015	2,495,790	30,817	2,586,622

11 INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT AND INTEREST IN LEASEHOLD LAND (Continued)

	Buildings HK\$'000	Ferry vessels and other crafts HK\$'000	Machinery, furniture and others HK\$'000	Sub-total HK\$'000	Investment properties HK\$'000	Interest in leasehold land HK\$'000	Total HK\$'000
Cost or valuation:							
At 1 January 2025	112,733	120,829	308,024	541,586	2,495,790	159,407	3,196,783
Additions	24,389	360	4,206	28,955	281,777	–	310,732
Transfer from completed properties held for sale	–	–	–	–	1,727,643	–	1,727,643
Disposals	(17,463)	–	(322)	(17,785)	–	–	(17,785)
Valuation gains (note 11(b))	–	–	–	–	50,301	–	50,301
At 31 December 2025	119,659	121,189	311,908	552,756	4,555,511	159,407	5,267,674
Representing:							
Cost	119,659	121,189	311,908	552,756	–	159,407	712,163
Valuation	–	–	–	–	4,555,511	–	4,555,511
	119,659	121,189	311,908	552,756	4,555,511	159,407	5,267,674
Accumulated amortisation and depreciation:							
At 1 January 2025	90,259	119,558	271,754	481,571	–	128,590	610,161
Charge for the year	12,057	185	6,600	18,842	–	1,369	20,211
Written back on disposals	(17,463)	–	(322)	(17,785)	–	–	(17,785)
At 31 December 2025	84,853	119,743	278,032	482,628	–	129,959	612,587
Net book value:							
At 31 December 2025	34,806	1,446	33,876	70,128	4,555,511	29,448	4,655,087

11 INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT AND INTEREST IN LEASEHOLD LAND (Continued)

(a) Fair value measurement of investment properties

(i) Fair value hierarchy

The following table presents the fair value of the Group's investment properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

	Fair value at 31 December 2025 HK\$'000	Fair value measurements as at 31 December 2025 categorised into		
		Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
Recurring fair value measurement				
Investment properties	<u>4,555,511</u>	<u>–</u>	<u>–</u>	<u>4,555,511</u>

	Fair value at 31 December 2024 HK\$'000	Fair value measurements as at 31 December 2024 categorised into		
		Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
Recurring fair value measurement				
Investment properties	<u>2,495,790</u>	<u>–</u>	<u>–</u>	<u>2,495,790</u>

11 INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT AND INTEREST IN LEASEHOLD LAND (Continued)

(a) Fair value measurement of investment properties (Continued)

(i) Fair value hierarchy (Continued)

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

Valuation process

All the Group's investment properties were revalued as at 31 December 2025 and 2024. The valuations were carried out by a firm of surveyors, Cushman & Wakefield Limited, who have among their staff Members of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued, on a market value basis. The management has discussion with the surveyors on the valuation assumptions and valuation results when the valuation is performed at each interim and annual reporting date.

(ii) Information about Level 3 fair value measurements

The fair values of investment properties were determined using income capitalisation approach which capitalised the net income of the properties and taking into account the reversionary potential of properties after expiry of the current leases except for an investment property which was determined using market comparison approach by reference to recent sales price of comparable properties on a price per square foot basis using market data which is publicly available.

Below is a table which presents the significant unobservable inputs:

Income capitalisation approach

	Range of capitalisation rates		Range of occupancy rates	
	2025	2024	2025	2024
	%	%	%	%
Residential	3.5%	–	47%	–
Retail	2.75% – 5%	2.75% – 4.75%	81% – 100%	86% – 100%
Car park	4.125% – 6.5%	4.125% – 6.5%	58% – 100%	58% – 100%

Market comparison approach

	Market unit sales price		Adopted market rate	
	2025	2024	2025	2024
	HK\$/sq. ft.	HK\$/sq. ft.	HK\$/sq. ft.	HK\$/sq. ft.
Godown	609 – 705	652 – 839	700	700

11 INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT AND INTEREST IN LEASEHOLD LAND (Continued)

(a) Fair value measurement of investment properties (Continued)

(ii) Information about Level 3 fair value measurements (Continued)

The fair value measurement of investment properties is positively correlated to the occupancy rate and market unit sales price and negatively correlated to the capitalisation rate.

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

	2025 HK\$'000	2024 HK\$'000
Investment properties		
At 1 January	2,495,790	2,488,690
Additions	281,777	5,096
Transfer from completed properties held for sale	1,727,643	–
Valuation gains	50,301	2,004
At 31 December	4,555,511	2,495,790

Fair value adjustment of investment properties is recognised in the line item “valuation gains on investment properties” on the face of the consolidated statement of profit or loss.

All the gains or losses recognised in profit or loss for the year arise from the properties held at the end of the reporting period.

- (b) During the year, the Group entered into a leasing agreement with Tung Wah Group of Hospitals (“TWGH”). Under the agreement, the Group leased all residential units of The Symphonie to TWGH (as sub-tenant), for use as a youth hostel for a term of 5 years and received rental income at the agreed market level. As a result, The Symphonie was reclassified from completed properties held for sale to investment properties. Pursuant to the Development Agreement dated 13 July 2018 and Supplemental Deed to Development Agreement dated 30 May 2025 between the Group and Urban Renewal Authority (“URA”), URA is entitled to share the interest in The Symphonie including rental income generated by it in excess of a predetermined gross development value. Accordingly, the respective entitlement of URA in the amount of HK\$4,979,000 as at 31 December 2025 has been recognised in profit or loss as an adjustment to the fair value of the property during the year ended 31 December 2025.

11 INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT AND INTEREST IN LEASEHOLD LAND (Continued)

- (c) The Group leases out investment properties under operating leases. The leases typically run for an initial period of one month to three years, with an option to renew the lease after that date at which time all terms are renegotiated. Certain of the leases include variable lease payment calculated with reference to the revenue of tenants.

All properties held under operating leases that would otherwise meet the definition of investment properties are classified as investment properties.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 year	155,701	83,009
After 1 year but within 2 years	108,613	42,082
After 2 years but within 3 years	87,301	11,332
After 3 years but within 4 years	54,408	—
After 4 years but within 5 years	29,512	—
	<u>435,535</u>	<u>136,423</u>

(d) Right-of-use assets

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

	2025 HK\$'000	2024 HK\$'000
Other properties leased for own use, carried at depreciated cost (<i>note</i>)	<u>21,287</u>	<u>7,583</u>

11 INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT AND INTEREST IN LEASEHOLD LAND (Continued)

(d) Right-of-use assets (Continued)

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

	2025 HK\$'000	2024 HK\$'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Other properties leased for own use	8,009	7,180
Machinery, furniture and others	—	34
	<u>8,009</u>	<u>7,214</u>
Interest on lease liabilities	<u>569</u>	<u>473</u>

During the year, additions to right-of-use assets were HK\$21,713,000 (2024: HK\$6,344,000). The amount primarily related to the capitalised lease payments payable under new tenancy agreements.

Note: Other properties leased for own use

The Group has obtained the right to use other properties as its office space and ferry piers through tenancy agreements. The leases typically run for an initial period of two to three years. None of the leases includes variable lease payments.

