Lippo China Resources Limited
力寶華潤有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 156)

ANNUAL REPORT **2024**

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Stephen Riady *(Chairman)*
Mr. John Luen Wai Lee, BBS, JP
(Deputy Chairman)
Mr. Davy Kwok Fai Lee
(Chief Executive Officer)
Mr. James Siu Lung Lee
Mr. Brian Riady

Non-executive Director

Mr. Leon Nim Leung Chan

Independent non-executive Directors

Mr. Edwin Neo
Mr. Victor Ha Kuk Yung
Ms. Min Yen Goh

COMMITTEES

Audit Committee

Mr. Victor Ha Kuk Yung *(Chairman)*
Mr. Leon Nim Leung Chan
Mr. Edwin Neo

Remuneration Committee

Mr. Edwin Neo *(Chairman)*
Mr. Leon Nim Leung Chan
Mr. Victor Ha Kuk Yung
Ms. Min Yen Goh
Dr. Stephen Riady

Nomination Committee

Mr. Edwin Neo *(Chairman)*
Mr. Leon Nim Leung Chan
Mr. Victor Ha Kuk Yung
Ms. Min Yen Goh
Dr. Stephen Riady

SECRETARY

Ms. Millie Yuen Fun Luk

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

Fubon Bank (Hong Kong) Limited
China CITIC Bank International Limited
UBS AG
CIMB Bank Berhad

SOLICITORS

Howse Williams

REGISTRAR

Tricor Investor Services Limited
17th Floor, Far East Finance Centre
16 Harcourt Road
Hong Kong

REGISTERED OFFICE

40th Floor, Tower Two
Lippo Centre
89 Queensway
Hong Kong

STOCK CODE

156

WEBSITE

www.lcr.com.hk

Chairman's Statement

I hereby present the annual report of the Company (together with its subsidiaries, the "Group") for the year ended 31 December 2024 (the "Year" or "2024").

2024 was a year of challenges. The complex macroeconomic landscape was characterised by global uncertainties, geopolitical tensions, rising inflation and higher interest rates. The Group and its associates navigated these headwinds with resilience and determination.

Healthway Medical Corporation Limited ("Healthway"), in which the Group holds approximately 40.76% interest, continues to strengthen its position as a healthcare provider in Singapore by leveraging 30 years of experience via a network of clinics. During the Year, Healthway expanded its capabilities with the launch of Cura Day Surgery, offering advanced surgical services with a focus on personalised care. Additionally, it introduced Nobel Diabetic Foot Care, a pioneering service dedicated to reducing diabetes-related complications through comprehensive and accessible care.

The food businesses in Hong Kong faced challenges with a drop in consumer spending and significant rise in the number of locals making short-stay trips to the Greater Bay Area or overseas, particularly, during weekends and holidays. The Group was cautious in expanding its outlets and continued to innovate and reinvest its offerings to meet customer preferences. With the improvement in the sale of the food manufacturing business and the opening of new outlets, the food businesses of the Group recorded an increase of 6% in revenue for the Year.

The Hong Kong property market continued to consolidate in 2024 amid high vacancy rate and weak economy. The Group recorded an increase in net fair value losses on investment properties and provision for impairment loss on fixed assets due to the drop in market price of commercial properties in Hong Kong.

Amidst the challenging environment, the Group recorded a consolidated loss attributable to shareholders of HK$684 million for the Year, as compared to a consolidated loss of HK$146 million for the year ended 31 December 2023 ("2023"). The increase in loss was mainly attributable to the net fair value loss on financial instruments at fair value through profit or loss of the Group for the Year while net fair value gain was recorded in 2023, increase in net fair value losses on investment properties and provision for impairment loss on fixed assets due to the drop in market price of commercial properties, and the payment made for litigation settlement, offset by the share of net profits from the Group's associates during the Year.

As we look forward to the future, we are poised to leverage on our strengths and capitalise on emerging opportunities. We remain focused creating value to maximise returns for all our stakeholders.

I would like to extend a warm welcome to Mr. Davy Kwok Fai Lee who was appointed as an executive Director and the Chief Executive Officer of the Company with effect from 7 June 2024.

I would also like to extend my heartfelt appreciation to our shareholders, fellow directors, management and all staff for their contributions and continued support during the Year.

Stephen Riady
Chairman

Hong Kong, 28 March 2025

Report of the Directors

The Directors hereby present their report together with the audited financial statements for the year ended 31 December 2024 (the "Year").

BUSINESS REVIEW

Overview

The global economy in 2024 was affected by ongoing macroeconomic challenges, geopolitical conflicts, inflationary pressures and a prolonged high-interest rate environment. The slowdown in mainland China's economy continued to affect its property market which recorded a deeper or longer than expected contraction. The Hong Kong economy recorded a moderate growth of 2.5% in 2024. The operating environment in Hong Kong was challenging and the property market in Hong Kong remained weak. The economy in Singapore, where some of the Group's subsidiaries and associates are located, expanded by 4.4% in 2024. However, the retail trade and food and beverage services sectors contracted, partly due to locals shifting their spending to overseas travel destinations.

Results for the Year

Against this backdrop, the Company (together with its subsidiaries, collectively, the "Group") recorded a consolidated loss attributable to shareholders of HK$684 million for the Year, as compared to a consolidated loss of HK$146 million for the year ended 31 December 2023 ("2023"). The increase in loss was mainly attributable to the net fair value loss on financial instruments at fair value through profit or loss of the Group during the Year while net fair value gain was recorded in 2023, increase in net fair value losses on investment properties and provision for impairment loss on fixed assets due to the drop in market price of commercial properties, and the payment made for litigation settlement, offset by the share of net profits from the Group's associates during the Year.

Revenue for the Year increased to HK$775 million (2023 — HK$739 million), of which 59% (2023 — 61%) and 34% (2023 — 35%) were generated from Singapore and Hong Kong, respectively. Food businesses remain the principal sources of revenue of the Group and registered 6% increase in revenue, contributing to 94% (2023 — 93%) of total revenue for the Year.

The Group's other operating expenses mainly included selling and distribution expenses and utilities charges for food businesses, legal and professional fees, and consultancy and service fees. Other operating expenses increased to HK$181 million for the Year (2023 — HK$145 million), which was largely attributable to the increase of legal and professional fees for the Year.

Food businesses

The Group's food businesses segment recorded a revenue of HK$728 million for the Year (2023 — HK$687 million), mainly from food retail operations in chains of cafés and bistros and food manufacturing which revenue increased by 5% and 7%, respectively. The Group is currently operating restaurants under the brands, namely "Chatterbox Café", "Délifrance", "alfafa" and "Lippo Chiuchow Restaurant". The performance of the Group's food manufacturing business in Singapore and Malaysia improved during the Year mainly due to enhanced operational cost management and higher sale revenue. However, the operating environment of the food businesses of the Group as a whole remained challenging. Such challenging market conditions were intensified by high operating costs, outbound spending and weak consumption in Hong Kong. As a result, the segment incurred a loss of HK$35 million for the Year (2023 — HK$55 million).

BUSINESS REVIEW *(continued)*

Results for the Year *(continued)*

Property investment

The Group's property investment portfolio mainly comprises commercial properties in Hong Kong and mainland China. The total segment revenue for the Year amounted to HK$21 million (2023 — HK$23 million), which was mainly attributable to recurrent rental income. The Group recorded a net fair value loss on investment properties of HK$37 million (2023 — HK$26 million) and an impairment loss on owner-occupied office buildings of HK$80 million (2023 — Nil) for the Year, which was mainly due to the drop in market value of the properties in Hong Kong. While the Hong Kong economy recorded a moderate growth for the Year, demand for office properties remained weak. Such unrealised fair value change and impairment loss are non-cash items and will not affect the cash flow of the Group. The property investment segment recorded a loss of HK$118 million for the Year (2023 — HK$25 million).

Treasury and securities investments

The Group managed its investment portfolio in accordance with its investment committee's terms of reference and looked for opportunities to enhance yields. The Group invested in a diversified portfolio mainly including listed and unlisted equity securities, debt securities and investment funds. Total revenue of treasury and securities investments businesses amounted to HK$14 million for the Year (2023 — HK$18 million). The Group recorded a net fair value loss of HK$66 million in the statement of profit or loss from its securities investments for the Year as compared with a gain of HK$20 million in 2023 under this segment. The net fair value loss for the Year mainly came from the unrealised mark-to-market loss for the securities investments held by the Group. As a result, the treasury and securities investments businesses recorded a loss of HK$55 million in the statement of profit or loss for the Year (2023 — profit of HK$32 million).

The Group cautiously manages the mix of its investment portfolio. The Group has liquidated part of the listed securities during the Year. The treasury and securities investment portfolio of the Group was reduced to HK$792 million as at 31 December 2024 (31 December 2023 — HK$1,057 million). As at 31 December 2024, the treasury and securities investment portfolio comprised mainly cash and bank balances of HK$237 million (31 December 2023 — HK$243 million), financial assets at fair value through profit or loss ("FVPL") of HK$493 million (31 December 2023 — HK$749 million) and financial assets at fair value through other comprehensive income ("FVOCI") of HK$46 million (31 December 2023 — HK$49 million).

BUSINESS REVIEW *(continued)*

Results for the Year *(continued)*

Treasury and securities investments *(continued)*

Further details of securities investments under different categories are as follows:

Financial assets at fair value through profit or loss

As of 31 December 2024, the Group's financial assets at FVPL amounted to HK$493 million (31 December 2023 — HK$749 million), comprising equity securities of HK$102 million (31 December 2023 — HK$279 million), debt securities of HK$17 million (31 December 2023 — HK$38 million) and investment funds of HK$374 million (31 December 2023 — HK$432 million).

Details of the major financial assets at FVPL were as follows:

	As at 31 December 2024			As at 31 December 2023	For the year ended 31 December 2024
	Fair value HK$'000	Approximate percentage of financial assets at FVPL	Approximate percentage to the total assets	Fair value HK$'000	Net fair value gain/(loss) HK$'000
GSH Corporation Limited ("GSH")	63,254	12.8%	1.8%	77,753	(14,498)
Amasia CIV T, L.P. ("Amasia CIV")	55,814	11.3%	1.6%	56,150	(336)
Quantedge Global Fund ("Quantedge")	44,551	9.0%	1.3%	42,086	12,100
Amasia Fund I, L.P. ("Amasia Fund I")	29,652	6.0%	0.8%	29,816	(164)
Others *(Note)*	299,644	60.9%	8.6%	543,465	(60,225)
Total	492,915	100.0%	14.1%	749,270	(63,123)

Note: Others comprised of various securities, none of which accounted for more than 6% of financial assets at FVPL as at 31 December 2024.

GSH

As at 31 December 2024, the fair value of the Group's equity securities in GSH amounted to HK$63 million, representing approximately 12.8% and 1.8% of the Group's total financial assets at FVPL and total assets, respectively. An unrealised fair value loss of HK$14 million was recognised by the Group for the Year. GSH, having its shares listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), is a property developer in Asia with properties under development in Malaysia and mainland China. It also owns and operates the Sutera Harbour Resort in Kota Kinabalu, comprising two five-star hotels, a 104-berth marina and a 27-hole championship golf course, and the idyllic Sutera@Mantanani Resort in Sabah. In June 2024, the 200-room hotel is officially opened in Chongqing, mainland China. GSH's hospitality business is benefited by the recovery of the hospitality industry in Malaysia and new hospitality business in mainland China. GSH's property business in Malaysia continues to see healthy demand, driven by interest from both domestic and foreign investors. However, the real estate market in mainland China continued to face significant headwinds.

BUSINESS REVIEW *(continued)*

Results for the Year *(continued)*

Treasury and securities investments *(continued)*

Financial assets at fair value through profit or loss (continued)

Amasia CIV

Amasia CIV is a single portfolio fund which invested in Dialpad, Inc. ("Dialpad"). Its namesake product, Dialpad is an AI-powered communications intelligence platform, featuring unified business communications and contact center solutions. Dialpad offers an all-in-one customer communication platform with AI that takes notes and delivers insights. It also offers cloud-based support and contact center platform with AI-powered real-time agent assistance and a knowledge retrieval system. The Group invested US$2 million into Amasia CIV in 2015 for long-term capital gain. As at 31 December 2024, the fair value of the Group's investment in Amasia CIV was maintained at HK$56 million, representing approximately 11.3% and 1.6% of the Group's total financial assets at FVPL and total assets, respectively.

Quantedge

Quantedge is an unlisted investment fund which aims to achieve absolute long-term capital growth by investing in multiple asset classes across the globe. The performance of Quantedge is good over the years and fair value gain of HK$12 million was recorded by the Group for the Year. In line with the objective of the Group to manage its investment portfolio by adopting a proactive but prudent approach, partial redemption of investment in Quantedge has been made since 2022 to realise the cumulated fair value gain and to re-allocate the proceeds for general working capital. During the Year, the Group partially redeemed HK$9 million of the investment. Coupled with the unrealised fair value gain for the remaining investment, the fair value of the Group's investment in Quantedge was HK$45 million as at 31 December 2024, representing approximately 9.0% and 1.3% of the Group's total financial assets at FVPL and total assets, respectively.

Amasia Fund I

Amasia Fund I is an unlisted investment fund which invests primarily in equity or equity-linked securities of early-stage technology or technology enabled companies, including entities involved in cloud computing, big data, financial technology, and other similar ventures. The Group invested US$2 million into Amasia Fund I since 2015 and such amount has been fully recovered through the accumulated distribution from the fund. As at 31 December 2024, the fair value of the Group's investment in Amasia Fund I was maintained at HK$30 million, representing approximately 6.0% and 0.8% of the Group's total financial assets at FVPL and total assets, respectively.

BUSINESS REVIEW *(continued)*

Results for the Year *(continued)*

Treasury and securities investments *(continued)*

Financial assets at fair value through other comprehensive income

In addition to the above investments under financial assets at FVPL, the Group also invested in equity securities which are held for long-term strategic purposes and recorded them under financial assets at FVOCI. As at 31 December 2024, the fair value of such investments amounted to HK$46 million (31 December 2023 — HK$49 million). The major investments in this category are GenieBiome Holdings Limited ("GB") and H2G Green Limited ("H2G").

GB is one of the major investments in this category. As at 31 December 2024, the fair value of the Group's investment in GB amounted to HK$24 million, representing approximately 51.9% and 0.7% of the Group's total financial assets at FVOCI and total assets, respectively. In 2021, the Group made an investment in GB, a biotech company established by a team of internationally renowned university professors of medicine and clinician-scientists in Hong Kong. GB has pioneered the use of microbiome with evidence-based science to tackle a myriad of diseases, revolutionising the prevention, diagnosis and treatment of disease. Its portfolio includes next-generation microbiome precision formula tailored for the Asian population. GB has a pipeline of new products to be launched in market as well as continuing its research and development on microbiome. The performance of GB is satisfactory and dividend income was received during the Year. The Group recorded an unrealised fair value gain of HK$6 million through other comprehensive income for the Year.

H2G is a company listed on the Catalist, the sponsor-supervised listing platform of the SGX-ST. H2G specialises in the last mile distribution of liquefied natural gas via tanks and cylinders, which allows the commercial and industrial end-users to access cleaner and lower-cost energy source (especially when compared with diesel). It is also engaged in the development of processing plants in Singapore for the conversion of non-food cellulose biomass waste into hydrogen and other useful products (for example, activated carbon/biochar, wood vinegar and renewable fuel). The Group initially subscribed for approximately 11.0% of the then issued shares in H2G in 2023. In 2024, the Group took up 8.9% new shares in H2G upon completion of a share swap with one of its unlisted investments in a related business, which allows the Group to enhance liquidity of its investment portfolio. As at 31 December 2024, the fair value of the Group's investment in H2G amounted to HK$11 million, representing approximately 23.1% and 0.3% of the Group's total financial assets at FVOCI and total assets, respectively. The Group recorded an unrealised fair value loss of HK$8 million through other comprehensive income for the Year. Separately, the Group also invested approximately HK$2 million in the listed warrants issued by H2G and recorded a fair value gain of HK$3 million through statement of profit and loss account for the Year.

Healthcare services

The Group holds a 40.76% interest in Healthway Medical Corporation Limited ("Healthway", together with its subsidiaries, collectively, the "Healthway Group"), an associate of the Company. Healthway has a wide network of over 130 clinics, primarily in Singapore, offering comprehensive services including general practitioner and family medicine clinics, health screening, adult specialists, baby and child specialists, dental services and allied healthcare services. In 2024, Healthway opened a state-of-the-art day surgery centre in Singapore, namely Cura Day Surgery ("Cura"), with 5 operating rooms and 12 premium patient suites, offering patients cost effective treatment options and alleviates capacity issues in hospitals.

The Healthway Group posted sustained revenue growth for the Year, driven mainly by the specialist and dental segments, as well as revenue contribution from Cura. The Group recognised a share of loss of HK$0.5 million (2023 — profit of HK$8 million) from the Healthway Group for the Year which was mainly attributable to the startup costs incurred by the day surgery centre and the reduction in income from COVID-related services. As at 31 December 2024, the Group's interest in Healthway amounted to HK$470 million (31 December 2023 — HK$489 million).

BUSINESS REVIEW *(continued)*

Results for the Year *(continued)*

Other business

TIH Limited ("TIH", together with its subsidiaries, collectively, the "TIH Group"), a 39.92% owned associate of the Company and listed on the Mainboard of the SGX-ST. The TIH Group currently has two business segments, that is, investment business and fund management. Supported by Southeast Asia's growing economies, private equity activity in the region saw a recovery in 2024, which is expected to continue into 2025. However, geopolitical uncertainties, including tariffs and export controls, economic slowdowns and political turmoil affecting key trading partners, could impact deal-making activity. Benefited from the net fair value gain on TIH's investments and the net income tax reversal recorded by TIH, the Group registered a share of profit of HK$41 million from its investment in TIH for the Year (2023 — loss of HK$10 million). As at 31 December 2024, the Group's interests in TIH amounted to HK$310 million (31 December 2023 — HK$286 million).

Settlement

Reference was made to the Group's minority ownership interest in Skye Mineral Partners, LLC ("Skye") whose major asset, prior to the events described below, was substantially all of the equity interests in CS Mining, LLC ("CS Mining"), a company that owned a number of copper ore deposits in the U.S.A. Subsequently, CS Mining sold its assets through a court-supervised sale process under its bankruptcy proceedings and a former joint venture of the Company participated and won the bid to acquire the assets in 2017. In 2018, a verified complaint was filed in a state court in the U.S.A. by the majority investors in Skye (the "Majority Investors") individually and derivatively on behalf of Skye against, among others, certain entities and persons in or related to the Group (collectively, the "Parties"), alleging, among other things, that they suffered from diminution in the value of their equity interests in CS Mining based on an alleged scheme perpetrated by the Parties on CS Mining. The Group, individually and derivatively on behalf of Skye, also filed a counterclaim against the Majority Investors and their related persons (the "Counterparties"), in which the Group claimed that the Counterparties, at all relevant times, controlled both Skye and CS Mining, preferred their own interests over those of Skye and its creditors and other owners and that this misconduct of the Counterparties caused the Group to suffer loss. The parties agreed to attempt to consensually resolved the litigation in mediation and prior to the commencement of trial in the litigation, the parties reached a settlement, which was memorialised in a settlement agreement dated 20 September 2024 (the "Settlement Agreement"). Under the Settlement Agreement, the litigation and all claims that existed with respect to the Group's ownership interest and participation in Skye and CS Mining were settled and the Parties and the Counterparties agreed to fully and forever release and discharge all the claims against each other and Skye was dissolved (the "Settlement"). In consideration of the Settlement, the Group paid US$49.5 million (equivalent to HK$386 million) to the Counterparties under the Settlement Agreement. While the Group continues to maintain that it has no liability in respect of the claims, the Settlement Agreement entered into by the Group avoided the risk, uncertainty and costs associated with litigation.

BUSINESS REVIEW *(continued)*

Financial Position

As at 31 December 2024, total assets of the Group amounted to HK$3.5 billion (31 December 2023 — HK$4.0 billion), with cash and cash equivalents amounted to HK$0.3 billion (31 December 2023 — HK$0.3 billion). Total liabilities amounted to HK$1.4 billion (31 December 2023 — HK$1.2 billion). As at 31 December 2024, current ratio amounted to 1.1 (31 December 2023 — 1.6).

Total bank and other borrowings of the Group as at 31 December 2024 increased to HK$966 million (31 December 2023 — HK$645 million), which was mainly attributable to the drawdown of bank and other borrowings to fund a portion of the Settlement. The balance included secured bank loans of HK$796 million (31 December 2023 — HK$645 million) and an unsecured loan from a holding company of the Company of HK$170 million (31 December 2023 — Nil). The bank and other borrowings were denominated in Hong Kong dollars and Malaysian ringgits. The bank loans were secured by certain investment properties, land and buildings, and listed shares held by the Group and fixed and floating charges over all the assets of certain subsidiaries of the Group.

All bank and other borrowings carried interest at floating rates. Where appropriate, the Group would use interest rate swaps to modify the interest rate characteristics of its borrowings to limit interest rate exposure. As at 31 December 2024, approximately 20% (31 December 2023 — 22%) of the bank and other borrowings were repayable within one year or on demand. The gearing ratio (measured as total borrowings, net of non-controlling interests, to equity attributable to equity holders of the Company) as at 31 December 2024 was 53.0% (31 December 2023 — 24.8%).

The consolidated net asset value attributable to equity holders of the Company decreased to HK$1.8 billion (31 December 2023 — HK$2.5 billion), which was equivalent to HK$1.9 per share as at 31 December 2024 (31 December 2023 — HK$2.7 per share). The decrease was mainly attributable to the loss for the Year.

The Group monitors the relative foreign exchange position of its assets and liabilities to minimise foreign currency risk. When appropriate, hedging instruments including forward contracts, swaps and currency loans would be used to manage the foreign exchange exposure.

The Group had bankers' guarantees issued in lieu of rental and utility deposits for the premises used for operation of food businesses. As at 31 December 2024, the Group has secured bankers' guarantees of HK$1 million (31 December 2023 — HK$1 million) and unsecured bankers' guarantees of HK$4 million (31 December 2023 — HK$4 million). The secured bankers' guarantees were secured by certain assets of the Group. Aside from the abovementioned, the Group had neither material contingent liabilities outstanding nor charges on the Group's assets as at 31 December 2024 (31 December 2023 — Nil).

Total capital commitment of the Group as at 31 December 2024 amounted to HK$84 million (31 December 2023 — HK$88 million), which are mainly related to the committed investments in certain unlisted investment funds for long-term strategic purpose. The investments or capital assets will be financed by the Group's internal resources and external bank financing, as appropriate.

BUSINESS REVIEW *(continued)*

Staff and Remuneration

The Group had 841 full-time employees as at 31 December 2024 (31 December 2023 — 815 full-time employees). Staff costs (including directors' emoluments) charged to the statement of profit or loss for the Year amounted to HK$297 million (2023 — HK$290 million). The Group ensures that its employees are offered competitive remuneration packages. The Group also provides benefits such as medical insurance and retirement funds to employees to sustain competitiveness of the Group.

PROSPECTS

Global growth is projected at 3.3% in 2025, which is below the historical average of 3.7%. Uncertainties in the global economy remain significant, with the risks tilted to the downside. Escalating trade protectionism and elevated geopolitical tensions may disrupt global trade and supply chains, potentially driving inflation higher and dampening economic activities. The GDP growth in mainland China is expected to moderate on account of a slowdown in investment growth and exports due to tariff hikes and industrial overcapacity. The Ministry of Trade and Industry in Singapore maintained its GDP growth forecast for 2025 at 1.0% to 3.0%. Amid the challenging operating environment, the Group and its associates will continue to manage their businesses and monitor their assets and investments cautiously and exercise prudent capital management.

BUSINESS STRATEGY

The business activities of the Group are diversified. The Group is committed to achieve long term sustainable growth of its businesses in preserving and enhancing shareholder value. The Group is focused on selecting attractive investment opportunities to strengthen and extend its business scope and has maintained prudent and disciplined financial management to ensure its sustainability.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Its subsidiaries, associates, joint ventures and joint operation are principally engaged in investment holding, property investment, property development, food businesses, healthcare services, property management, mineral exploration and extraction, securities investment and treasury investment.

The activities and other particulars of the principal subsidiaries, principal associates, principal joint ventures and joint operation are set out in the financial statements on pages 180 to 186, page 187, page 188 and page 189, respectively.

There were no significant changes in the nature of these activities during the Year.

SEGMENT INFORMATION

An analysis of the Group's revenue and results by principal activity and geographical area for the Year is set out in Note 4 to the financial statements.

RESULTS AND DIVIDENDS

The results and details of cash flows of the Group for the Year and the financial position of the Group as at 31 December 2024 are set out in the financial statements on pages 92 to 189.

No interim dividend was declared for the Year (2023 — Nil). The Directors have resolved not to recommend the payment of any final dividend for the Year (2023 — Nil).

SUMMARY OF GROUP FINANCIAL INFORMATION

A summary of the published results and of the assets, liabilities and non-controlling interests of the Group for the last five financial period/years is set out on page 192.

GOODWILL

Details of movements in goodwill during the Year are set out in Note 15 to the financial statements.

INVESTMENT PROPERTIES

Details of movements in the investment properties during the Year are set out in Note 17 to the financial statements.

BANK LOANS

Details of bank loans are summarised in Note 26 to the financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in Note 29 to the financial statements.

SHARE OPTION SCHEME

Details of the share option scheme of a subsidiary of the Company are set out below.

A share option scheme of Asia Now Resources Corp. ("Asia Now", a subsidiary of the Company) (the"ANR Share Option Scheme"), which was approved by the shareholders of Asia Now, the Company and Lippo Limited ("Lippo"), an intermediate holding company of the Company, was adopted on 11 September 2014 (the"ANR Adoption Date"). Pursuant to the ANR Share Option Scheme, the board of directors of Asia Now (the"ANR Board") was entitled at any time to offer to grant an option to subscribe for common shares in the capital of Asia Now (the "ANR Shares") to any eligible person including directors or senior officers of Asia Now, and employees (the "ANR Eligible Employees") and consultants of Asia Now and its subsidiaries (together, the "ANR Eligible Persons") whom the ANR Board might, in its absolute discretion, select and be subject to such conditions as it might think fit. The purpose of the ANR Share Option Scheme was to provide ANR Eligible Persons with the opportunity to acquire proprietary interests in Asia Now and to encourage the ANR Eligible Persons to work towards enhancing the value of Asia Now and its shares for the benefit of Asia Now and its shareholders as a whole. The ANR Share Option Scheme was valid and effective for the period of ten years commencing on the ANR Adoption Date. Under the rules of the ANR Share Option Scheme, no further options should be granted on and after the tenth anniversary of the ANR Adoption Date. The options could be exercised at any time during the period commencing on the date of grant and ending on the date of expiry which should not be later than the day last preceding the tenth anniversary of the date of grant. No option might be exercised by an ANR Eligible Employee until such ANR Eligible Employee had been in continuous employment with Asia Now or its subsidiary or had been appointed as a director for a period of one calendar year from the date of such ANR Eligible Employee's commencement of employment with or appointment by Asia Now or its subsidiary. In respect of an ANR Eligible Person who was not an ANR Eligible Employee, the ANR Board might in its absolute discretion specify such minimum period for which an option must be held before such option could be exercised. In respect of an ANR Eligible Person (whether or not an ANR Eligible Employee), the ANR Board might in its absolute discretion make the exercise of an option conditional on the achievement of the minimum performance target(s). No grantee of option was required to pay for the grant of the relevant option.

SHARE OPTION SCHEME *(continued)*

The overall limit on the number of ANR Shares which might be issued upon exercise of all outstanding options granted and yet to be exercised under the ANR Share Option Scheme and other share option schemes must not exceed 20% of the ANR Shares in issue on the ANR Adoption Date. The maximum number of ANR Shares, in respect of which options might be granted under the ANR Share Option Scheme, should not (when aggregated with any ANR Shares subject to grants made after the ANR Adoption Date pursuant to any other share option scheme(s) of Asia Now) exceed 10% of the issued share capital of Asia Now on the ANR Adoption Date (the "ANR Scheme Mandate Limit"). The ANR Scheme Mandate Limit might be renewed at any time subject to prior approval of the Toronto Stock Exchange (as defined below) and shareholders of Asia Now and its relevant holding companies but in any event should not exceed 10% of the issued share capital of Asia Now as at the date of approval of the renewal of the ANR Scheme Mandate Limit. A maximum of 11,332,079 ANR Shares, representing approximately 10% of Asia Now's issued share capital, were reserved for issuance upon exercise of options granted under the ANR Share Option Scheme. The total number of ANR Shares issued and to be issued upon exercise of options granted and to be granted under the ANR Share Option Scheme to any single ANR Eligible Person, whether or not already a grantee, in any 12-month period should be subject to a limit that it should not exceed 1% of the ANR Shares in issue at the relevant time. The exercise price for the ANR Shares under the ANR Share Option Scheme should be determined by the ANR Board in its absolute discretion but in any event should not be less than the highest of (i) the closing price of the ANR Shares on the date of grant of the option, as stated in the daily quotations sheets of the TSX Venture Exchange of Canada ("TSXVE") or the Toronto Stock Exchange, as applicable, being the stock exchange on which the ANR Shares were primarily listed (the "Toronto Stock Exchange"); (ii) the average closing price of the ANR Shares for the five trading days immediately preceding the date of grant of the option, as stated in the daily quotations sheets of the Toronto Stock Exchange; and (iii) the floor price which meant the last closing price of the ANR Shares on the Toronto Stock Exchange before the date the option was granted less the following maximum discounts based on the closing price (and subject, notwithstanding the application of any such maximum discount, to a minimum price per share of C$0.05):

Closing Price	Discount
Up to C$0.50	25%
C$0.51 to C$2.00	20%
Above C$2.00	15%

As at the beginning and end of the Year, there were no outstanding options granted under the ANR Share Option Scheme to subscribe for ANR Shares. No option of Asia Now was granted, exercised, cancelled or lapsed under the ANR Share Option Scheme during the Year (2023 — Nil). The ANR Share Option Scheme expired in September 2024.