12 INTEREST IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

	Particulars of issued and paid up capital	Proportion of ownership interests		Principal activities
		Held by the Company	Held by subsidiaries	
Century Time Holdings Limited	10,000 shares	85%	–	Medical, healthcare and beauty services
Galaxy Hotel Management Company Limited	1,000,000 shares	–	100%	Floating restaurant business
Genius Star Development Limited	2 shares	100%	–	Property investment
HKF Property Investment Limited	2 shares	100%	–	Property investment
Hong Kong Ferry Finance Company Limited	2 shares	100%	–	Funding for group companies
HYFCO Development Company, Limited	1,200,003 shares	100%	–	Investment holding
HYFCO Estate Management & Agency Limited	2,500,000 shares	100%	–	Property management
HYFCO Trading and Investments Company Limited	2 shares	100%	–	Trading
Jet Legend Limited	1 share	100%	–	Property development and financing
Join Galaxy Limited	2 shares	–	100%	Property financing
Lenfield Limited	2 shares	100%	–	Property development, investment and financing
Pico International Limited	6,000,000 shares	100%	–	Investment holding
Prosper Link Investment Limited	1 share	100%	–	Property investment
The Hong Kong Shipyard Limited	170,000 shares	100%	–	Shipbuilding and repairs
The Hongkong and Yaumati Ferry Company Limited	1,000,000 shares	100%	–	Ferry operations
Topkey Development Limited	1 share	100%	–	Healthcare services
Well Dynamic Limited	1 share	100%	–	Property development, investment and financing
World Fame Shipping Limited	2 shares	100%	–	Property development and investment
World Light Limited	1 share	100%	–	Property development, investment and financing

All the subsidiaries listed above are incorporated in Hong Kong.

13 INTEREST IN ASSOCIATES

	2025 HK\$'000	2024 HK\$'000
Share of net assets	730	973
Share of net liabilities	(457)	(383)
Amounts due from associates	11,615	11,634
Less: impairment loss	(6,794)	(6,794)
	<u>5,094</u>	<u>5,430</u>

All of the amounts due from associates are unsecured, interest-free and have no fixed terms of repayment. All the amounts due from associates are not expected to be recovered within one year.

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

	Particulars of issued and paid up capital	Proportion of ownership interest held by subsidiaries	Principal activities
2OK	10 ordinary shares	50%	Property financing
Authian Estates Limited	5,000 A shares 5,000 B shares	50%	Property investment
Winwide Limited	100 ordinary shares	30%	Trading

All of the associates are incorporated and operate in Hong Kong.

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

13 INTEREST IN ASSOCIATES (Continued)

Aggregate information of associates that are not individually material:

	2025 HK\$'000	2024 HK\$'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	273	590
Aggregate amounts of the Group's share of those associates'		
Profit for the year	520	857
Total comprehensive income	520	857

14 INTEREST IN JOINT VENTURES

	2025 HK\$'000	2024 HK\$'000
Share of net assets	301,746	539,035
Share of net liabilities	(156)	(147)
Advances to a joint venture	87,000	152,500
	388,590	691,388

The advances to a joint venture is unsecured, interest-bearing at Hong Kong dollar prime rate minus 3% per annum and has no fixed terms of repayment. An amount of HK\$65,500,000 (2024: HK\$50,000,000) was recovered from a joint venture during the year ended 31 December 2025.

Details of the Group's interest in material joint ventures, which are accounted for using the equity method in the consolidated financial statements, are as follows:

Name of joint venture	Form of business structure	Place of incorporation and business	Particulars of issued capital	Proportion of ownership interest held by subsidiaries	Principal activities
Mega Capital Enterprises Limited	Incorporated	Hong Kong	2 ordinary shares	50%	Property financing
Win Standard Enterprises Limited	Incorporated	Hong Kong	10,000 ordinary shares	50%	Property development and financing

The joint ventures are unlisted corporate entities whose quoted market prices are not available.

14 INTEREST IN JOINT VENTURES (Continued)

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

Gross amounts of the joint venture's	Win Standard Enterprises Limited	
	2025 HK\$'000	2024 HK\$'000
Current assets	427,407	1,326,655
Non-current assets	222,057	250,042
Current liabilities	(79,562)	(524,808)
Non-current liabilities	—	—
Total equity	569,902	1,051,889
Included in the above assets and liabilities:		
Cash and cash equivalents	116,610	939,131
Current financial liabilities (excluding trade and other payables and provisions)	—	—
Contract liabilities	—	—
Non-current financial liabilities	—	—
Revenue	11,834	52,369
Profit for the year	342,013	70,579
Other comprehensive income	—	—
Total comprehensive income	342,013	70,579
Included in the above profit:		
Interest income	9,648	53,979
Interest expenses	—	—
Taxation	(65,497)	(3,091)

No depreciation and amortisation is included in the above profit.

	Win Standard Enterprises Limited	
	2025 HK\$'000	2024 HK\$'000
Reconciled to Group's interest in the joint venture		
Gross amounts of the joint venture's net assets	569,902	1,051,889
Group's effective interest	50%	50%
Group's share of the joint venture's net assets	284,951	525,945

14 INTEREST IN JOINT VENTURES (Continued)

Aggregate information of joint ventures that is not individually material:

	2025 HK\$'000	2024 HK\$'000
Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements	16,639	12,943
Aggregate amounts of the Group's share of those joint ventures'		
Profit for the year	3,609	5,713
Total comprehensive income	3,609	5,713

15 OTHER FINANCIAL ASSETS

	2025 HK\$'000	2024 HK\$'000
Financial assets designated at FVOCI (non-recycling) (note)		
– Equity securities listed in Hong Kong	69,001	58,560
Financial assets designated at FVPL		
– Unit trust listed in Hong Kong	91,918	74,405
	160,919	132,965
Market value of listed securities at 31 December	160,919	132,965

Note: The Group has designated certain investments as equity securities designated as financial assets at FVOCI (non-recycling) as the investments are held for strategic purposes which are subject to regular strategic review. Details of the investments are as follows:

Name of equity securities	2025 HK\$'000	2024 HK\$'000
Bank of China Limited	45,881	40,840
Agricultural Bank of China Limited	23,120	17,720
As at 31 December	69,001	58,560

16 POST-EMPLOYMENT BENEFITS

The Group operates a MPF scheme for the employees and a retirement plan registered under the Occupational Retirement Schemes Ordinance (Chapter 426 of the Laws of Hong Kong) for the employees in Hong Kong. In addition, the employees employed under the Hong Kong Employment Ordinance are also entitled to LSP if the eligibility criteria are met.

The ORSO plans and LSP are defined benefit plans. The analysis of the carrying amount of defined benefit plan assets/liabilities is as follows:

	2025 HK\$'000	2024 HK\$'000
ORSO plan assets (note 16(b))	4,368	3,127
LSP liabilities (note 16(c))	(1,949)	(1,229)

A portion of the above liability is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions. The Group expects to pay HK\$83,000 (2024: HK\$76,000) in contributions to defined benefit plan in 2026.

(a) MPF scheme

The Group operates a MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the Group's ORSO plans. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF 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. Contributions to the plan vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

(b) ORSO plan assets

The ORSO plans of the Group are administered by trustees, who are independent, with their assets held separately from those of the Group.

The plan is funded by contributions from the Group in accordance with an independent actuary's recommendation based on annual actuarial valuations. The latest independent actuarial valuation of the plan was at 31 December 2025 and was prepared by qualified staff of Towers Watson Hong Kong Limited, who are members of recognised actuarial bodies, using the projected unit credit method. The actuarial valuation indicates that 100% (2024: 100%) of the Group's obligations under the defined benefit plan are covered by the plan assets held by the trustees.

16 POST-EMPLOYMENT BENEFITS (Continued)

(b) ORSO plan assets (Continued)

The plan exposes the Group to actuarial risks, such as interest rate risk, investment risk and longevity risk. Information about the plan is disclosed below:

- (i) The amounts recognised in the consolidated statement of financial position are as follows:

	2025 HK\$'000	2024 HK\$'000
Fair value of plan assets	15,940	13,009
Present value of wholly or partly funded obligations	(11,572)	(9,882)
	<u>4,368</u>	<u>3,127</u>

The plan assets do not include any share issued by the Company or any property occupied by the Group.

- (ii) Plan assets consist of the following:

	2025	2024
Equity securities	88.6%	90.1%
Cash and cash equivalents	11.4%	9.9%
Total	<u>100.0%</u>	<u>100.0%</u>

All of the equity securities have quoted prices in active markets.

16 POST-EMPLOYMENT BENEFITS (Continued)

(b) ORSO plan assets (Continued)

(iii) Movements in the present value of the defined benefit obligations:

	2025 HK\$'000	2024 HK\$'000
At 1 January	9,882	17,325
Remeasurements:		
– Actuarial loss/(gain) arising from changes in financial assumptions	579	(604)
– Actuarial loss arising from changes in experience	456	107
– Actuarial loss arising from changes in demographic assumptions	–	3
	1,035	(494)
Current service cost	290	405
Interest cost	365	436
Benefits paid by the plan	–	(7,790)
At 31 December	11,572	9,882

(iv) Movements in plan assets:

	2025 HK\$'000	2024 HK\$'000
At 1 January	13,009	19,425
Interest income	482	499
Return more than discount rate	2,416	826
Benefits paid by the plan	–	(7,790)
Administrative expenses paid	(47)	(46)
Contributions paid to the plan	80	95
At 31 December	15,940	13,009

16 POST-EMPLOYMENT BENEFITS (Continued)

(b) ORSO plan assets (Continued)

- (v) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income are as follows:

	2025 HK\$'000	2024 HK\$'000
Current service cost	290	405
Net interest on net defined benefit assets	(117)	(63)
Administrative expenses paid	47	46
Total amounts recognised in profit or loss	220	388
Actuarial loss/(gain)	1,035	(494)
Return on plan assets, excluding interest income	(2,416)	(826)
Total amounts recognised in other comprehensive income	(1,381)	(1,320)
Total defined benefit gain	(1,161)	(932)

The current service cost, the net interest on defined benefit liabilities and the administrative expenses paid are recognised in the following item in the consolidated statement of profit or loss:

	2025 HK\$'000	2024 HK\$'000
Administrative expenses	220	388

16 POST-EMPLOYMENT BENEFITS (Continued)

(b) ORSO plan assets (Continued)

- (vi) Significant actuarial assumptions (expressed as weighted averages) and sensitivity analysis are as follows:

	2025	2024
Discount rate	2.9%	3.7%
Long-term salary increase rate	4%	4%

The below analysis shows how the defined benefit obligations would have (increased)/decreased as a result of 0.25% change in the significant actuarial assumptions:

	Increase in 0.25%		Decrease in 0.25%	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Discount rate	186	179	(190)	(183)
Future salary	(182)	(175)	178	172

The above sensitivity analysis is based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions.

(c) LSP liabilities

Hong Kong employees that have been employed continuously for at least five years are entitled to LSP in accordance with the Hong Kong Employment Ordinance under certain circumstances. These circumstances include where an employee is dismissed for reasons other than serious misconduct or redundancy, that employee resigns at the age of 65 or above, or the employment contract is of fixed term and expires without renewal. The amount of LSP payable is determined with reference to the employee's final salary (capped at HK\$22,500) and the years of service, reduced by the amount of any accrued benefits derived from the Group's contributions to MPF scheme (see note 16(a)) or ORSO plans (see note 16(b)), with an overall cap of HK\$390,000 per employee. Currently, the Group does not have any separate funding arrangement in place to meet its LSP obligation.

Starting from 1 May 2025, the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "2022 Amendment Ordinance") came into effect, which abolishes the statutory right of an employer to reduce its LSP payable to a Hong Kong employee by drawing on its mandatory contributions to the MPF scheme. Separately, a 25-year scheme to provide a subsidy ("Subsidy") for employers' costs in relation to the post-transition portion of the LSP has been implemented with effect on 1 May 2025.

16 POST-EMPLOYMENT BENEFITS (Continued)

(c) LSP liabilities (Continued)

Among other things, upon the abolition of the offsetting mechanism takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory MPF contributions (irrespective of the contributions made before, on or after the Transition Date) to reduce the LSP in respect of an employee's service from the Transition Date. However, where an employee's employment commenced before the Transition Date, the employer can continue to use the above accrued benefits to reduce the LSP in respect of the employee's service up to that date; in addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

The Group has accounted for the offsetting mechanism and its abolition as disclosed in note 1(p)(ii) and the Subsidy as government grants.

The Group has determined that the Amendment Ordinance primarily impacts the Group's LSP liability with respect to Hong Kong employees that do not participate in the Group's ORSO plans. The Amendment Ordinance has no material impact on the Group's LSP liability with respect to employees that participate in the Group's ORSO plans.

The Group was not entitled to any Subsidy during the year ended 31 December 2025.

The present value of unfunded obligations and its movements are as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 January	1,229	1,152
Expenses recognised in profit or loss:		
Current service cost	265	253
Interest cost	43	32
Remeasurement recognised in other comprehensive income	400	(151)
Benefits received/(paid)	12	(57)
At 31 December	1,949	1,229

The weighted average duration of the LSP liabilities is 6 years (2024: 6 years).

16 POST-EMPLOYMENT BENEFITS (Continued)

(c) LSP liabilities (Continued)

The above expenses are recognised in the following line items in the consolidated statement of profit or loss:

	2025 HK\$'000	2024 HK\$'000
Direct costs	30	47
Administrative expenses	278	238
	<u>308</u>	<u>285</u>

Significant actuarial assumptions (expressed as weighted averages) and sensitivity analysis are as follows:

	2025	2024
Discount rate	2.9%	3.6%
Future salary increases	4%	4%
Expected investment return MPF accrued benefits	4.5%	4.5%

The below analysis shows how the LSP liabilities would have (increased)/decreased as a result of 0.25% change in the significant actuarial assumptions:

	Increase in 0.25%		Decrease in 0.25%	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Discount rate	(28)	(17)	(28)	(19)
Future salary	<u>8</u>	<u>9</u>	<u>8</u>	<u>8</u>

The above sensitivity analysis is based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions.