Following the receivership entered into in August 2015, the listing of Asia Now was transferred from TSXVE to NEX, a separate board of TSXVE which provides a trading forum for listed companies in Canada that have fallen below TSXVE's ongoing financial listing standards. The receivership of Asia Now was completed in April 2016. The ANR Shares were subsequently delisted from NEX.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company did not have any reserves, calculated in accordance with the provisions of Sections 291, 297 and 299 of the Hong Kong Companies Ordinance, available for distribution.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in the financial statements on pages 180 to 186.

DONATIONS

Charitable and other donations made by the Group during the Year amounted to HK$4,969,000 (2023 — HK$5,385,000).

DIRECTORS

The Directors of the Company during the Year and up to the date of this report were:

Executive Directors

Dr. Stephen Riady *(Chairman)*
Mr. John Luen Wai Lee, BBS, JP *(Deputy Chairman)*
Mr. Davy Kwok Fai Lee *(Chief Executive Officer)* (appointed on 7 June 2024)
Mr. James Siu Lung Lee
Mr. Brian Riady

Non-executive Director

Mr. Leon Nim Leung Chan

Independent non-executive Directors

Mr. Edwin Neo
Mr. Victor Ha Kuk Yung
Ms. Min Yen Goh

In accordance with Article 103 of the Company's Articles of Association (the "Articles"), Mr. Davy Kwok Fai Lee will retire from office and, being eligible, will offer himself for re-election at the forthcoming annual general meeting.

In accordance with Article 112 of the Company's Articles, Mr. Edwin Neo and Ms. Min Yen Goh will retire from office by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

Dr. Stephen Riady, Messrs. John Luen Wai Lee, Davy Kwok Fai Lee, James Siu Lung Lee and Brian Riady are also directors of certain subsidiaries of the Company. A list of directors of the Company's subsidiaries during the Year and up to the date of this report is available on the Company's website (www.lcr.com.hk).

DIRECTORS *(continued)*

Mr. Brian Riady entered into a letter agreement with the Company for his appointment as a Director of the Company for a term of two years commencing from 30 March 2023. In February 2025, Mr. Brian Riady entered into a new letter agreement with the Company for his appointment as a Director of the Company for a term of two years commencing from 30 March 2025. Mr. James Siu Lung Lee entered into a letter agreement with the Company for his appointment as a Director of the Company for a term of two years commencing from 1 May 2023. Each of Messrs. Leon Nim Leung Chan and Edwin Neo entered into a letter agreement with the Company for his appointment as a Director of the Company for a term of two years commencing from 1 January 2024. Mr. Davy Kwok Fai Lee entered into a letter agreement with the Company for his appointment as a Director of the Company for a term of two years commencing from 7 June 2024. Following the expiry of the term under their respective former letter agreements with the Company, (a) Mr. Victor Ha Kuk Yung entered into a letter agreement with the Company for his appointment as a Director of the Company for a term of two years commencing from 30 September 2024; (b) Ms. Min Yen Goh entered into a letter agreement with the Company for her appointment as a Director of the Company for a term of two years commencing from 30 December 2024; and (c) each of Dr. Stephen Riady and Mr. John Luen Wai Lee entered into a letter agreement with the Company for his appointment as a Director of the Company for a term of two years commencing from 1 January 2025. All the above letter agreements are terminable by either party by giving three months' prior written notice. The term of office of the Directors is also subject to the provisions of the Articles and/or the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). In accordance with the Articles, one-third of the Directors of the Company must retire from office at each annual general meeting and their re-election is subject to a vote of shareholders. Every Director is also subject to retirement by rotation at least once every three years notwithstanding that the total number of Directors to retire at the relevant annual general meeting would as a result exceed one-third of the Directors.

In addition, Dr. Stephen Riady entered into an employment agreement (as supplemented) for his employment as an Executive President of the Company with effect from 1 January 2015. Mr. John Luen Wai Lee entered into an employment agreement (as supplemented) for his employment as the Chief Executive Officer of the Company with effect from 1 January 2015. Mr. Lee was re-designated from the Chief Executive Officer to the Deputy Chairman of the Company with effect from 7 June 2024. Mr. James Siu Lung Lee entered into an employment agreement (as supplemented) for his appointment as an Executive Vice President — Business Development of the Company with effect from 1 May 2015. Mr. Davy Kwok Fai Lee entered into an employment agreement (as supplemented) for his employment as the Chief Executive Officer of the Company with effect from 7 June 2024. The above employment agreements are terminable by either party by giving three months' prior written notice.

Dr. Stephen Riady also entered into an employment contract with a subsidiary of the Company which is terminable by either party by giving six months' prior written notice.

After reviewing the independence of each independent non-executive Director in accordance with the guidelines under the Listing Rules, the Company considers such Directors to be independent.

Under the Company's Articles, every Director or other officer of the Company acting in relation to any of the affairs of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. A Directors' and Officers' Liability Insurance is in place to protect the Directors and officers of the Group against any potential liability arising from the Group's activities which such Directors and officers may be held liable.

BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Dr. Stephen Riady (former name: Stephen Tjondro Riady), aged 64, was appointed a Director of the Company in July 1992 and is the Chairman of the board of directors of the Company. Dr. Riady is also an executive director and the Chairman of the board of directors of Lippo Limited ("Lippo") and Hongkong Chinese Limited ("HKC"), both are public listed companies in Hong Kong. He has been the Executive President of each of the Company, Lippo and HKC since January 2015. He is a member of the Remuneration Committee and Nomination Committee of each of the Company, Lippo and HKC. Dr. Riady also holds directorships in certain subsidiaries of the Company, Lippo and HKC. He is the Executive Chairman and Group Chief Executive Officer of OUE Limited ("OUE"), a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). Dr. Riady is a director of Lippo Capital Group Limited ("Lippo Capital Group"), Lippo Capital Holdings Company Limited ("Lippo Capital Holdings"), Lippo Capital Limited ("Lippo Capital") and Skyscraper Realty Limited ("Skyscraper") which, together with Lippo, have discloseable interests in the Company under the provisions of the Securities and Futures Ordinance (the "SFO"). Dr. Riady is a graduate of the University of Southern California, the United States of America and holds a Master of Business Administration from Golden Gate University, the United States of America and an Honorary Degree of Doctor of Business Administration from Edinburgh Napier University, the United Kingdom. He is one of the first Honorary University Fellows installed by the Hong Kong Baptist University in September 2006. Dr. Riady is the father of Mr. Brian Riady who is an executive Director of each of the Company, Lippo and HKC and a director of certain subsidiaries of the Company. Dr. Riady is the father-in-law of Dr. Andy Adhiwana ("Dr. Adhiwana"), an executive director and the Group Chief Executive Officer of Auric Pacific Group Limited, a subsidiary of the Company. Dr. Riady is the spouse of Madam Shincee Leonardi ("Madam Leonardi") and a brother of Mr. James Tjahaja Riady ("Mr. James Riady"). Madam Aileen Hambali ("Madam Hambali") is the spouse of Mr. James Riady. Interests of Madam Leonardi, Mr. James Riady and Madam Hambali in the Company are disclosed in the section headed "Interests and short positions of shareholders discloseable under the Securities and Futures Ordinance" below.

Mr. John Luen Wai Lee, BBS, JP, aged 76, was appointed a Director of the Company in July 1992 and was re-designated from the Chief Executive Officer to the Deputy Chairman of the Company in June 2024. He is an executive director and the Deputy Chairman of Lippo and HKC, as well as an independent non-executive director of New World Development Company Limited and UMP Healthcare Holdings Limited, both are public listed companies in Hong Kong. He is a director of Skyscraper which, together with Lippo, has discloseable interests in the Company under the provisions of the SFO. Mr. Lee is an authorised representative of the Company, Lippo and HKC. In addition, he holds directorships in certain subsidiaries of the Company, Lippo and HKC. Mr. Lee 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. Mr. Lee is an Honorary Fellow of the City University of Hong Kong, a Justice of Peace in Hong Kong and an awardee of the Bronze Bauhinia Star by the Government of the Hong Kong Special Administrative Region. Mr. Lee is active in public service. Over the years, he served as a member or chairman of different government boards and committees in Hong Kong, including a member of the Hong Kong Hospital Authority and the Chairman of the Hospital Governing Committee of the Queen Elizabeth Hospital and Hong Kong Children's Hospital.

BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT *(continued)*

Mr. Kwok Fai Lee (alias: Davy), aged 66, was appointed an executive Director and the Chief Executive Officer of the Company in June 2024. He is an executive director and the Chief Executive Officer of Lippo and HKC. Mr. Lee is an authorised representative/alternate to authorised representative of the Company, Lippo and HKC (as the case may be). In addition, he holds directorships in certain subsidiaries of the Company, Lippo and HKC. Mr. Lee is a fellow member of The Chartered Governance Institute and The Hong Kong Chartered Governance Institute. Mr. Lee has over 30 years' experience in treasury investments, corporate administration and company secretarial field. Mr. Lee holds a Bachelor of Arts in Chinese Humanities (First Class Honours) from The Open University of Hong Kong (now known as Hong Kong Metropolitan University), a Master of Science in Investment Management from The Hong Kong University of Science and Technology and a Doctor of Business and Administration from The Hong Kong Polytechnic University. He has served the Lippo group of companies for over 40 years. He is a director of Skyscraper as well as the Secretary of Lippo Capital, Lippo Capital Holdings and Lippo Capital Group which, together with Lippo, have discloseable interests in the Company under the provisions of the SFO. He is also a director and/or the Secretary of certain subsidiaries of the Company's controlling shareholders. He was the former Secretary of Lippo.

Mr. James Siu Lung Lee, aged 55, was appointed an executive Director of the Company in May 2015. Mr. Lee has over 20 years of experience in mergers and acquisitions on technology companies. Mr. Lee joined a former subsidiary of HKC in 1997 and was the Head of Derivatives Department before he left that subsidiary in late 1999. Mr. Lee was subsequently appointed as an assistant to the then Managing Director of the Company in early 2000 and left the Company in early 2009. He was a director of Systech Century Group from 2009 to 2014. In December 2014, Mr. Lee rejoined the Group and was appointed an Executive Vice President of business development. He also holds directorships in certain subsidiaries of the Company, Lippo and HKC. Mr. Lee holds a Bachelor degree in Manufacturing Engineering with honours from Queen's University, Belfast, the United Kingdom and a Doctor degree in Engineering (major in Hierarchical Operations Management and Control for Automated Systems and Robotics) from The University of Hong Kong. He also holds a Master of Laws (major in International Economic Law) from The Chinese University of Hong Kong.

Mr. Brian Riady, aged 34, was appointed an executive Director of the Company in March 2023. Mr. Riady holds a Bachelor of Science (Political Communication) and a Bachelor of Arts (Economics) from the University of Texas at Austin, the United States of America. He attended the Executive Education programs at the Harvard Business School. Mr. Riady is also an executive director of Lippo and HKC. He is the Deputy Chief Executive Officer and Executive Director of OUE. Mr. Riady is also a non-independent non-executive director of OUE REIT Management Pte. Ltd. (the manager of OUE Real Estate Investment Trust which is listed on the SGX-ST). He also holds directorships in certain subsidiaries of the Company. Mr. Riady is the son of Dr. Stephen Riady and Madam Leonardi and a brother-in-law of Dr. Adhiwana. Mr. Riady is a nephew of Mr. James Riady and Madam Hambali.

Mr. Leon Nim Leung Chan, aged 69, was appointed an independent non-executive Director of the Company in May 1997 and was re-designated as a non-executive Director of the Company in September 2004. He is a practising lawyer and presently the principal partner of Messrs. Y.T. Chan & Co. He was admitted as a solicitor of the Supreme Court of Hong Kong in 1980 and was also admitted as a solicitor in England in 1984 and in Victoria, Australia in 1985. He was a member of the Solicitors Disciplinary Tribunal from May 1993 to April 2008. He is also a non-executive director of Lippo and HKC. Mr. Chan is a member of the Audit Committee, Remuneration Committee and Nomination Committee of each of the Company, Lippo and HKC. He is an independent non-executive director of Midland Holdings Limited, a public listed company in Hong Kong.

BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT *(continued)*

Mr. Edwin Neo, aged 75, was appointed an independent non-executive Director of the Company in March 2002. He was admitted as a solicitor of the Supreme Court of Hong Kong in 1976 and of the Supreme Court of England and Wales in 1993. Mr. Neo is a practising lawyer and a notary public and is presently the senior partner of Hoosenally & Neo, Solicitors & Notaries. Mr. Neo holds a Bachelor of Laws degree with honours and Post-graduate Certificate in Laws from The University of Hong Kong. He is also an independent non-executive director of HKC. Mr. Neo is the Chairman of the Remuneration Committee and Nomination Committee and a member of the Audit Committee of the Company. He is also a member of the Remuneration Committee, Nomination Committee and Audit Committee of HKC.

Mr. Victor Ha Kuk Yung, aged 71, was appointed an independent non-executive Director of the Company in September 2004. Mr. Yung is a professional accountant with over 40 years of working experience in the financial and accounting fields, and served in management positions in various multinational companies in Asia. Mr. Yung holds a Master of Science Degree in Corporate Governance and Directorship from the Hong Kong Baptist University, and is a member of the Hong Kong Institute of Certified Public Accountants. He is also an independent non-executive director of Lippo. Mr. Yung is the Chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of each of the Company and Lippo.

Ms. Min Yen Goh, aged 64, was appointed an independent non-executive Director of the Company in December 2022. Ms. Goh obtained a Bachelor of Science in Economics and Finance with high distinction from Babson College in the United States of America. Ms. Goh is currently the managing director of Eng Wah Group and a director of Eng Wah Global Pte. Ltd. Ms. Goh was a director of Eng Wah Organization Limited, which was listed on the Mainboard of the SGX-ST before it was privatized in 2008. She is an independent director of OUE. Ms. Goh is also an independent non-executive director of Lippo and HKC. Ms. Goh is a member of the Remuneration Committee and Nomination Committee of each of the Company, Lippo and HKC.

Details of the interests of the Directors in the Company are disclosed in the section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and associated corporations" below.

Save as disclosed herein and in the section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and associated corporations" below, the Directors do not have any other relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS

Details of the emoluments of the Directors on a named basis and the five highest paid employees in the Group are set out in Notes 10 and 11 to the financial statements, respectively.

The emoluments of the Directors are determined by reference to the market rates, time commitment and their duties and responsibilities as well as employment conditions elsewhere in the Group.

DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS *(continued)*

The emoluments of the Directors for the Year have been covered by their respective letter agreements and/or employment agreements/employment contract (as applicable) with the Group and/or paid under the relevant statutory requirement save for those as disclosed herein below:

(a) the discretionary bonus of Dr. Stephen Riady in an amount of HK$2,087,150;

(b) the discretionary bonus of Mr. John Luen Wai Lee in an amount of HK$1,000,000;

(c) the discretionary bonus of Mr. Davy Kwok Fai Lee in an amount of HK$90,000; and

(d) the discretionary bonus of Mr. James Siu Lung Lee in an amount of HK$600,000.