17 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise

	2025 HK\$'000	2024 HK\$'000
Property development		
Properties under development for sale	6,933	6,933
Completed properties held for sale	61,076	1,788,719
	68,009	1,795,652
Other operations		
Trading stocks	4,995	5,917
Spare parts and consumables	2,030	1,520
	7,025	7,437
	75,034	1,803,089

The above properties are situated in Hong Kong and held under medium-term leases.

All of the inventories are expected to be recovered within one year.

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2025 HK\$'000	2024 HK\$'000
Carrying amount of inventories sold	7,252	8,279

18 TRADE AND OTHER RECEIVABLES

(a) Non-current

	2025 HK\$'000	2024 HK\$'000
Instalment receivables	37,327	83,304
Other receivables and prepayments	2,869	—
	<u>40,196</u>	<u>83,304</u>

Instalment receivables represent the proceeds receivable from the sale of properties due after more than one year from the end of the reporting period. The balance included under non-current assets is not past due. Instalment receivables due within one year from the end of the reporting period are included in "Trade and other receivables" under current assets.

(b) Current

	2025 HK\$'000	2024 HK\$'000
Trade receivables	87,934	70,356
Instalment receivables	1,631	2,605
Less: loss allowance	(630)	(5)
	<u>88,935</u>	<u>72,956</u>
Other receivables and prepayments	76,161	79,285
Amounts due from joint ventures	35,879	33,973
	<u>200,975</u>	<u>186,214</u>

All of the current trade and other receivables are expected to be recovered or recognised as expense within one year. Included in the trade and other receivables are amounts due from related companies of HK\$60,776,000 (2024: HK\$62,140,000) which are unsecured, interest-free and recoverable on demand. Related companies are companies under control of a company/person which has significant influence on the Group.

The amounts due from joint venture are unsecured, interest-free and recoverable on demand.

18 TRADE AND OTHER RECEIVABLES (Continued)

(b) Current (Continued)

(i) Ageing analysis

Included in trade and other receivables are trade debtors (net of loss allowance) with the following ageing analysis based on due date at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
Current	65,452	32,465
1 to 3 months overdue	19,432	30,805
More than 3 months but less than 12 months overdue	1,749	9,503
More than 12 months overdue	2,302	183
	<u>88,935</u>	<u>72,956</u>

Trade debtors are due ranging from 7 to 45 days from the date of billing. Debtors with balances that are more than 60 days overdue are generally required to settle all outstanding balances before any further credit is granted. Further details on the Group's credit policy are set out in note 24(a).

(ii) Impairment of trade debtors

Impairment losses in respect of trade debtors are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly (see note 1(j)(i)).

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which include a specific element based on individual receivables and a collective element calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The movement in the loss allowance accounts during the year is as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 January	5	2,651
Impairment losses recognised	1,246	54
Impairment losses reversed	—	(262)
Uncollectible amount written off	(621)	(2,438)
	<u>630</u>	<u>5</u>
At 31 December	630	5

18 TRADE AND OTHER RECEIVABLES (Continued)

(b) Current (Continued)

(ii) Impairment of trade debtors (Continued)

The Group has recognised an ECL on trade debtors amounting to HK\$630,000 (2024: HK\$5,000) as at 31 December 2025, calculated on 100% of certain individual trade debtors with significantly increased credit risk. The identified impairment losses on the remaining trade debtors was immaterial as at 31 December 2025 and 2024.

19 CASH AND BANK BALANCES

(a)	2025 HK\$'000	2024 HK\$'000
Deposits with banks and other financial institutions	1,979,551	1,799,001
Cash at bank and in hand	131,522	77,591
Cash and bank balances in the consolidated statement of financial position	2,111,073	1,876,592
Less: Bank deposits with maturity over three months at acquisition	(1,979,551)	(1,381,194)
Cash and cash equivalents in the consolidated cash flow statement	131,522	495,398

Included in cash and bank balances are the following amounts denominated in a currency other than Hong Kong dollars:

	2025 '000	2024 '000
United States dollars	13	13
Renminbi	88	61
Macau Patacas	22	29

19 CASH AND BANK BALANCES (Continued)

(b) Reconciliation of liabilities arising from financing activities

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

	Lease liabilities	
	2025	2024
	HK\$'000	HK\$'000
	(Note 21)	
At 1 January	8,024	9,762
Changes from financing cash flows:		
Capital element of lease rentals paid	(7,445)	(8,082)
Interest element of lease rentals paid	(569)	(473)
Total changes from financing cash flows	(8,014)	(8,555)
Other changes:		
Increase in lease liabilities from entering into new leases during the year	21,713	6,344
Interest expenses	569	473
Total other changes	22,282	6,817
At 31 December	22,292	8,024

(c) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2025	2024
	HK\$'000	HK\$'000
Within financing cash flows	8,014	8,555

This amount relate to the following:

	2025	2024
	HK\$'000	HK\$'000
Lease rentals paid	8,014	8,555

20 TRADE AND OTHER PAYABLES

All of the trade and other payables except for an amount of HK\$14,513,000 (2024: HK\$19,607,000) are expected to be settled within one year. Included in the trade and other payables are amounts due to related companies of HK\$38,266,000 (2024: HK\$29,110,000) which are unsecured, interest-free and repayable within 30–45 days or repayable on demand. Related companies are companies under control of a company which has significant influence on the Group.

Included in trade and other payables are trade payables with the following ageing analysis based on due date at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
Due within 1 month or on demand	115,577	118,912
Due after 1 month but within 3 months	997	1,256
Due after 3 months but within 12 months	—	—
More than 12 months	2	2
	<u>116,576</u>	<u>120,170</u>

The amount of revenue recognised for the years ended 31 December 2025 and 2024 that was included in contract liabilities as at 1 January 2025 and 2024 were HK\$21,211,000 and HK\$13,491,000 respectively.

21 LEASE LIABILITIES

At 31 December 2025, the lease liabilities were repayable as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 year	8,384	4,025
After 1 year but within 2 years	8,937	1,219
After 2 years but within 5 years	4,971	2,780
	<u>13,908</u>	<u>3,999</u>
	<u>22,292</u>	<u>8,024</u>

22 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

- (a) Tax payable/(recoverable) in the consolidated statement of financial position represents

	2025 HK\$'000	2024 HK\$'000
Provision for Hong Kong Profits Tax for the year	4,911	9,027
Provisional Profits Tax paid	(8,424)	(9,583)
	(3,513)	(556)
Balance of Hong Kong Profits Tax payable relating to prior years	15,845	15,897
	12,332	15,341

Represented by:

	2025 HK\$'000	2024 HK\$'000
Tax payable	16,072	16,179
Tax recoverable	(3,740)	(838)
	12,332	15,341

22 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax assets and liabilities recognised

Movement of each component of deferred tax assets and liabilities

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

Deferred tax arising from:	Temporary differences from investment properties and other property, plant and equipment HK\$'000	Future benefit of tax losses HK\$'000	Intra-group interest capitalised in properties under development HK\$'000	Total HK\$'000
At 1 January 2024	82,233	(2,073)	(2,647)	77,513
Charged to profit or loss (note 6(a))	6,600	164	–	6,764
At 31 December 2024 and 1 January 2025	88,833	(1,909)	(2,647)	84,277
Charged/(credited) to profit or loss (note 6(a))	8,713	(7,802)	–	911
At 31 December 2025	97,546	(9,711)	(2,647)	85,188

Represented by:

	2025 HK\$'000	2024 HK\$'000
Net deferred tax asset recognised in the consolidated statement of financial position	(6,712)	(3,479)
Net deferred tax liability recognised in the consolidated statement of financial position	91,900	87,756
	85,188	84,277

22 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 1(q), the Group has not recognised the following deferred tax assets in respect of deductible temporary differences and cumulative tax losses as it is not probable that future taxable profits against which the deductible temporary differences and tax losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation.

	2025		2024	
	Deductible temporary differences/ tax losses HK\$'000	Deferred tax assets HK\$'000	Deductible temporary differences/ tax losses HK\$'000	Deferred tax assets HK\$'000
Excess of tax written down values over accounting carrying values of other property, plant and equipment	3,433	566	1,715	283
Tax losses	338,913	55,921	343,144	56,619
	<u>342,346</u>	<u>56,487</u>	<u>344,859</u>	<u>56,902</u>

23 CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

	Note	Share capital HK\$'000 (Note 23(b))	Retained profits HK\$'000	Total HK\$'000
Balance at 1 January 2024		1,754,801	2,362,035	4,116,836
Changes in equity for 2024:				
Loss for the year		—	(38,279)	(38,279)
Other comprehensive income		—	1,323	1,323
Total comprehensive income		—	(36,956)	(36,956)
Dividends approved in respect of the previous year	9	—	(53,441)	(53,441)
Dividends declared in respect of the current year	9	—	(35,627)	(35,627)
Balance at 31 December 2024 and 1 January 2025		1,754,801	2,236,011	3,990,812
Changes in equity for 2025:				
Profit for the year		—	24,169	24,169
Other comprehensive income		—	1,384	1,384
Total comprehensive income		—	25,553	25,553
Dividends approved in respect of the previous year	9	—	(53,441)	(53,441)
Dividends declared in respect of the current year	9	—	(35,627)	(35,627)
Balance at 31 December 2025		1,754,801	2,172,496	3,927,297

23 CAPITAL AND RESERVES (Continued)

(b) Share capital

	2025		2024	
	<i>Number of shares</i>	<i>HK\$'000</i>	<i>Number of shares</i>	<i>HK\$'000</i>

Ordinary shares, issued and fully paid:

At 1 January/31 December	<u>356,273,883</u>	<u>1,754,801</u>	<u>356,273,883</u>	<u>1,754,801</u>
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In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

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

(c) Nature and purpose of reserves

(i) Securities revaluation reserve (non-recycling)

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

(ii) Other capital reserves

The other capital reserves comprise the following:

- the unrealised profit on inter-company interest capitalised under investment properties; and
- the gain on sale of additional shares of a subsidiary to NCI.

23 CAPITAL AND RESERVES (Continued)**(d) Distributability of reserves**

At 31 December 2025, the aggregate amount of reserves available for distribution to equity shareholders of the Company, as calculated under the provisions of Part 6 of the Hong Kong Companies Ordinance, was HK\$2,136,660,000 (2024: HK\$2,200,128,000). After the end of the reporting periods the directors proposed a final dividend of HK15 cents (2024: HK15 cents) per ordinary share, amounting to HK\$53,441,000 (2024: HK\$53,441,000) (note 9). This dividend has not been recognised as a liability at the end of the reporting period.

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern and ensure that it maintains a healthy capital ratio in order to support its business and provide returns for shareholders.

The Group actively and regularly reviews and manages its capital structure under the policy of prudent financial management. The Group maintains a financially sound capital position and, where appropriate, makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 2024.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, currency and equity price risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities and movements in its own equity share price.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in a financial loss to the Group.

The Group's credit risk is primarily attributable to bank deposits and trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Cash is deposited with financial institutions with sound credit ratings and the Group has exposure limit to any single financial institution. Given their high credit ratings, management does not expect any of these financial institutions will fail to meet their obligations.

Regular review and follow-up actions are carried out on overdue amounts of instalments receivable from sale of properties which enable management to assess their recoverability and to minimise the exposure to credit risk. In respect of other trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due ranging from 7 to 45 days from the date of billing. Debtors with balances that are more than 60 days overdue are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is not influenced by the individual characteristics of each customer as the Group does not have a certain concentration of credit risk of the total trade and other receivables.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial positions. Except for the financial guarantees given by the Company as set out in note 25, the Group does not provide any other guarantees to third parties which would expose the Group to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 18.

(b) Liquidity risk

The treasury functions of the Group is centralised at the head office. Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses to cover expected cash demands, subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements, to ensure that it maintains sufficient reserves of cash from major financial institutions to meet its liquidity requirements in the short and longer term.

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk (Continued)

The following table shows the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates at the end of the reporting period) and the date the Group is contractually required to pay, or if the counterparty has the choice of when the amount should be paid (irrespective of the fulfilment of covenants), the earliest date the Group can be required to pay.

2025					
Contractual undiscounted cash outflow					Carrying amount at 31 December HK\$'000
Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	Total HK\$'000		
Trade and other payables	177,128	9,264	5,249	191,641	
Lease liabilities	8,932	9,227	5,032	23,191	
2024					
Contractual undiscounted cash outflow					Carrying amount at 31 December HK\$'000
Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	Total HK\$'000		
Trade and other payables	165,759	13,688	5,919	185,366	
Lease liabilities	4,314	1,425	2,955	8,694	

(c) Currency risk

The Group has no significant exposure to foreign currency risk given its large asset base and operational cash flow are primarily denominated in Hong Kong dollars.

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Equity price risk

The Group is exposed to equity price change arising from other financial assets designated through FVOCI and FVPL held for non-trading purposes (see note 15).

Listed investments held by the Group have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations.

Sensitivity analysis

At 31 December 2025, it is estimated that an increase/decrease of 10% (2024: 10%) in the market prices of financial investments, with all other variables held constant would have increased/decreased the Group's profit after tax (and retained profits) and the securities revaluation reserve by approximately HK\$16,092,000 (2024: HK\$13,297,000).

2025		2024	
Effect on profit after tax and retained profits HK\$'000	Effect on other components of equity HK\$'000	Effect on profit after tax and retained profits HK\$'000	Effect on other components of equity HK\$'000

Change in the relevant equity price risk variable:

Increase by 10%	9,192	6,900	7,441	5,856
Decrease by 10%	(9,192)	(6,900)	(7,441)	(5,856)

The sensitivity analysis indicates the instantaneous change in the Group's profit after tax (and retained profits) and other components of consolidated equity that would arise assuming that the changes in the stock market index or other relevant risk variables had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period. It is also assumed that none of the Group's other financial assets would be considered impaired as a result of the decrease in the relevant stock market index or other relevant risk variables, and that all other variables remain constant.

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) Fair value measurement

(i) Financial assets measured at fair value

Fair value hierarchy

The fair value of the Group's financial assets measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*.

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

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

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

25 CONTINGENT LIABILITIES

Financial guarantees issued

At 31 December 2025, the Company has issued the guarantees to certain suppliers in respect of granting or giving credit facilities to its wholly-owned subsidiaries.