Dr. Stephen Riady and Messrs. John Luen Wai Lee, Davy Kwok Fai Lee and James Siu Lung Lee are entitled to receive salaries, discretionary bonuses and/or other fringe benefits for the executive role in the Group under their respective employment agreements/employment contract with the Group.

Further details of the above Directors' emoluments are disclosed in Note 10 to the financial statements.

Each of the Directors of the Company is entitled to receive a director's fee from the Company. The director's fee was adjusted from HK$265,200 per annum to HK$274,800 per annum with effect from 1 April 2024. The director's fee paid to each of the Directors of the Company (on a 12-month basis) was HK$272,400 for the Year. A non-executive Director will also receive additional fees for duties assigned to and services provided by him/her as Chairmen and/or members of various board committees of the Company. The fees paid to the non-executive Directors (on a 12-month basis) for serving as Chairmen and/or members of various board committees of the Company for the Year are as follows:

	HK$
Chairman	90,300
Member	58,200

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 31 December 2024, the interests or short positions of the Directors and chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (the "Associated Corporations"), as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under the Rules Governing the Listing of Securities on the Stock Exchange (the "Model Code"), were as follows:

Interests in shares and underlying shares of the Company and Associated Corporations

Name of Director	Personal interests (held as beneficial owner)	Family interests (interest of spouse)	Corporate interests (interest of controlled corporations)	Other interests	Total interests	Approximate percentage of total interests in the issued shares
Number of ordinary shares in the Company						
Stephen Riady	–	–	689,018,438 *Notes (i) and (ii)*	–	689,018,438	74.99
James Siu Lung Lee	200	–	–	–	200	0.00
Min Yen Goh	–	–	–	200,000 *Note (iii)*	200,000	0.02
Number of ordinary shares in Lippo Limited ("Lippo")						
Stephen Riady	–	–	369,800,219 *Note (i)*	–	369,800,219	74.98
John Luen Wai Lee	1,031,250	–	–	–	1,031,250	0.21
Davy Kwok Fai Lee	48	48	–	–	96	0.00
Number of ordinary shares of HK$0.10 each in Hongkong Chinese Limited ("HKC")						
Stephen Riady	–	–	1,477,715,492 *Notes (i) and (iv)*	–	1,477,715,492	73.95
John Luen Wai Lee	2,000,270	270	–	–	2,000,540	0.10
Davy Kwok Fai Lee	350	350	–	–	700	0.00
James Siu Lung Lee	2,000	–	–	–	2,000	0.00

Note:

(i) As at 31 December 2024, Lippo Capital Limited ("Lippo Capital"), an Associated Corporation of the Company, was directly interested in 369,800,219 ordinary shares in, representing approximately 74.98% of the issued shares of, Lippo. Lippo Capital was a 60% owned subsidiary of Lippo Capital Holdings Company Limited ("Lippo Capital Holdings"), an Associated Corporation of the Company, which in turn was a wholly-owned subsidiary of Lippo Capital Group Limited ("Lippo Capital Group"), an Associated Corporation of the Company. Dr. Stephen Riady ("Dr. Riady") was the beneficial owner of one ordinary share in, representing 100% of the issued share capital of, Lippo Capital Group.

(ii) As at 31 December 2024, Lippo, through its 100% owned subsidiary, was indirectly interested in 689,018,438 ordinary shares in, representing approximately 74.99% of the issued shares of, the Company.

(iii) As at 31 December 2024, Ms. Min Yen Goh (in the capacity of an executor) was deemed to be interested in 200,000 ordinary shares in, representing approximately 0.02% of the issued shares of, the Company.

(iv) As at 31 December 2024, Lippo, through its 100% owned subsidiary, was indirectly interested in 1,477,715,492 ordinary shares of HK$0.10 each in, representing approximately 73.95% of the issued shares of, HKC.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS *(continued)*

Interests in shares and underlying shares of the Company and Associated Corporations *(continued)*

As mentioned in Note (i) above, Dr. Riady was the beneficial owner of one ordinary share in, representing 100% of the issued share capital of, Lippo Capital Group. Through his interest in Lippo Capital Group, Dr. Riady was also interested or taken to be interested (through controlled corporations) in the issued shares of the following Associated Corporations of the Company as at 31 December 2024:

Name of Associated Corporation	*Note*	Class of shares	Number of shares interested	Approximate percentage of interest in the issued shares
Abital Trading Pte. Limited	(a)	Ordinary shares	2	100
Auric Pacific Group Limited ("Auric")	(b)	Ordinary shares	80,618,551	65.48
Bentham Holdings Limited	(c)	Ordinary shares	1	100
Boudry Limited	(a)	Ordinary shares	10	100
	(a)	Non-voting deferred shares	1,000	100
Broadwell Overseas Holdings Limited	(a)	Ordinary shares	1	100
Grand Peak Investment Limited	(a)	Ordinary shares	2	100
Healthway Medical Corporation Limited ("Healthway")	(d)	Ordinary shares	3,056,521,494	67.39
Lippo Assets (International) Limited	(a)	Ordinary shares	1	100
	(a)	Non-voting deferred shares	15,999,999	100
Lippo Capital	(c)	Ordinary shares	423,414,001	60
Lippo Capital Holdings	(e)	Ordinary shares	1	100
Lippo Investments Limited	(a)	Ordinary shares	2	100
Lippo Realty Limited	(a)	Ordinary shares	2	100
LL Capital Holdings Limited	(a)	Ordinary shares	1	100
Multi-World Builders & Development Corporation	(a)	Ordinary shares	4,080	51
Skyscraper Realty Limited	(f)	Ordinary shares	10	100
Superfood Retail Limited ("Superfood")	(g)	Ordinary shares	10,000	100
The HCB General Investment (Singapore) Pte Ltd	(a)	Ordinary shares	100,000	100
Valencia Development Limited	(a)	Ordinary shares	800,000	100
	(a)	Non-voting deferred shares	200,000	100

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS *(continued)*

Interests in shares and underlying shares of the Company and Associated Corporations *(continued)*

Note:

(a) Such share(s) was/were 100% held directly or indirectly by Lippo Capital, a 60% owned indirect subsidiary of Lippo Capital Group.

(b) Of these shares, 4,999,283 ordinary shares were held by Jeremiah Holdings Limited ("Jeremiah"), a 60% owned indirect subsidiary of the Company; 20,004,000 ordinary shares were held by Nine Heritage Pte Ltd ("Nine Heritage"), an 80% owned direct subsidiary of Jeremiah; 36,165,052 ordinary shares were held by Pantogon Holdings Pte Ltd ("Pantogon"), a 100% owned indirect subsidiary of the Company and 759,000 ordinary shares were held by Max Turbo Limited ("Max Turbo"), a 100% owned indirect subsidiary of the Company. Details of Dr. Riady's interest in the Company are disclosed in Notes (i) and (ii) above. In addition, as at 31 December 2024, 18,691,216 ordinary shares were held by Silver Creek Capital Pte. Ltd. ("Silver Creek"). Dr. Riady, through companies controlled by him, is the beneficial owner of 100% of the issued shares in Silver Creek. Accordingly, Dr. Riady was taken to be interested in an aggregate of 80,618,551 ordinary shares in, representing approximately 65.48% of the issued shares of, Auric.

(c) Such share(s) was/were held directly by Lippo Capital Holdings which in turn was a direct wholly-owned subsidiary of Lippo Capital Group.

(d) Of these shares, 253,865,182 ordinary shares were held by Continental Equity Inc., a 100% owned indirect subsidiary of the Company; 1,594,776,083 ordinary shares were held by Gentle Care Pte. Ltd., a 100% owned indirect subsidiary of the Company; 1,207,880,229 ordinary shares were held by OUEH Investments Pte. Ltd., a 70.36% owned indirect subsidiary of OUE Limited ("OUE"). OUE was indirectly owned as to approximately 72.93% by Fortune Crane Limited ("FCL"). HKC, through its 50% joint venture, Lippo ASM Asia Property Limited, held approximately 92.05% interest in FCL. Accordingly, Dr. Riady was taken to be interested in an aggregate of 3,056,521,494 ordinary shares in, representing approximately 67.39% of the issued shares of, Healthway. Details of Dr. Riady's interest in the Company and HKC are disclosed in Notes (i), (ii) and (iv) above.

(e) Such share was 100% held directly by Lippo Capital Group.

(f) Such shares were 100% held directly by Lippo. Details of Dr. Riady's interest in Lippo are disclosed in Note (i) above.

(g) Of these shares, 1,625 ordinary shares were held by Nine Heritage; 2,937 ordinary shares were held by Pantogon; 406 ordinary shares were held by Jeremiah; 62 ordinary shares were held by Max Turbo and 4,970 ordinary shares were held by Oddish Ventures Pte. Ltd., a 100% owned indirect subsidiary of OUE. Accordingly, Dr. Riady was taken to be interested in an aggregate of 10,000 ordinary shares in, representing 100% of the issued shares of, Superfood. Details of Dr. Riady's interest in the Company, HKC and OUE were disclosed in Notes (i), (ii), (iv) and (d) above.

As at 31 December 2024, none of the Directors or chief executive of the Company had any interests in the underlying shares in respect of physically settled, cash settled or other equity derivatives of the Company or any of its Associated Corporations.

All the interests stated above represent long positions. Save as disclosed herein, as at 31 December 2024, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its Associated Corporations which were required to be recorded in the register kept by the Company under Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

As at 31 December 2024, none of the Directors or chief executive of the Company nor their spouses or minor children (natural or adopted) were granted or had exercised any rights to subscribe for any equity or debt securities of the Company or any of its Associated Corporations.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Year was the Company or any of its subsidiaries, holding companies or fellow subsidiaries a party to any arrangements to enable a Director of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PERMITTED INDEMNITY PROVISION

The Company's Articles of Association provides that every Director is entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities to the fullest extent permitted by the Hong Kong Companies Ordinance which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The Directors' and Officers' Liability Insurance was taken out and maintained throughout the Year, which provides appropriate cover for, inter alia, the Directors of the Company and its subsidiaries.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SECURITIES AND FUTURES ORDINANCE

As at 31 December 2024, so far as is known to the Directors of the Company, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance (the "SFO") as follows:

Interests of substantial shareholders and other persons in shares of the Company

Name	Number of ordinary shares	Approximate percentage of the issued shares
Substantial shareholders		
Skyscraper Realty Limited ("Skyscraper")	689,018,438	74.99
Lippo Limited ("Lippo")	689,018,438	74.99
Lippo Capital Limited ("Lippo Capital")	689,018,438	74.99
Lippo Capital Holdings Company Limited ("Lippo Capital Holdings")	689,018,438	74.99
Lippo Capital Group Limited ("Lippo Capital Group")	689,018,438	74.99
Madam Shincee Leonardi	689,018,438	74.99
PT Trijaya Utama Mandiri ("PT TUM")	689,018,438	74.99
Mr. James Tjahaja Riady	689,018,438	74.99
Madam Aileen Hambali	689,018,438	74.99
Other persons		
Mr. Tai Tak Fung ("Mr. Tai")	64,883,800	7.06
Madam Wu Mei Yung	64,883,800	7.06
Ever Media Limited ("Ever Media")	59,453,800	6.47
Four Seas Enterprises (BVI) Limited ("Four Seas Enterprises")	59,453,800	6.47
Four Seas Mercantile Holdings Limited ("Four Seas Mercantile")	59,453,800	6.47

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SECURITIES AND FUTURES ORDINANCE *(continued)*

Interests of substantial shareholders and other persons in shares of the Company *(continued)*

Note:

1. 689,018,438 ordinary shares of the Company were held by Skyscraper directly as beneficial owner which in turn is a 100% owned subsidiary of Lippo. Lippo Capital was directly interested in 369,800,219 ordinary shares in, representing approximately 74.98% of the issued shares of, Lippo.

2. Lippo Capital Holdings owned 60% of the issued shares in Lippo Capital. Lippo Capital Group owned 100% of the issued share capital of Lippo Capital Holdings. Dr. Stephen Riady was the beneficial owner of 100% of the issued share capital of Lippo Capital Group. Madam Shincee Leonardi is the spouse of Dr. Stephen Riady.

3. PT TUM owned the remaining 40% of the issued shares in Lippo Capital. PT TUM was wholly owned by Mr. James Tjahaja Riady who is a brother of Dr. Stephen Riady. Madam Aileen Hambali is the spouse of Mr. James Tjahaja Riady.

4. Skyscraper's interests in the ordinary shares of the Company were recorded as the interests of Lippo, Lippo Capital, Lippo Capital Holdings, Lippo Capital Group, Madam Shincee Leonardi, PT TUM, Mr. James Tjahaja Riady and Madam Aileen Hambali. The above 689,018,438 ordinary shares of the Company related to the same block of shares that Dr. Stephen Riady was interested, details of which are disclosed in the above section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and associated corporations".

5. 59,453,800 ordinary shares of the Company were held by Ever Media directly as beneficial owner. Ever Media was a 100% owned subsidiary of Four Seas Enterprises which in turn was wholly owned by Four Seas Mercantile.

6. Mr. Tai, through Careful Guide Limited, Capital Season Investments Limited and Ever Media, was indirectly interested in an aggregate of 64,826,800 ordinary shares in the Company. Together with 57,000 ordinary shares of the Company held by Mr. Tai directly as beneficial owner, Mr. Tai was deemed to be interested in an aggregate of 64,883,800 ordinary shares in, representing approximately 7.06% of the issued shares of, the Company. Madam Wu Mei Yung is the spouse of Mr. Tai.

All the interests stated above represent long positions. Save as disclosed herein, as at 31 December 2024, none of the substantial shareholders or other persons (other than the Directors or chief executive of the Company) had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

The Lippo Group (a general reference to the companies in which Dr. Stephen Riady and his family members have a direct or indirect interest) is not a legal entity and does not operate as one. Each of the companies in the Lippo Group operates within its own legal, corporate and financial framework. As at 31 December 2024, the Lippo Group might have had or developed interests in business in Hong Kong and other parts in Asia similar to those of the Group and there was a chance that such businesses might have competed with the businesses of the Group.

Dr. Stephen Riady, Mr. John Luen Wai Lee, Mr. Davy Kwok Fai Lee, Mr. Brian Riady, Mr. Leon Nim Leung Chan and Ms. Min Yen Goh are also directors of Lippo Limited ("Lippo"), an intermediate holding company of the Company, and Hongkong Chinese Limited ("HKC"), a fellow subsidiary of the Company. Mr. Victor Ha Kuk Yung is also a director of Lippo and Mr. Edwin Neo is also a director of HKC. Further details of the Directors' interests in Lippo and HKC are disclosed in the above section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and associated corporations". Subsidiaries of Lippo and HKC are also engaged in property investment and property development.

The Directors of the Company are fully aware of, and have been discharging, their fiduciary duty to the Company. The Company and its Directors would comply with the relevant requirements of the Company's Articles of Association and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") whenever a Director has any conflict of interest in the transaction(s) with the Company.

DIRECTORS' INTERESTS IN COMPETING BUSINESS *(continued)*

Save as disclosed herein, during the Year and up to the date of this report, none of the Directors are considered to have interests in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group required to be disclosed under the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

Continuing connected transactions disclosed in accordance with the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") are as follows:

(A) On 3 January 2020, a franchise agreement (the "Maxx Coffee Franchise Agreement") was entered into between Delifrance Singapore Pte. Ltd. (formerly known as Maxx Coffee Singapore Pte. Ltd.) (the "Maxx Coffee Franchisee", an indirect non-wholly owned subsidiary of the Company) and PT Maxx Coffee Prima (the "Maxx Coffee Franchisor"), pursuant to which the Maxx Coffee Franchisor agreed (i) to grant to the Maxx Coffee Franchisee the exclusive right and licence in Singapore to carry on the business of establishing, developing and operating retail coffee shops in Singapore under the name of "Maxx Coffee" (the "Maxx Coffee Shops"), and sell Maxx Coffee brand coffee, beverages and/or other food or non-food products as agreed by the parties from time to time on a retail basis in Singapore; (ii) to supply to the Maxx Coffee Franchisee Maxx Coffee brand coffee, beverages and/or other food or non-food products, materials and supplies that are reasonably required by the Maxx Coffee Franchisee for the operation of the business under the franchise as agreed by the parties from time to time; and (iii) to provide training, ongoing advice and guidance to the Maxx Coffee Franchisee for the development, marketing and operation of the Maxx Coffee Shops (the "Business") during an initial term of ten years commencing from the date of the Maxx Coffee Franchise Agreement, with an option for the Maxx Coffee Franchisee to extend for another five years upon expiration of the initial term.

In consideration of the grant of the franchise and all the services to be provided by the Maxx Coffee Franchisor to the Maxx Coffee Franchisee under the Maxx Coffee Franchise Agreement, the Maxx Coffee Franchisee shall pay to the Maxx Coffee Franchisor a royalty fee (the "Maxx Coffee Royalty Fee"), details of which are as follows:

(i) for each calendar month during the period from the date of the Maxx Coffee Franchise Agreement to 31 December 2020: the Maxx Coffee Royalty Fee shall be 2.5% of the total monthly net sales of the Maxx Coffee Shops (the "Net Sales");

(ii) for each calendar month during the 12 months ended 31 December 2021: the Maxx Coffee Royalty Fee shall be 3% of the total monthly Net Sales;

(iii) for each calendar month during the 12 months ended 31 December 2022: the Maxx Coffee Royalty Fee shall be 3.5% of the total monthly Net Sales; and

(iv) for each calendar month commencing 1 January 2023 onwards: the Maxx Coffee Royalty Fee shall be 4% of the total monthly Net Sales.

The consideration for the purchase of Maxx Coffee supplies from the Maxx Coffee Franchisor (the "Purchase Consideration") will be determined on an at-cost basis, being the consideration payable by the Maxx Coffee Franchisor to the relevant third party suppliers under each relevant supply of goods contract entered into between the Maxx Coffee Franchisor and the third party suppliers.

CONTINUING CONNECTED TRANSACTIONS *(continued)*

(A) *(continued)*

The annual cap for the aggregate transaction amounts made by the Maxx Coffee Franchisee to the Maxx Coffee Franchisor under the Maxx Coffee Franchise Agreement for the Year was HK$22,300,000, which was calculated based on the sum of the estimated maximum amounts of (a) the annual Maxx Coffee Royalty Fee for the Year of HK$9,800,000; and (b) the Purchase Consideration for the Year of HK$12,500,000.

The Maxx Coffee Franchise Agreement enables the Maxx Coffee Franchisee to set up a new coffee chain in Singapore under the brand name "Maxx Coffee" and use the know-hows from the Maxx Coffee Franchisor to expand its food retail business.

Due to an internal group restructuring, the Maxx Coffee Franchisee intended to use a wholly-owned subsidiary, Maxx Coffee Singapore Pte. Ltd. (the "Maxx Coffee Sub-Franchisee"), to carry out the Business commencing from 1 January 2022. Accordingly, on 30 December 2021, the Maxx Coffee Franchisee entered into a sub-franchise agreement (the "Maxx Coffee Sub-Franchise Agreement") with the Maxx Coffee Sub-Franchisee in relation to the Business. The terms of the Maxx Coffee Sub-Franchise Agreement are substantially the same as the terms of the Maxx Coffee Franchise Agreement and in particular, the royalty fees to be paid by the Maxx Coffee Sub-Franchisee under the Maxx Coffee Sub-Franchise Agreement will be the same as those payable by the Maxx Coffee Franchisee to the Maxx Coffee Franchisor under the Maxx Coffee Franchise Agreement. The annual caps of the relevant transactions remained the same and were applied on both the Maxx Coffee Franchisee and the Maxx Coffee Sub-Franchisee as a whole.

As at the date of the Maxx Coffee Franchise Agreement, the Maxx Coffee Franchisor was indirectly controlled by PT Inti Anugerah Pratama ("IAP"), of which Dr. Stephen Riady ("Dr. Riady"), an executive Director and the Chairman of the Board of Directors of the Company, and his brother, Mr. James Tjahaja Riady were the ultimate beneficial owners and together indirectly controlled more than 50% of the voting power at general meetings of IAP. Accordingly, the Maxx Coffee Franchisor is regarded as a connected person of the Company under the Listing Rules.

Further details of the Maxx Coffee Franchise Agreement are disclosed in Note 36(e) to the financial statements.

(B) On 14 December 2020, (i) a franchise agreement and a letter agreement with respect to the business of operating restaurants known as "Chatterbox Café" and (ii) a franchise agreement and a letter agreement with respect to the business of operating restaurants known as "Chatterbox Express" (together, the "Chatterbox Franchise Agreements") were entered into between Cuisine Continental (HK) Limited and Cuisine Continental Group (HK) Limited (together, the "Chatterbox Franchisees", each an indirect non-wholly owned subsidiary of the Company) and Chatexpress Pte. Ltd. (the "Chatterbox Franchisor"). Pursuant to the Chatterbox Franchise Agreements, the Chatterbox Franchisor agreed to grant to each of the Chatterbox Franchisees, amongst other things, an exclusive licence to establish and operate the restaurants known as "Chatterbox Café" and "Chatterbox Express" (together, the "Outlets"), and to conduct the business of operating casual dining restaurants and food delivery business at and from the Outlets and the channels (that is, sale and fulfilment of products via approved online food ordering and delivery platforms and any other mode of trading other than the Outlets as expressly designated by the Chatterbox Franchisor in accordance with the Chatterbox Franchise Agreements), within Hong Kong, utilising the Chatterbox Franchisor's intellectual property rights, systems and procedures. The initial term of the Chatterbox Franchise Agreements shall be seven years commencing from 1 January 2021, with an option for the Chatterbox Franchisees to extend for another seven years upon expiration of the initial term.

CONTINUING CONNECTED TRANSACTIONS *(continued)*

(B) *(continued)*

Under the Chatterbox Franchise Agreements, the Chatterbox Franchisees shall pay to the Chatterbox Franchisor royalty fees (the "Chatterbox Royalty Fees") which shall be the sum equivalent to the proportion of net revenue of the Chatterbox Franchisees (the "Net Revenue"), details of which are as follows:

(i) from 1 January 2021 to 31 December 2021: the Chatterbox Royalty Fees shall be 2.5% of the Net Revenue;

(ii) from 1 January 2022 to 31 December 2022: the Chatterbox Royalty Fees shall be 3.0% of the Net Revenue;

(iii) from 1 January 2023 to 31 December 2023: the Chatterbox Royalty Fees shall be 3.5% of the Net Revenue;

(iv) from 1 January 2024 to 31 December 2024: the Chatterbox Royalty Fees shall be 4.0% of the Net Revenue;

(v) from 1 January 2025 to 31 December 2025: the Chatterbox Royalty Fees shall be 4.0% of the Net Revenue;

(vi) from 1 January 2026 to 31 December 2026: the Chatterbox Royalty Fees shall be 4.0% of the Net Revenue; and

(vii) from 1 January 2027 to 31 December 2027: the Chatterbox Royalty Fees shall be 4.0% of the Net Revenue.

In addition to the Chatterbox Royalty Fees, the Chatterbox Franchisees shall reimburse the Chatterbox Franchisor all per diem allowances, airfare, accommodation, insurance, permits/visas and other related out-of-pocket expenses incurred by the Chatterbox Franchisor or its personnel for certain matters relating to the performance of the Chatterbox Franchise Agreements, including for audits carried out by, and trainings provided by, the Chatterbox Franchisor as well as any travels of the Chatterbox Franchisor's personnel as may be requested by the Chatterbox Franchisees.

The annual cap for the aggregate transaction amounts made by the Chatterbox Franchisees to the Chatterbox Franchisor under the Chatterbox Franchise Agreements for the Year was HK$10,000,000, which was calculated based on the sum of the estimated maximum aggregate amounts of the Chatterbox Royalty Fees and expenses to be reimbursed to the Chatterbox Franchisor by the Chatterbox Franchisees under the Chatterbox Franchise Agreements.

The Chatterbox Franchise Agreements formally establish the franchise arrangements between the Chatterbox Franchisor and the Chatterbox Franchisees, and enable the Chatterbox Franchisees to use the know-hows from the Chatterbox Franchisor to expand the food retail business by opening restaurants under the brands of "Chatterbox Café" and "Chatterbox Express" in Hong Kong.

As at the date of the Chatterbox Franchise Agreements, the Chatterbox Franchisor was a company wholly owned by OUE Limited ("OUE"). OUE is a joint venture of Hongkong Chinese Limited which in turn was a former subsidiary of Lippo Limited, a holding company of the Company. Accordingly, the Chatterbox Franchisor is regarded as a connected person of the Company under the Listing Rules.

Further details of the Chatterbox Franchise Agreements are disclosed in Note 36(f) to the financial statements.

CONTINUING CONNECTED TRANSACTIONS *(continued)*

(C) On 29 June 2023, a tenancy agreement (the "Tenancy Agreement") was entered into between Serene Yield Limited ("Serene Yield"), a wholly-owned subsidiary of the Company, and LCR Catering Services Limited ("LCR Catering"), an indirect non-wholly owned subsidiary of the Company, pursuant to which LCR Catering agreed to lease from Serene Yield Unit 4, Ground Floor, Lippo Centre, 89 Queensway, Hong Kong, with a net floor area of approximately 7,964 square feet, for a term of three years from 22 August 2023 to 21 August 2026, both days inclusive, at a monthly rental of HK$352,700, exclusive of rates, service charge and all other outgoings, provided that the first and the last month of the term shall be rent free (the "Rent Free Period"), for use as a restaurant. The service charge of HK$78,167 per month (subject to adjustment) should be payable by LCR Catering to Serene Yield and such service charge shall not exceed HK$100,000 per month (the "Maximum Service Charge"). The maximum aggregate value, that is, the annual cap for the Tenancy Agreement, which is equivalent to the annual rent and annual Maximum Service Charge, for the Year was HK$5,433,000.

LCR Catering is a non-wholly owned subsidiary of Superfood Retail Limited ("Superfood") which in turn is a 50.3% subsidiary of the Company. Superfood is owned as to 49.7% by Oddish Ventures Pte. Ltd., an indirect wholly-owned subsidiary of OUE. Accordingly, LCR Catering is regarded as a connected subsidiary of the Company under the Listing Rules.

The independent non-executive Directors have confirmed that the above agreements had been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the above agreements on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. Ernst & Young, the Company's auditor, was engaged to report on the above Group's continuing connected transactions conducted during the Year (the "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. Ernst & Young has issued its unqualified letter containing its findings and conclusions in respect of the Continuing Connected Transactions in accordance with rule 14A.56 of the Listing Rules.

The Directors of the Company (excluding Dr. Riady and Mr. Brian Riady who were required to abstain from voting (as the case may be)) considered the terms of continuing connected transactions disclosed herein were fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions disclosed herein.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS

Save as disclosed above and in Note 36 to the financial statements, there were no other contracts of significance in relation to the Company's business, to which the Company or any of its subsidiaries, holding companies or fellow subsidiaries was a party, subsisting at the end of the Year or at any time during the Year, and in which a Director or the controlling shareholders or any of their respective subsidiaries, directly or indirectly, had a material interest.

During the Year, no contract of significance for the provision of services to the Group by a controlling shareholder or any of its subsidiaries has been made.

DIRECTORS' SERVICE CONTRACTS

No Director of the Company proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries, which is not determinable by the employing company within one year without payment of compensation (other than statutory compensation).

MANAGEMENT CONTRACTS

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

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

During the Year, there was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

MAJOR SUPPLIERS AND CUSTOMERS

During the Year, the percentage of revenue attributable to the Group's five largest customers combined was less than 30% of the Group's aggregate revenue. During the Year, the percentage of purchases attributable to the Group's five largest suppliers combined was less than 30% of the Group's aggregate purchases.

None of the Directors of the Company, their close associates or any shareholders (which to the best knowledge and belief of the Directors own more than 5% of the Company's issued shares) had any beneficial interest in the Group's five largest suppliers and customers.

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group understands that employees are valuable assets. The Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its immediate and long-term goals. To maintain its brand competitiveness and dominant status, the Group aims at delivering constantly high standards of quality in the products and services to its customers. During the Year, there was no material and significant dispute between the Group and its suppliers and/or customers.

RETIREMENT BENEFITS SCHEMES

Details of the retirement benefits schemes of the Group and the employer's retirement benefits costs charged to the consolidated statement of profit or loss for the Year are set out in Notes 2.4(z) and 7 to the financial statements, respectively.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. The Company's Corporate Governance Report is set out on pages 32 to 42.

KEY RISKS AND UNCERTAINTIES

The Group's financial condition, results of operation, businesses and prospects may be affected by a number of risks and uncertainties. Key risks and uncertainties were identified by the Group, details of which are disclosed in the Company's Risk Management Report as set on pages 43 to 49. There may be other risks and uncertainties in addition to those shown in the above report which are not known to the Group or which may not be material now but could turn out to be material in the future.

ADOPTION OF DIVIDEND POLICY

The Board had approved and adopted a dividend policy for the Company in January 2019 that aims to set out the approach to determine the dividend to be payable by the Company, enhance transparency of the Company and facilitate shareholders and investors of the Company to make informed investment decisions. Details of the Company's dividend policy are disclosed in the Corporate Governance Report as set out on pages 32 to 42.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Environmental, social and governance ("ESG") issues are fundamental to the Group's sustainability. The conscientious use of resources and adoption of best practices across the Group's businesses underlie its commitment to safeguarding the environment.

The Group obliges itself to maintain business integrity and uphold ethical standards. Guided by a belief in a fair business environment where labour, competition, privacy and intellectual property are respected, the Group makes every effort to communicate its expectations and standards to its business partners, customers and staff.

The development and opinion of staff are highly valued at the Group. By engaging staff in training opportunities and ongoing dialogues, the Group keeps its ears open for suggestions. The Group has incorporated a sound employment management system to ensure a fair, safe, healthy and diverse working environment.

In times of rapid change, competitiveness is defined by flexibility and adaptability. To answer the needs of the current and future generations, the Company carefully manages its environmental impacts according to its Environmental Policy. By optimising its operational practices, the Group continues to improve its use of resources.

Striving forward, the Company will adhere to its belief in sustainable development and improve its ESG performances with time. Capitalising on a wide scope of business, the Company will aim at spreading awareness and influence in different sectors to bring us closer to sustainability.