Under the guarantees, the Company is liable to the amount due from the subsidiaries to these respective parties in the event of any default and its liability shall at no time exceed the sum stated on the letters of guarantee.

At the end of the reporting period, the directors do not consider it probable that a claim will be made against the Company under any of the guarantees. The maximum liability of the Company at the end of the reporting period under the guarantees issued above is the outstanding amount due to the relevant parties by its wholly-owned subsidiaries, being HK\$62,000 (2024: HK\$57,000).

The Company has not recognised any deferred income in respect of the guarantees issued as its fair value cannot be reliably measured using observable market data and its transaction price was HK\$Nil (2024: HK\$Nil).

26 MATERIAL RELATED PARTY AND CONNECTED TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to certain of the Company's directors, chief executive and the highest paid employees as disclosed in notes 7 and 8 respectively, is as follows:

	2025 HK\$'000	2024 HK\$'000
Short-term employee benefits	14,772	13,437
Post-employment benefits	712	645
	<u>15,484</u>	<u>14,082</u>

Total remuneration is included in "staff costs" (see note 5(a)).

(b) Other material related party and connected transactions

- (i) In 1999, the Group entered into a development agreement (the "Agreement") with Henderson Land Development Company Limited ("HLD") and two wholly-owned subsidiaries of HLD ("HLD Sub 1" and "HLD Sub 2"), whereby HLD Sub 1 and HLD Sub 2 acquired the right to 50% of any proceeds from the future sale of the residential portion of the redevelopment of Metro Harbour View, Kowloon Inland Lot No. 11127 (the "MHV Property") for a consideration of HK\$1,500,000,000.

As part of the Agreement, HLD Sub 1 and HLD Sub 2 agreed to reimburse the Group 50% of its development expenditures relating to the residential portion of the MHV Property. At 31 December 2025, an amount of HK\$294,000 (2024: HK\$294,000) remained unpaid and was included in trade and other receivables.

In February 2017, the Group entered into a deed of novation (the "Deed of Novation") with HLD, HLD Sub 1 and HLD Sub 2 pursuant to which HLD Sub 1 transferred and assigned unto HLD Sub 2, and HLD Sub 2 took and assumed all of the rights and obligations of HLD Sub 1 under the Agreement subject to the terms and conditions as stated in the Deed of Novation. The Deed of Novation was supplemental to the Agreement.

- (ii) In December 2002, the Group appointed a wholly-owned subsidiary of HLD ("HLD Sub A") as the leasing and promotion agent of the commercial arcade of the MHV Property, Metro Harbour Plaza ("MHP"), for an initial term of two years at the remuneration of 5% of the monthly rental income from MHP and such agreement shall thereafter be renewable on the same terms from year to year until terminated by either party by giving three months' prior notice in writing. An amount of HK\$2,713,000 (2024: HK\$2,944,000) was charged to the Group for the year. At 31 December 2025, an amount of HK\$1,366,000 (2024: HK\$1,464,000) remained unpaid and was included in trade and other payables.

26 MATERIAL RELATED PARTY AND CONNECTED TRANSACTIONS (Continued)**(b) Other material related party and connected transactions (Continued)**

- (iii) In October 2015, the Group entered into a letter agreement with a wholly-owned subsidiary of HLD (“HLD Sub B”) and appointed HLD Sub B as the agent of the Group to lease certain shops and spaces of Mira Place One (formerly known as Miramar Shopping Centre) (“Premises 1”) for the marketing services of 208 Tung Chau Street, Sham Shui Po, Kowloon, Hong Kong (the “TCS Property”) for the period from 5 November 2015 to the earlier of 4 January 2017 and the date on which the last residential unit in the TCS Property is sold, subject to the respective ceilings of HK\$2,000,000 for the period from 5 November 2015 to 31 December 2015 and HK\$3,600,000 for the period from 1 January 2016 to 4 January 2017. The letter agreement expired in January 2017.

In January 2017, the Group entered into a second letter agreement with HLD Sub B and HLD Sub B continued to act as the agent of the Group to lease the Premises 1 for use as show flats and sales office for the sale of the residential units of the TCS Property for the period from 5 January 2017 to the earlier of 4 May 2017 and the date on which the last residential unit in the TCS Property is sold, subject to the ceiling of HK\$1,700,000. The second letter agreement expired in May 2017.

No fee has been charged to the Group during the years ended 31 December 2025 and 2024. At 31 December 2025, an amount of HK\$997,000 (2024: HK\$997,000) remained unpaid and was included in trade and other payables.

- (iv) In June 2022, a wholly-owned subsidiary of Miramar Hotel and Investment Company, Limited (“Miramar”) (and an associate (as defined in the Listing Rules) of HLD, a substantial shareholder of the Company) (the “Miramar Subsidiary”), as landlord and a subsidiary of the Company as tenant entered into a tenancy agreement (the “Tenancy Agreement”) in respect of the leasing of Units Nos. 901–04 & 18 on 9th Floor of Mira Place Tower A, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong (“Premises 2”) for a term of three years from 10 June 2022 to 9 June 2025 (the “Term”) at a monthly rental (exclusive of management fee, air-conditioning charges and government rates) of HK\$473,000 for Year 1 of the Term, HK\$522,000 for Year 2 of the Term and HK\$558,000 for Year 3 of the Term, together with other ancillary charges.

In accordance with the applicable HKFRS Accounting Standards, the Group recognised the rent payable under the Tenancy Agreement (being fixed payments) as an acquisition of right-of-use asset of capital in nature taking into account the carrying amount of such right-of-use asset, i.e. approximately HK\$16,730,000 recognised by the Group during the year ended 31 December 2022, having been measured on the basis of the discounted present value of the fixed rent payable by the Group under the Tenancy Agreement. As the landlord is the Miramar Subsidiary and an associate of HLD and thus a connected person of the Company, such acquisition of right-of-use asset constituted a one-off connected transaction of the Company under Chapter 14A of the Listing Rules. The management fees and air-conditioning charges payable by the Group to the Miramar Subsidiary (being variable payments) are being recognised as expenses in the Group’s profit and loss accounts in the periods in which they are incurred, and the payment of such expenses is regarded as continuing connected transactions of the Company under Chapter 14A.31 of the Listing Rules.

The annual caps of the aggregate management fees and air-conditioning charges (exclusive of government rates) payable under the Tenancy Agreement are subject to the annual ceilings of HK\$1,000,000 for the period from 10 June 2022 to 31 December 2022, HK\$1,500,000 for the period from 1 January 2023 to 31 December 2023, HK\$1,600,000 for the period from 1 January 2024 to 31 December 2024, and HK\$800,000 for the period from 1 January 2025 to 9 June 2025.

26 MATERIAL RELATED PARTY AND CONNECTED TRANSACTIONS (Continued)

(b) Other material related party and connected transactions (Continued)

(iv) (Continued)

Under the term of Tenancy Agreement, the contract expired on 9 June 2025.