By publishing the Company's ESG Report, the Company seizes the opportunity to disclose its sustainability performance and solicit stakeholder feedback. The Company's ESG Report is set out on pages 50 to 86.

As far as the Company is aware, it has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company has maintained sufficient public float as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

AUDITOR

The financial statements for the Year were audited by Ernst & Young who will retire at the conclusion of the forthcoming annual general meeting and, being eligible, will offer itself for re-appointment.

On behalf of the Board
Davy Kwok Fai Lee
Chief Executive Officer

Hong Kong, 28 March 2025

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company is committed to ensuring high standards of corporate governance practices. The Board of Directors of the Company (the "Board") believes that good corporate governance practices are increasingly important for maintaining and promoting investor confidence. Corporate governance requirements keep changing, therefore the Board reviews its corporate governance practices from time to time to ensure they meet public and shareholders' expectation, comply with legal and professional standards and reflect the latest local and international developments. The Board will continue to commit itself to achieving a high quality of corporate governance so as to safeguard the interests of shareholders and enhance shareholder value.

During the year ended 31 December 2024 (the "Year"), the Company continued to take measures to closely monitor and enhance its corporate governance practices so as to comply with the requirements of the code provisions of the Corporate Governance Code (the "CG Code") set out in Appendix C1 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

To the best knowledge and belief of the Directors, the Directors consider that the Company has complied with the code provisions of the CG Code for the Year.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 of the Listing Rules as the code for securities transactions by Directors. Having made specific enquiry of all Directors, all Directors have fully complied with the required standard set out in the Model Code throughout the Year.

To enhance corporate governance, the Company has also established written guidelines no less exacting than the Model Code for the employees of the Group in respect of their dealings in the Company's securities.

BOARD OF DIRECTORS

The Board currently comprises nine members (the composition of the Board is shown on page 15), including five executive Directors and four non-executive Directors of whom three are independent as defined under the Listing Rules (brief biographical details of the Directors are set out on pages 17 to 19). A list containing the names of the Directors and their roles and functions can also be found on the Company's website (www.lcr.com.hk) and the Stock Exchange's website (www.hkexnews.hk).

Mr. Davy Kwok Fai Lee was appointed as an executive Director of the Company with effect from 7 June 2024. On 3 June 2024, he had obtained the legal advice referred to in rule 3.09D of the Listing Rules and had confirmed he understood his obligations as a Director of the Company.

Dr. Stephen Riady, an executive Director and the Chairman of the Board of the Company, is the father of Mr. Brian Riady, an executive Director of the Company. Save as disclosed herein, to the best knowledge of the Directors, the Board members have no financial, business, family or other material/relevant relationships with each other.

The Company has three independent non-executive Directors, representing one-third of the Board. One of the independent non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise under rule 3.10 of the Listing Rules. After reviewing the independence of each independent non-executive Director pursuant to rule 3.13 of the Listing Rules, the Company considers that all independent non-executive Directors to be independent.

BOARD OF DIRECTORS *(continued)*

Messrs. Edwin Neo (who is to retire by rotation at the forthcoming 2025 annual general meeting of the Company (the "2025 AGM")) and Victor Ha Kuk Yung have served as independent non-executive Directors of the Company for more than nine years. In addition to their confirmation of independence in accordance with rule 3.13 of the Listing Rules, each of Messrs. Edwin Neo and Victor Ha Kuk Yung continues to demonstrate the attributes of an independent non-executive Director by providing independent views and advice. They also continue to demonstrate their abilities to exercise independent judgment and provide a balanced and objective view in relation to the Group's affairs. There is no evidence that their tenure has had any impact on their independence. The Directors have discussed and are of the opinion that Messrs. Edwin Neo and Victor Ha Kuk Yung remain independent notwithstanding the length of their service and they believe that their valuable knowledge and experience in the Group's business and their external experience continue to generate significant contribution to the Company and its shareholders as a whole. The continuous appointment of Messrs. Edwin Neo and Victor Ha Kuk Yung as independent non-executive Directors of the Company will help to maintain the stability of the Board.

To facilitate the gender diversity, Ms. Min Yen Goh was appointed as an independent non-executive Director of the Company and a member of the Remuneration Committee and Nomination Committee of the Board in December 2022.

Under the Company's Articles of Association (the "Articles"), one-third of the Directors must retire from office at each annual general meeting and their re-election is subject to a vote of shareholders. In addition, every Director is subject to retirement by rotation at least once every three years notwithstanding that the total number of Directors to retire at the relevant annual general meeting would as a result exceed one-third of the Directors. Under the Listing Rules, if an independent non-executive Director serves more than nine years, his/her further appointment should be subject to a separate resolution to be approved by shareholders. All the Directors have entered into letter agreements and/or employment agreements (as applicable) with the Company setting out the key terms and conditions of their respective appointment as Directors and/or executive role in the Company.

The Board oversees the Group's strategic development and determines the objectives, strategies and policies of the Group. The Board also monitors and controls the operating and financial performance in pursuit of the Group's strategic objectives. The Board has delegated certain functions to the relevant Board committees, details of which are disclosed below. Day-to-day management of the Group's business is delegated to the management of the Company under the supervision of the executive Directors. The functions and powers that are so delegated are reviewed periodically to ensure that they remain appropriate. Matters reserved for the Board are those affecting the Group's overall strategic policies, dividend policy, material policies and decisions, significant changes in accounting policies, material contracts, major investments and approval of interim reports, annual reports and announcements of interim and annual results. Management provides the Directors with management updates of the Group's operation, performance and position. All Directors are kept informed of and duly briefed of major changes and information that may affect the Group's businesses in a timely manner. Legal and regulatory updates are provided to the Directors from time to time for their information so as to keep them abreast of the latest rule requirements and assist them in fulfilling their responsibilities. The Company Secretary may advise the Directors on queries raised or issues which arise in performance of their duties as directors. The Board members have access to appropriate business documents and information about the Group on a timely basis. All Directors and Board committees have recourse to external legal counsel and other professionals for independent advice at the Group's expense upon their request. The Board will review the implementation and effectiveness of such mechanisms on an annual basis to ensure independent views and input are available to the Board.

BOARD OF DIRECTORS *(continued)*

The Board plays a leading role in defining the purpose, values and strategies of the Group and in fostering a culture that is forward looking. The Board sets the tone and shapes the corporate culture of the Group. The Group instils a culture that respects all the Group's stakeholders including, but not limited to, its customers, employees, shareholders and communities where the Group operates. The Group runs its businesses responsibly and sustainably. The Group aims for the highest standards of integrity and honesty and strives for innovative breakthroughs and leadership in all businesses.

Three Board committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, have been established to oversee particular aspects of the Group's affairs.

The Board meets regularly to review the financial and operating performance of the Group and other business units, and formulate future strategy. Six Board meetings were held during the Year.

During the Year, the Chairman held a meeting with the independent non-executive Directors without the presence of other Directors.

Individual attendance of each Director at the Board meetings and general meeting and each committee member at meetings of the Audit Committee, the Remuneration Committee and the Nomination Committee during the Year are set out below:

	Attendance/Number of Meetings				
Directors	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting*
Executive Directors					
Dr. Stephen Riady *(Chairman)*	4/6	N/A	4/4	4/4	1/1
Mr. John Luen Wai Lee *(Deputy Chairman)*	6/6	N/A	N/A	N/A	1/1
Mr. Davy Kwok Fai Lee *(Chief Executive Officer)* (appointed on 7 June 2024)	4/4	N/A	N/A	N/A	N/A
Mr. James Siu Lung Lee	6/6	N/A	N/A	N/A	1/1
Mr. Brian Riady	5/6	N/A	N/A	N/A	1/1
Non-executive Director					
Mr. Leon Nim Leung Chan	6/6	3/3	4/4	4/4	1/1
Independent Non-executive Directors					
Mr. Victor Ha Kuk Yung *(Chairman of the Audit Committee)*	6/6	3/3	4/4	4/4	1/1
Mr. Edwin Neo *(Chairman of the Remuneration Committee and Nomination Committee)*	6/6	3/3	4/4	4/4	1/1
Ms. Min Yen Goh	6/6	N/A	4/4	4/4	1/1

* the only general meeting of the Company held during the Year was the annual general meeting held on 6 June 2024 (the "2024 AGM").

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the Chief Executive Officer of the Company are segregated. Dr. Stephen Riady is the Chairman of the Board. The primary role of the Chairman is to provide leadership for the Board and to ensure that it works effectively in the discharge of its responsibilities. Mr. John Luen Wai Lee was the Chief Executive Officer of the Company before he was re-designated as the Deputy Chairman of the Company with effect from 7 June 2024. Mr. Davy Kwok Fai Lee was appointed the Chief Executive Officer of the Company on 7 June 2024. The Chief Executive Officer is responsible for the day-to-day management of the Group's business. The respective roles and responsibilities of the Chairman and the Chief Executive Officer are set out in writing which have been approved by the Board.

NON-EXECUTIVE DIRECTORS

There are currently four non-executive Directors of whom three are independent. Under the Company's Articles, every Director, including the non-executive Directors, shall be subject to retirement by rotation at least once every three years. All the non-executive Directors have a fixed term of contract of two years with the Company.

REMUNERATION OF DIRECTORS

A Remuneration Committee was established by the Board in June 2005. It has clear terms of reference and is accountable to the Board. Its terms of reference were revised in January 2023 and the updated version can be found on the Company's website (www.lcr.com.hk) and the Stock Exchange's website (www.hkexnews.hk). The Remuneration Committee has been delegated with the authority and responsibility to determine the remuneration packages of individual Directors and senior management. Senior management of the Company comprises Directors of the Company only.

The principal role of the Remuneration Committee is to exercise the powers of the Board to review and determine or make recommendations to the Board on the remuneration policy and remuneration packages of individual Directors and senior staff, including salaries, bonuses and benefits in kind. Salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group have been considered in determining the remuneration packages so as to align management incentives with shareholders' interests. During the Year, the Remuneration Committee reviewed and determined, with delegated responsibility, inter alia, (i) the remuneration packages of the Directors and senior staff; and (ii) service contracts of certain Directors (including the executive Directors). The Remuneration Committee also assessed the performance of the executive Directors.

Majority of the Remuneration Committee members are non-executive Directors and three of them are independent. The Remuneration Committee currently comprises five members including three independent non-executive Directors, namely Mr. Edwin Neo (being the Chairman of the Remuneration Committee), Mr. Victor Ha Kuk Yung and Ms. Min Yen Goh, a non-executive Director, namely Mr. Leon Nim Leung Chan and an executive Director, namely Dr. Stephen Riady. The composition of the Remuneration Committee meets the requirements of chairmanship and independence of the Listing Rules. Four meetings were held during the Year and the individual attendance of each member is set out above.

Details of Directors' emoluments and retirement benefits are disclosed in Notes 10 and 2.4(z) to the financial statements, respectively.

NOMINATION OF DIRECTORS

The Board has the power to appoint Director(s) pursuant to the Company's Articles. Mr. Davy Kwok Fai Lee was appointed as an executive Director of the Company on 7 June 2024. In accordance with Article 103 of the Company's Articles, Mr. Davy Kwok Fai Lee will retire from office at the 2025 AGM and, being eligible, will offer himself for re-election.

A Nomination Committee was established by the Board in June 2005. It has clear terms of reference and is accountable to the Board. Its terms of reference can be found on the Company's website (www.lcr.com.hk) and the Stock Exchange's website (www.hkexnews.hk). The principal role of the Nomination Committee includes, inter alia, review of the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; assessment of the independence of independent non-executive Directors and make recommendations to the Board for the appointment of independent non-executive Directors; making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors in particular the Chairman of the Board and the chief executive; and to review the terms of reference of the Nomination Committee, the board diversity policy and the Directors' nomination policy and recommend to the Board any necessary changes required. Only the most suitable candidates who are experienced and competent and able to fulfill the fiduciary duties and duties of skill, care and diligence would be recommended to the Board for selection. Appointments are first considered by the Nomination Committee and recommendation of the Nomination Committee are then put to the Board for decision. During the Year, the Nomination Committee reviewed, inter alia, the eligibility of the Directors seeking for re-election at the 2024 AGM, the re-designation of title of an executive Director and the appointment of new executive Director and the Chief Executive Officer and assessed the independence of the independent non-executive Directors. The Nomination Committee also reviewed the existing structure, size, composition, diversity and efficiency of the Board. In addition, the Nomination Committee reviewed and recommended to the Board on the re-election of retiring Directors at the 2025 AGM.

With the support and recommendation of the Nomination Committee, the Board adopted the Directors' nomination policy (the "Nomination Policy") in January 2019. The Nomination Policy aims to, inter alia, set out the criteria and process in the nomination, appointment and re-election of Directors and ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company. The Nomination Committee is responsible to identify, evaluate and recommend potential candidates to the Board. The ultimate responsibility for selection and appointment of Directors rests with the entire Board and, where applicable, subject to the approval of the shareholders in general meeting.

Any Directors or shareholders may nominate any individuals as candidates for directorship for the consideration of the Nomination Committee in accordance with the Company's Articles, any applicable policies or procedures of the Company and/or the Listing Rules from time to time. The procedures for such shareholders' nomination are published on the Company's website (www.lcr.com.hk). When assessing the suitability of a proposed candidate, the Nomination Committee will take into consideration various factors including, but not limited to, character and integrity, qualification, skills and knowledge, experience, potential contributions, board diversity, number of directorships in other listed companies, independence requirements (for independent non-executive Directors) as set out in the Listing Rules and such other perspectives that are appropriate to the Company's business and succession plan.

NOMINATION OF DIRECTORS *(continued)*

Retiring Directors eligible for re-election at general meeting and proposed candidates are requested to submit the necessary information together with their written consents to be re-elected or appointed as Directors. The Nomination Committee may use any process it deems appropriate for the purpose of evaluating the retiring Director or the proposed candidate which may include, without limitation, personal interviews, background checks, written submissions by the candidate and/or third-party references. The Nomination Committee shall then recommend the proposed re-election or appointment of Director to the Board for the Board's consideration and, where applicable, the Board will make recommendation to shareholders. The Nomination Committee may nominate a suitable candidate to fill a casual vacancy on the Board for the Board's consideration and approval. A circular containing the requisite information of candidates recommended by the Board to stand for election at the general meeting (whether as new appointment or re-election) will be sent to shareholders as required under the Listing Rules.

The Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and substantial and balanced development. The board diversity policy (the "Diversity Policy") was adopted by the Board in August 2013 and revised in January 2019. The revised Diversity Policy can be found on the Company's website (www.lcr.com.hk). The Diversity Policy sets out the approach to achieve diversity on the Board which will include and make good use of the difference in skills, professional experience, cultural and educational background, gender, age, knowledge, length of service and other qualities of the members of the Board. These differences will be considered in determining the optimum composition of the Board and all board appointments will be based on merit and contribution, having regard to the benefits of diversity on the Board and also the needs of the Board without focusing on a single diversity aspect. The Company will also take into account factors based on its own business model and specific needs from time to time. The Nomination Committee monitors the implementation of the Diversity Policy and will at appropriate time set measurable objectives for achieving diversity under the Diversity Policy. It will review objectives for the implementation of the Diversity Policy and monitor progress towards the achievement thereof. In carrying out its responsibility for identifying suitable candidates to become members of the Board, the Nomination Committee will give adequate consideration to the Diversity Policy and the Nomination Policy. The Nomination Committee will review the Diversity Policy from time to time as appropriate to ensure its continued effectiveness and the Board will review the implementation and effectiveness of the Diversity Policy on an annual basis. The Company believes that diversity can strengthen the performance of the Board, and promote effective decision-making and better corporate governance and monitoring.

The Company is committed to improving gender diversity based on its needs and as and when suitable candidates are identified. In December 2022, a female director was appointed. In order to maintain gender diversity, similar considerations will be taken when recruiting and selecting senior staff and other employees. As at 31 December 2024, the Group maintained a balance of male and female ratio in the workplace, details of which are set out in the Environmental, Social and Governance Report on pages 50 to 86.

Majority of the Nomination Committee members are non-executive Directors and three of them are independent. The Nomination Committee currently comprises five members including three independent non-executive Directors, namely, Mr. Edwin Neo (being the Chairman of the Nomination Committee), Mr. Victor Ha Kuk Yung and Ms. Min Yen Goh, a non-executive Director, namely Mr. Leon Nim Leung Chan and an executive Director, namely Dr. Stephen Riady. The composition of the Nomination Committee meets the requirements of chairmanship and independence of the Listing Rules. Four meetings were held during the Year and the individual attendance of each member is set out above.

DIRECTORS' TIME COMMITMENT AND TRAINING

The Company has received confirmation from each Director that he/she had sufficient time and attention to the affairs of the Company for the Year. Directors are encouraged to participate in professional, public and community organisations. 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, with the identity of the public companies and organisations and an indication of the time involved. They are also reminded to notify the Company in a timely manner of any change of such information. In respect of those Directors who would stand for re-election at the 2025 AGM, all their directorships held in listed public companies in the past three years are to be set out in the circular to shareholders regarding, inter alia, proposed re-election of retiring Directors. Other details of Directors are set out in the brief biographical details of the Directors and senior management on pages 17 to 19.

Directors are also encouraged to attend seminars and conferences to enrich their knowledge in discharging their duties as a director. The Company has arranged from time to time at its cost seminars and/or conferences conducted by professional bodies for the Directors relating to, inter alia, director's duties, corporate governance and regulatory updates. Directors' knowledge and skills are continuously developed and refreshed by, inter alia, the following means:

(1) participation in continuous professional training seminars and/or conferences and/or courses and/or workshops on subjects relating to, inter alia, corporate governance, directors' duties and legal and regulatory changes organised and/or arranged by the Company and/or professional bodies and/or lawyers;

(2) reading materials provided from time to time by the Company to Directors regarding legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties; and

(3) reading news, journals, magazines and/or other reading materials regarding legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties.

According to the training records provided by the Directors to the Company, all Directors participated in continuous professional development during the Year through the above means (1), (2) and (3). Records of the Directors' training during the Year are as follows:

Directors	Training received
Executive Directors	
Dr. Stephen Riady *(Chairman)*	(1), (2) and (3)
Mr. John Luen Wai Lee *(Deputy Chairman)*	(1), (2) and (3)
Mr. Davy Kwok Fai Lee *(Chief Executive Officer)* (appointed on 7 June 2024)	(1), (2) and (3)
Mr. James Siu Lung Lee	(1), (2) and (3)
Mr. Brian Riady	(1), (2) and (3)
Non-executive Director	
Mr. Leon Nim Leung Chan	(1), (2) and (3)
Independent Non-executive Directors	
Mr. Edwin Neo	(1), (2) and (3)
Mr. Victor Ha Kuk Yung	(1), (2) and (3)
Ms. Min Yen Goh	(1), (2) and (3)

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has arranged directors' and officers' liability insurance for years to indemnify the directors and officers of the Group against any potential liability arising from the Group's activities which such directors and officers may be held liable.

AUDITOR'S REMUNERATION

Ernst & Young has been appointed by the shareholders annually as the Company's auditor. During the Year, the fees charged to the financial statements of the Group for the statutory audit and non-statutory audit services provided by Ernst & Young (which for the purpose includes any entity under common control, ownership or management with the auditor or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the auditor nationally and internationally) amounted to approximately HK$4.8 million (2023 — HK$4.8 million) and approximately HK$0.3 million (2023 — HK$0.2 million), respectively. The non-statutory audit services provided during the Year consisted of the review of the Group's continuing connected transactions and other reporting services.

AUDIT COMMITTEE

The Board established an Audit Committee in December 1998. The Audit Committee has clear terms of reference and is accountable to the Board. Its terms of reference can be found on the Company's website (www.lcr.com.hk) and the Stock Exchange's website (www.hkexnews.hk). The Audit Committee assists the Board in meeting its responsibilities for ensuring an effective system of internal control and compliance, and in meeting its external financial reporting objectives. The Audit Committee is also responsible for the Company's corporate governance functions. All Committee members are non-executive Directors and two of them including the Chairman are independent. The Audit Committee comprises three members including two independent non-executive Directors, namely Messrs. Victor Ha Kuk Yung (being the Chairman of the Audit Committee) and Edwin Neo and a non-executive Director, namely Mr. Leon Nim Leung Chan. Three meetings were held during the Year and the individual attendance of each member is set out above.

The Committee members possess diversified industry experience and the Chairman of the Audit Committee has appropriate professional qualifications and experience in accounting matters. Under its current terms of reference, the Committee will meet at least twice each year. Management and auditor shall normally attend the meetings. In addition, the Audit Committee holds regular meetings with external auditor without the presence of executive Directors and/or management.

During the Year, the Audit Committee discharged its duties by reviewing and/or monitoring financial, audit, risk management, internal control and corporate governance matters of the Group, including management accounts, financial statements, interim and annual reports, corporate governance report, risk management report and internal audit reports and discussing with executive Directors, management, external auditor and internal audit and risk management department (the "IA & RM Department") regarding financial matters, corporate governance policies and practices and internal audit, control and risk management matters of the Group, and making recommendations to the Board including, inter alia, financial-related matters. The Audit Committee reviewed the Company's compliance with the CG Code and disclosure in the corporate governance report, the Company's corporate governance policies and practices, the training and continuous professional development of Directors and senior management, the Company's policies and practices in compliance with legal and regulatory requirements and the code of conduct applicable to employees and Directors. The Audit Committee also recommended to the Board that, subject to the shareholders' approval at the 2025 AGM, Ernst & Young be re-appointed as the Company's external auditor for the ensuing year; and reviewed the fees charged by the Company's external auditor.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board recognises its responsibility for maintaining adequate systems of risk management and internal control and is responsible for evaluating and determining the nature and extent of the risks (including risks relating to environmental, social and governance ("ESG")) it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems. The Board should oversee management in the design, implementation and monitoring of the risk management and internal control systems. It also reviews and monitors the effectiveness of the risk management and internal control systems on an ongoing basis.

During the Year, a review of the effectiveness of the Group's risk management and internal control systems covering the risk management functions and all material controls, including financial, operational and compliance controls was conducted, details of which are set out in the Risk Management Report on pages 43 to 49. Such review will be conducted on an annual basis.

An Inside Information Policy was adopted by the Company which sets out guidelines to the Directors, officers and all relevant employees of the Group to ensure inside information (as defined in the Listing Rules) (the "Inside Information") of the Group would be disseminated to the public in equal and timely manner in accordance with applicable laws and regulations. The Company also established Group Internal Notification Policies and Procedures for setting out guidelines for identification and notification of Inside Information and notifiable transactions (as defined in the Listing Rules). A Whistleblowing Policy and an Anti-corruption Policy were also adopted by the Group. The Whistleblowing Policy was reviewed and updated in December 2023 and the updated version can be found on the Company's website (www.lcr.com.hk).

During the Year, the Board reviewed the adequacy of resources, qualifications and experience of staff of the Company's internal audit function as well as its accounting and financial reporting function, and their training programmes and budgets, as well as those relating to the ESG performance and reporting. The review will be conducted annually in accordance with the requirements of the CG Code.

INTERNAL AUDIT

The IA & RM Department was set up in 2007 to perform internal audit and to review the internal control and risk management systems of the Group.

The principal roles of the internal audit are to ensure the effectiveness of internal control procedures and compliance with different standards and policies across different businesses and operations of the Group. The IA & RM Department audits and evaluates the Group's internal control operation and risk management process so as to address the financial, operational and compliance risks in the Group. The Board and the Audit Committee will actively take actions based on the findings from the IA & RM Department. The IA & RM Department is also responsible for providing improvement recommendations to different operation teams and departments so as to minimise the risk exposure in the future.

COMPANY SECRETARY

The Company Secretary is an employee of the Company. The Company Secretary is responsible for facilitating the Board's processes and communications among Board members, with shareholders and with management. During the Year, the Company Secretary had taken over 15 hours of relevant professional training to update her skills and knowledge.

COMMUNICATION WITH SHAREHOLDERS

The Company has established a shareholders' communication policy and will review it annually to ensure its effectiveness. The shareholders' communication policy of the Company was revised and updated in March 2023.

The Company's Annual General Meeting (the "AGM") is one of the principal channels of communication with its shareholders. It provides an opportunity for shareholders to ask questions about the Company's performance. Separate resolutions will be proposed for each substantially separate issue at the AGM. Board members, including the Chairmen of the Board and Board committees and Board committee members, and the Company's external auditor attended the 2024 AGM and were available to answer questions from shareholders.

Under the Listing Rules, all resolutions proposed at shareholders' meetings must be voted by poll except where the chairman of a general meeting, in good faith and in compliance with the Listing Rules, decides to allow resolutions to be voted on by the shareholders on a show of hands. Details of the poll procedures will be explained during the proceedings of shareholders' meetings. The poll voting results will be released and posted on the websites of the Company (www.lcr.com.hk) and the Stock Exchange (www.hkexnews.hk).

For efficient communication with shareholders and environmental protection, shareholders can choose to receive the Company's corporate communications by electronic means through the Company's website (www.lcr.com.hk). The manner in which the Company has adopted for the dissemination of its corporate communications is set out in the document named "Corporate Communication Requests" on the Company's website. All the financial information and other disclosures including, inter alia, annual reports, interim reports, announcements, circulars, notices, the Articles and other documents as required by the Listing Rules and any other relevant laws and regulations are available on the Company's website. In order to enable shareholders to make queries that they may have with respect to the Company, contact details of the Company such as telephone number and facsimile number are available on the Company's website.

Shareholders may direct their questions about their shareholdings to the Company's Registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong or contact the Customer Service Hotline of the Company's Registrar at (852) 2980 1333 or by email to lcr-ecom@vistra.com. Shareholders may send their enquiries to the Board or the Company Secretary in written form to the registered office of the Company.

During the Year, the Company maintained an on-going dialogue with its shareholders and the Board reviewed and considered the shareholders' communication policy to have been effectively implemented.

SHAREHOLDERS' RIGHTS

Under Section 566 of the Hong Kong Companies Ordinance (the "Companies Ordinance"), shareholders representing at least 5% of the total voting rights of all the shareholders having a right to vote at the general meetings are entitled to send a request to the Company to convene a general meeting. Such requisition must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The request may be sent to the Company in hard copy form or in electronic form and must be authenticated by the shareholder(s) making it and deposited at the registered office of the Company or sent to the Company's email address at lcr.ir@lippohk.com. Besides, in relation to an annual general meeting which a company is required to hold, Sections 615 and 616 of the Companies Ordinance provide that shareholders representing at least 2.5% of the total voting rights of all shareholders of the company having a right to vote on the resolution at the annual general meeting or at least 50 shareholders having a right to vote on the resolution at the annual general meeting, may request the company to circulate a notice of the resolution for consideration at the annual general meeting, by sending a request, which must be authenticated by the shareholders making it, in a hard copy form or electronic form. Such request must be deposited at the registered office of the Company or sent to the Company's email address at lcr.ir@lippohk.com.

DIVIDEND POLICY

The Company considers stable and sustainable returns to the shareholders and investors of the Company to be its goal and endeavours to achieve a progressive dividend policy where appropriate. The Board had approved and adopted a dividend policy for the Company (the "Dividend Policy") in January 2019 that aims to set out the approach to determine the dividend to be payable by the Company, enhance transparency of the Company and facilitate shareholders and investors of the Company to make informed investment decisions.

In deciding whether to propose a dividend and in determining the dividend amount, the Board will take into account the Group's earnings performance, financial position, investment and funding requirements, and future prospects. There is no assurance that a dividend will be proposed or declared in any given year.

The Board will review the Dividend Policy from time to time to ensure its continued effectiveness.

FAIR DISCLOSURE AND INVESTOR RELATIONS

The Company uses its best endeavours to distribute material information about the Group to all interested parties as widely as possible. When announcements are made through the Stock Exchange, the same information will be available to the public on the Company's website. The Company recognises its responsibility to disclose its activities to those with a legitimate interest and to respond to their questions. In all cases, great care has been taken in handling Inside Information of the Group. An Inside Information Policy was adopted by the Company which sets out guidelines to ensure Inside Information of the Group is to be disseminated to the public in equal and timely manner in accordance with applicable laws and regulations.

Management of the Group maintains regular contacts with the investment community. A shareholders' communication policy was adopted by the Group.

During the Year, no amendments were made to the Company's Articles. The latest version of the Company's Articles is available on the Company's website (www.lcr.com.hk) and the Stock Exchange's website (www.hkexnews.hk).

FINANCIAL REPORTING

The Board recognises its responsibility to prepare the Company's financial statements which give a true and fair view and are in compliance with Hong Kong Financial Reporting Standards, Listing Rules and other regulatory requirements. As at 31 December 2024, the Board was not aware of any material misstatement or uncertainties that might put doubt on the Group's financial position or continue as a going concern. The Board selected appropriate accounting policies and applied consistently. Judgments and estimates were reasonably and prudently made. The external auditor is responsible for audit and report, if any, material misstatement or non-compliance with Hong Kong Financial Reporting Standards or other regulations. The Board uses its best endeavours to ensure a balanced, clear and understandable assessment of the Group's performance, position and prospects in financial reporting.

The responsibilities of the auditor with respect to financial reporting are set out in the Independent Auditor's Report on pages 87 to 91.

CORPORATE SOCIAL RESPONSIBILITY

The Group is conscious of its role as a socially responsible group of companies. It cares for and supports the communities where it operates. The Group has made donations for community well-being from time to time.

Risk Management Report

Effective risk management is essential for the Company and its subsidiaries (together, the "Group") to take the appropriate level of risks and opportunities in pursuing its strategic and business goals. The Group is committed to the continuous improvement of the enterprise risk management ("ERM") system in order to facilitate the long-term growth and sustainability of its businesses. Given the increasing significance of Environmental, Social and Governance ("ESG") risks, the Group has integrated ESG risk factors into risk management process since 2018.