In January 2025, the Miramar Subsidiary as licensor and a non-wholly-owned subsidiary of the Company, as licensee entered into the license agreement (the "License Agreement") for the granting of a license by the licensor to the licensee to use and occupy Unit No. 905 on 9th Floor of Mira Place Tower A, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong ("Premises 3") for a period of six months from 10 March 2025 to 9 September 2025.

In June 2025, the Miramar Subsidiary as landlord and a non-wholly-owned subsidiary of the Company as tenant entered into the tenancy agreement (the "New Tenancy Agreement") for the leasing by the landlord to the tenant of (1) Premises 2 for a term of three years from 10 June 2025 to 9 June 2028; and (2) Premises 3 for a term of two years and nine months from 10 September 2025 to 9 June 2028.

The monthly rental (exclusive of management fee, air-conditioning charges and government rates) of (1) Premises 2 is HK\$473,000 for Year 1 of the Term, HK\$522,000 for Year 2 of the Term and HK\$558,000 for Year 3 of the Term, together with other ancillary charges; (2) Premises 3 is HK\$87,000 for Year 1 (applicable from 10 September 2025 to 9 June 2026) of the Term, HK\$96,000 for Year 2 of the Term and HK\$102,000 for Year 3 of the Term, together with other ancillary charges.

In accordance with the applicable HKFRS Accounting Standards, the Group recognised the rent payable under the New Tenancy Agreement (being fixed payments) as an acquisition of right-of-use asset of capital in nature taking into account the carrying amount of such right-of-use asset, i.e. approximately HK\$20,954,000 recognised by the Group during the year ended 31 December 2025, having been measured on the basis of the discounted present value of the fixed rent payable by the Group under the New Tenancy Agreement. As the landlord is the Miramar Subsidiary and an associate of HLD and thus a connected person of the Company, such acquisition of right-of-use asset constituted a one-off connected transaction of the Company under Chapter 14A of the Listing Rules. The management fees and air conditioning charges payable by the Group to the Miramar Subsidiary (being variable payments) are being recognised as expenses in the Group's profit and loss accounts in the periods in which they are incurred, and the payment of such expenses is regarded as continuing connected transactions of the Company under Chapter 14A.31 of the Listing Rules.

The annual caps of the aggregate management fees and air-conditioning charges (exclusive of government rates) payable under the New Tenancy Agreement and the License Agreement are subject to the annual ceilings of HK\$1,100,000 for the period from 10 March 2025 to 31 December 2025, HK\$1,900,000 for the period from 1 January 2026 to 31 December 2026, HK\$2,000,000 for the period from 1 January 2027 to 31 December 2027, and HK\$900,000 for the period from 1 January 2028 to 9 June 2028.

During the year, an amount of HK\$1,604,000 (2024: HK\$1,367,000), being the aggregate of management fees and air-conditioning charges, was charged to the Group.

26 MATERIAL RELATED PARTY AND CONNECTED TRANSACTIONS (Continued)

(b) Other material related party and connected transactions (Continued)

- (v) In June 2022, the Group appointed HLD Sub B, an indirect wholly-owned subsidiary of HLD as the sales manager to provide project sales and marketing services in respect of the comprehensively planned development of a site at The Remaining Portion of New Kowloon Inland Lot No. 6559 held by Urban Renewal Authority as the owner and the Group as the developer (the “Proposed Development”) for a term of three years commencing from the date of the first initial sale of any residential units of the Proposed Development at a sales fee equivalent to 0.5% of the gross proceeds of sale of such units (but excluding those sale and purchase agreements which were effected by third party sales agent(s)) subject to the annual ceilings of HK\$8,000,000 for the year ended 31 December 2022, HK\$3,000,000 for the year ended 31 December 2023, HK\$2,000,000 for the year ended 31 December 2024 and HK\$1,000,000 for the period from 1 January 2025 to 31 May 2025 (but only up to and including the date being 3 years from the commencement date of the term).

No fee was charged to the Group during the year.

- (vi) At 31 December 2025, HLD, a substantial shareholder (as defined in the Listing Rules) of the Company was interested in approximately 33.41% (2024: 33.41%) of the total number of issued shares of the Company.

To the extent the above transactions constituted connected transactions (as defined in the Listing Rules), the Group had complied with the relevant requirements under Chapter 14A of the Listing Rules.

(c) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of notes 26(b)(iv) and (v), above constitute connected transactions and/or continuing connected transactions (as defined in Chapter 14A of the Listing Rules). The disclosures required by Chapter 14A of the Listing Rules are provided in the paragraph headed “Connected Transactions” in the Report of the Directors as set out in the Company’s annual report for the year ended 31 December 2025.

27 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Interest in subsidiaries	12	5,885,114	5,470,511
Interest in an associate		3,268	3,268
Net employee retirement benefits assets		4,368	3,127
		<u>5,892,750</u>	<u>5,476,906</u>
Current assets			
Trade and other receivables		1,734	2,145
Cash and bank balances		2,450	5,808
		<u>4,184</u>	<u>7,953</u>
Current liabilities			
Amounts due to subsidiaries		(1,964,586)	(1,487,429)
Long service payment liabilities		—	(3)
Trade and other payables		(5,051)	(6,615)
		<u>(1,969,637)</u>	<u>(1,494,047)</u>
Net current liabilities		<u>(1,965,453)</u>	<u>(1,486,094)</u>
NET ASSETS		<u>3,927,297</u>	<u>3,990,812</u>
CAPITAL AND RESERVES	23(a)		
Share capital		1,754,801	1,754,801
Reserves		2,172,496	2,236,011
TOTAL EQUITY		<u>3,927,297</u>	<u>3,990,812</u>

Approved and authorised for issue by the board of directors on 19 March 2026.

Dr. Lam Ko Yin, Colin
Chairman

Li Ning
Director

28 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period, the directors proposed a final dividend. Further details are disclosed in note 9.

29 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

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

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

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

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

HKFRS 18, *Presentation and disclosure in financial statements*

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

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

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

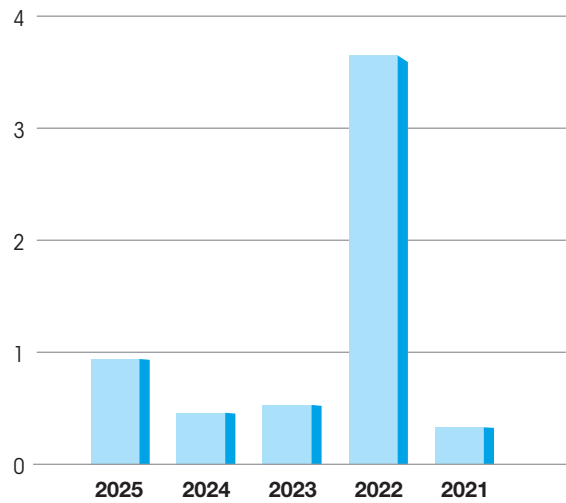
FIVE YEARS' FINANCIAL SUMMARY

	2021 HK\$ Million	2022 HK\$ Million	2023 HK\$ Million	2024 HK\$ Million	2025 HK\$ Million
Consolidated results					
Revenue	244	281	375	423	427
Profit for the year attributable to:					
Equity shareholders of the Company	118	1,299	190	164	335
Non-controlling interests	–	–	(4)	(4)	(–)*
	118	1,299	186	160	335
Dividends	89	445	89	89	89
Assets and liabilities					
Investment properties, other property, plant and equipment and leasehold land	2,345	2,456	2,587	2,587	4,655
Interest in associates	8	7	6	5	5
Interest in joint ventures	495	947	700	691	424
Properties under development for sale	1,274	1,625	7	7	7
Other financial assets	136	113	107	133	161
Deferred tax assets	3	6	4	3	7
Other assets	2,008	2,380	3,878	3,947	2,393
Total assets	6,269	7,534	7,289	7,373	7,652
Total liabilities	264	316	324	320	342
Net assets employed	6,005	7,218	6,965	7,053	7,310
	HK\$	HK\$	HK\$	HK\$	HK\$
Earnings per share	0.33	3.65	0.53	0.46	0.94
Dividend per share	0.25	1.25	0.25	0.25	0.25
Net assets per share	16.85	20.26	19.55	19.80	20.52
	Times	Times	Times	Times	Times
Dividend cover	1.3	2.9	2.1	1.8	3.8

* Less than HK\$ 1 million

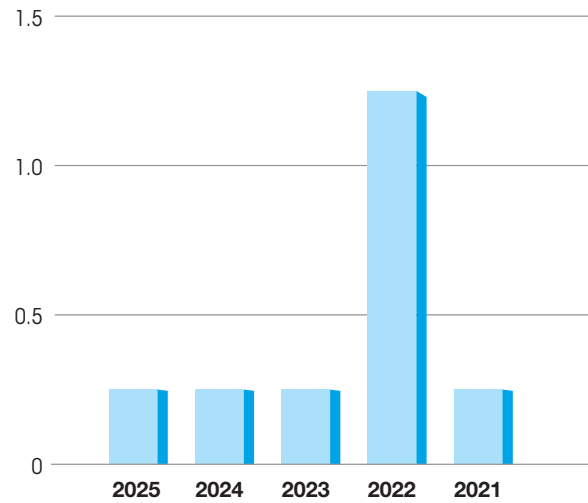
Earnings per share

HK\$



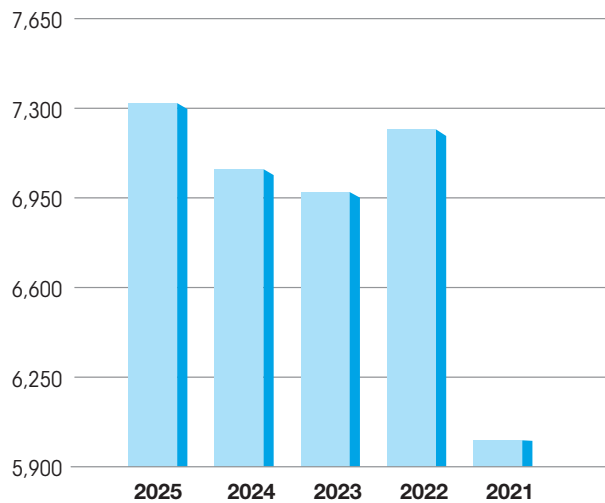
Dividends per share

HK\$



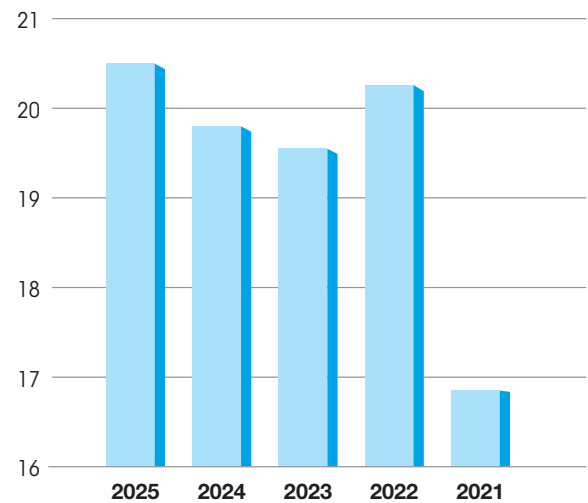
Shareholders' funds

HK\$ Million



Net assets per share

HK\$



GROUP PROPERTIES

1 PROPERTIES HELD FOR SALE

Location	Lot No.	Saleable area remaining unsold (sq.m.)	Group's interest (%)	Existing use
The Royale 8 Castle Peak Road – Castle Peak Bay Tuen Mun	Tuen Mun Town Lot No. 547	2,256	50	Residential

2 PROPERTIES HELD FOR INVESTMENT

Location	Lot No.	Gross/Saleable floor area (sq.m.)	Lease expiry (year)	Existing use
Metro Harbour Plaza 8 Fuk Lee Street Tai Kok Tsui	KIL 11127 RP	23,549	2047	Commercial arcade
METRO6 121 Bulkeley Street	Hung Hom I.L. No.555	932	2061	Commercial arcade
Green Code 1 Ma Sik Road Fanling	F.S.S.T.L. 177 (S.T.T. 1364(N))	12,684	2060	Commercial arcade
Shining Heights 83 Sycamore Street	KIL 11159	2,469	2054	Commercial arcade
The Spectacle 8 Cho Yuen Street Yau Tong	Yau Tong Inland Lot No. 38	2,300	2047	Commercial arcade
20 Tin Dai Yan Road Chung Uk Tsuen Hung Shui Kiu	Lot Nos. 3039A, 3039RP & 3042 in DD 124 Hung Shui Kiu	1,912	2047	Godown
Ground floor together with the Yard adjacent thereto, 234 Sai Yeung Choi Street South	KIL 2567 RP	79	2080	Shop

2 PROPERTIES HELD FOR INVESTMENT (Continued)

Location	Lot No.	Gross/Saleable floor area (sq.m.)	Lease expiry (year)	Existing use
Ground floor of No. 250 Sai Yeung Choi Street South and ground floor of No. 252 Sai Yeung Choi Street South	KIL 2292 Sec. B, C and RP	169	2080	Shop
Portion A of Ground Floor and signage areas of Tai Hung Fai (Tsuen Wan) Centre, No. 55 Chung On Street Tsuen Wan	Lot No. 1978 in DD 449	1,182	2047	Commercial arcade
The Symphonie 280 Tung Chau Street Cheung Sha Wan	New Kowloon Inland Lot No. 6559 RP	9,090	2068	Youth hostel

3 OTHER PROPERTIES

Location	Lot No.	Site area (sq.m.)	Lease expiry (year)	Group's interest (%)	Description
98 Tam Kon Shan Road Ngau Kok Wan North Tsing Yi	Tsing Yi Town Lot No. 102	19,740	2047	100	Shipyard and office
Mui Wo	DD 2 Lot Nos. 614 RP, 619 Sec. B, C and RP	4,233	2047	100	Agricultural land
Mui Wo	DD 2 Lot Nos. 431–487, 569 and 635–637	28,423	2047	50	Agricultural land
Mui Wo	DD 2 Lot Nos. 498–499, and 588–591	849	2047	100	Agricultural land



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港輪貿易投資有限公司

HYFCO DEVELOPMENT COMPANY, LIMITED
香港油蔴地建設有限公司

THE HONG KONG SHIPYARD LIMITED
香港船廠有限公司