The Group's ERM framework is established with reference to the Enterprise Risk Management — Integrated Framework issued by COSO and the ISO 31000 Risk Management — Principles and Guidelines, which comprises 3 key components:

1. Risk Management Strategy

2. Risk Governance Structure

3. Risk Management Process

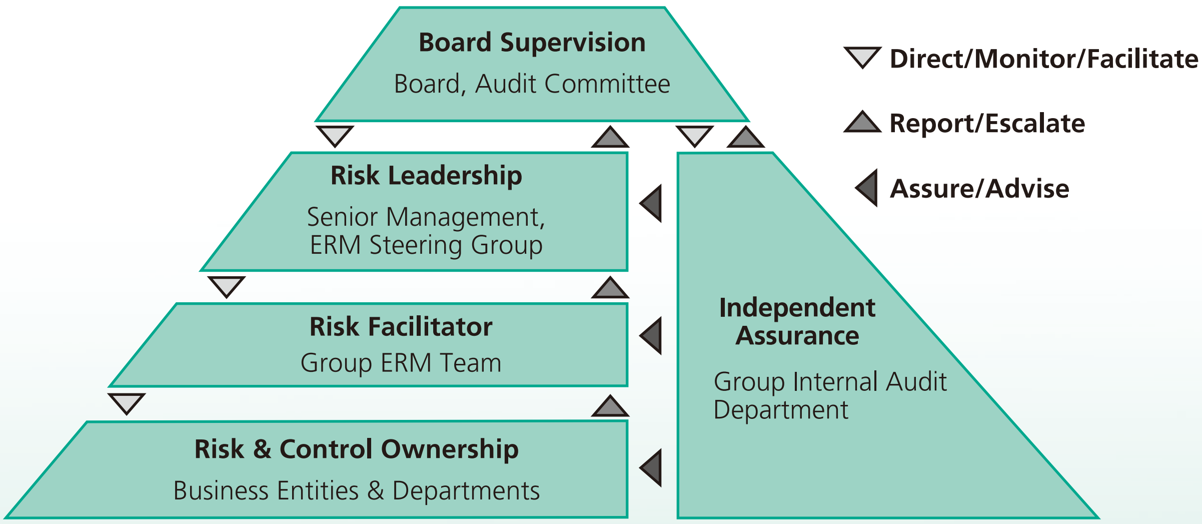
RISK MANAGEMENT STRATEGY

The Group recognises the importance of a proactive risk culture to the effective implementation of ERM system. In order to foster the desired risk culture, the Group has integrated the ERM system into various parts of the business and day-to-day operation processes and the Group aims to achieve the following objectives through the risk management activities:

- Promote corporate governance with a sound system of internal controls
- Embed a systematic approach to identify risks
- Enable the Group to strike the right balance between risks and rewards by making risk informed decisions in accordance with the Group's business objectives and risk appetite
- Ensure the adequacy and effectiveness of risk controls in place to manage key risks
- Ensure compliance with the relevant legal and regulatory requirements

RISK GOVERNANCE STRUCTURE

The Group's risk governance structure provides the foundation for an effective risk monitoring and management. The roles and responsibilities of each layer are clearly established to ensure a thorough understanding among all the personnel within the Group.



RISK GOVERNANCE STRUCTURE *(continued)*

Board Supervision

The Board of Directors (the "Board")
- Take the overall responsibility to oversee the ERM and internal control systems on an ongoing basis

Audit Committee empowered by the Board
- Determine the Group's overall risk appetite and establish appropriate culture throughout the Group for effective risk governance
- Review and approve risk criteria adopted by senior management to ensure that they are aligned with the Group's risk appetite
- Oversee the risk exposure of various types including the mitigation strategies
- Provide supervision on the ERM and internal control systems and review their adequacy and effectiveness at least annually

Risk Leadership

Senior Management
- Provide overall leadership in risk management activities, via the Risk Management Steering Group (the "ERM Steering Group")

ERM Steering Group led by Senior Management
- Establish risk criteria
- Assess the group level significant risks and review the entity level risk profile periodically
- Determine and assign sufficient resources to implement the Group's ERM framework and manage risks within the Group
- Update periodically the Audit Committee with the Group's risk profile and status of risk treatment plans for key business risks
- Ensure the annual review of adequacy and effectiveness of the ERM system

Risk Facilitator

Group ERM Team
- Implement the Group's ERM policies and plans formulated by the ERM Steering Group
- Develop necessary tools and templates for risk assessment, risk treatment plan and risk reporting
- Cascade and facilitate the risk management process and activities across all business entities and departments
- Follow up on the implementation of risk treatment plans and ensure the internal controls and risk mitigations are properly designed and implemented

RISK GOVERNANCE STRUCTURE *(continued)*

Risk and Control Ownership

Business Entities and Departments

- Review and identify changes in risks and emerging risks in light of changes in the business environment
- Analyse risks and identify appropriate controls or risk treatment plans to address the risks
- Responsible for risk management activities and reporting in their businesses or operations
- Perform risk and control self-assessment activity to evaluate the effectiveness of ERM and internal control systems for their respective entities

Independent Assurance

Group Internal Audit Department

- Conduct audit projects on various entities and functions across the Group and provide independent review on the adequacy and effectiveness of the internal control and ERM systems

RISK MANAGEMENT PROCESS

The Group's risk management process provides a systematic approach to manage risks. The following diagram illustrates the key activities in the process.

Establish Context	Identify Risks	Analyse and Evaluate Risks	Treat Risks	Report and Monitor Risks
The Group establishes risk assessment criteria and risk matrix to cascade the risk appetite across the Group and provides referencing risk inventory	Respective business entities and the Group's management identify the risks in their areas of businesses or operations	Respective business entities and the Group's management assess the likelihood and impact of the risks, determine acceptance and prioritise the risks	Respective business entities and the Group's management evaluate the existing risk controls and formulate risk treatment plan if appropriate	Respective business entities and the Group's management report the risk profile regularly to appropriate level of authority and maintain ongoing monitoring

CONTINUOUS IMPROVEMENT

The Group is committed to enhancing its ERM system and has implemented several key initiatives for the year ended 31 December 2024 (the "Year"):

1. Reviewed and updated the IT Policies of the Company and certain subsidiaries to address evolving cybersecurity risk.

2. Reviewed and updated the Business Continuity Plan ("BCP") and Crisis Management Procedures for certain subsidiaries, and approved the BCP of the Company to strengthen risk management practices.

3. Conducted internal audits on selected business entities and departments to assess compliance, enhance internal control and risk management practices.

4. Reviewed the annual risk and control self-assessments from various business entities and department heads, and assessed their proposed initiatives for improving risk management.

5. Provided various training courses to designated risk owners and staff, such as Cybersecurity Awareness Training, and Anti-Corruption and Ethics Training.

6. Updated the ERM reporting template to incorporate additional climate-related risks and sustainability challenges faced by the Group.

7. Conducted a comprehensive assessment to identify climate-related risks and opportunities that are most relevant to the Group, along with their potential impacts, details of which are disclosed in section 5.3 of the ESG Report on pages 69 to 75.

SIGNIFICANT RISKS

The Group faces a number of risks and uncertainties that, if not properly managed, could lead to potential losses for the Group. These risks are classified into four main categories:

Strategic	—	Risk resulting from suboptimal determination and execution of business strategies or changes in external business environment
Operational	—	Risk of potential financial losses and/or business instability arising from failures in internal controls, operational processes, or in the system that supports them
Financial	—	Risk resulting from financial and reporting activities and/or use of financial instruments
Compliance	—	Risk of non-compliance with any internal requirements/standards, legal/regulatory requirements and/or any related third party legal actions/disputes

Each of these categories encompasses ESG and climate-related risk factors to varying degrees.

During the Year, the Group reviewed the risk profiles reported by various business entities and department heads, and conducted risk analysis from the Group's perspective. Through this combined top-down and bottom-up risk review process, the Group assessed and identified significant risks, including risks related to ESG issues, across various business segments and functions, and is striving to mitigate them.

SIGNIFICANT RISKS *(continued)*

The major risks identified for the Year and their corresponding mitigation measures are summarized below:

A. Food Businesses

Major Risks Description	Key Mitigations
Operational Risk **1. Talent Attraction and Retention Risk** Risk of failing to recruit and retain qualified staff, impacting the business operations and objectives.	1. Leverage social media platforms for recruitment. 2. Application had been filed under Hong Kong's Enhanced Supplementary Labour Scheme to recruit workers from mainland China. 3. Conduct salary benchmarking to ensure competitive packages for employees across various brands and functions. 4. Provide training programs to enhance service quality and support career advancement. Implemented the Young Star Leader Program to develop leadership skill, strengthen team bonds, and prepare future leaders for the Group's food business in Hong Kong. 5. Cultivate a sense of belonging and cohesiveness by fostering a culture of appreciation and organizing charity activities to promote employee engagement.
Operational Risk **2. Work Safety Risk** The risk of accident, real or perceived threat (including extreme weather), to health and safety, which can impact the Group's health and safety goals and reputation, and may expose the Group to additional financial burdens.	1. Established Health and Safety Committees to oversee occupational health and safety (OHS) and update the safety policies to ensure compliance with all relevant laws and regulations. 2. OHS Prevention Measures in Hong Kong include: • Conduct heavy load training for warehouse workers and delivery teams, including proper lifting techniques in induction materials for new staff. • Provide training on emergency incident handling procedures to restaurant managers. • Maintain adequate and well-stocked first aid kits in outlets and offices. • Require all frontline staff to wear face masks during daily operations. 3. Conduct surprise safety inspections regularly. 4. Management closely monitors the conditions during extreme weather events and promptly notifies frontline staff of work arrangements, adjusting business hours as necessary to minimize risks. 5. Delifrance Singapore has been certified as bizSafe Level 3 by the Workplace Safety and Health Council in Singapore.

SIGNIFICANT RISKS *(continued)*

A. Food Businesses *(continued)*

Major Risks Description	Key Mitigations
Strategic Risk **3. Macroeconomic** The risk of economic downturn or slowdown in economic recovery in the business region, impacting the Group's profitability.	1. Regularly evaluate each brands' performance, to monitor market trends and adapt strategies for resilience against macroeconomic changes. 2. Continuously enhance food and service quality while expanding marketing channels and leveraging social media to attract and retain customers. 3. Enhance the membership system to foster customer loyalty.

B. Group Operation

Major Risks Description	Key Mitigations
Operational Risk **1. Natural Disaster and Climate Risks** The risk of typhoon, earthquake, tsunami, heavy storm, landslide, floods, and other extreme weather event impacting the business operation.	1. Arrange appropriate insurance coverage for different disaster scenarios. 2. Crisis management plans in place for addressing potential threats. 3. Established BCPs, with regular drills or checks for critical systems. 4. Regular backups of accounting and computer systems.
Strategic Risk **2. Business Investment Risk** The risk associated with the underperformance of investments in other companies or businesses, which could affect the target rate of return.	1. The Group's treasury and securities investment decisions are guided by the investment criteria and processes outlined in the Investment Committee's terms of reference. 2. Management who is responsible for the investment or project should carefully review the business cases, conduct due diligence with adequate financial and legal information, and consider exit strategies before making any investment commitments.

SIGNIFICANT RISKS *(continued)*

B. Group Operation *(continued)*

Major Risks Description	Key Mitigations
Strategic Risk **3. Partnering Risk** The risk of inefficient or ineffective partnerships (including joint ventures) and adverse events involving partners (e.g. legal disputes or withdrawal from the partnership), which may impact the Group's profitability, reputation, and expose it to financial loss.	Implement the following controls to avoid selecting wrong partners: 1. Conduct Thorough Due Diligence Perform comprehensive research on potential partners, including their financial strength, reputation, operational capabilities, and corporate culture. 2. Clear Agreements Exercise caution when reviewing joint venture agreements, ensuring that the terms and conditions, including roles and responsibilities, exit clauses, and conflict resolution mechanisms, are clearly defined to prevent misunderstandings and disputes.

REVIEW OF THE EFFECTIVENESS OF THE ERM AND INTERNAL CONTROL SYSTEMS

During the Year, the Board, through the Audit Committee, has reviewed the adequacy and effectiveness of the ERM and internal control system based on the following:

1. Regular report on the progress of ERM implementation.

2. Reports on the Group's significant risks, including the risk profile and mitigation measures of various business entities.

3. Results of the risk and control self-assessments from various business entities and department heads.

4. Findings and recommendations from internal audits of selected business entities and functions, including assessments of internal control.

5. Evaluation of the adequacy of resources, staff qualifications and experience, training programs and budgets for accounting, financial reporting, internal audit and risk management functions, as well as those related to ESG performance and reporting.

6. Assessment of the scope and quality of the management's ongoing monitoring of the system.

7. Regular evaluation of the Group's policies to implement updates as necessary.

8. The extent and frequency of management's communication and reporting to the Board and Audit Committee regarding risk management results and issues.

As a result of the review, the Board, with the confirmation from the Management of the Group, considered the ERM and internal control systems to be effective and adequate for the Year. However, it should be acknowledged that the systems are designed to manage rather than to eliminate the risks of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

Environmental, Social and Governance Report

1. ABOUT THIS REPORT

This Environmental, Social and Governance ("ESG") Report (the "ESG Report") presents the performance of the Company and its subsidiaries (together, the "Group") on ESG aspects for the year ended 31 December 2024 (the "Year" or "2024"). By reporting the policies, measures and performance of the Group in ESG aspects, it allows all stakeholders to better understand the progress of the Group towards sustainability.

1.1. Reporting Boundary

The ESG Report covers the operation of the Company's head office in Hong Kong and its subsidiaries in food businesses, property development, property investment and property management and management services for the Year, details of which are as disclosed hereinbelow. While the ESG Report does not cover all of the Group's operations, the aim of the Group is to consistently upgrade the internal data collection procedure and gradually expand the scope of disclosure.

Segments	Subsidiaries covered in the reporting boundary
Food businesses	• Auric Pacific Group Limited • Auric Pacific Food Industries Pte. Ltd. • Sunshine Bread Sdn Bhd ("Sunshine Bread")[1] • Cuisine Continental Group (HK) Ltd. ("CC Group")[2] • Cuisine Continental (HK) Limited ("CCHK")[3] • Delifrance Singapore Pte. Ltd. ("Delifrance Singapore")[4] • Maxx Coffee Singapore Pte. Ltd. ("Maxx Coffee") • LCR Catering Services Limited ("LCRC")[5]
Property development, property investment and property management	• 福建莆田忠信物業管理有限公司 (Fujian Putian Zhong Xin Property Management Limited) • 福州力寶商業顧問有限公司 (Fuzhou Lippo Commercial Consultants Limited)
Management services	• 北京力寶商業顧問有限公司 (Beijing Lippo Commercial Consultants Limited) • LCR Management Limited

1 Sunshine Bread is engaged in manufacturing and distribution of bread, cakes and other bakery products in Malaysia and Singapore.
2 CC Group operates the brands of "Délifrance", "alfafa" and "Chatterbox Express" in Hong Kong.
3 CCHK operates the brands of "Chatterbox Café" and "alfafa" in Hong Kong.
4 Delifrance Singapore operates the brand of "Délifrance" in Singapore.
5 LCRC operates "Lippo Chiuchow Restaurant" in Hong Kong.

1. ABOUT THIS REPORT *(continued)*

1.2. Reporting Standard and Principles

The ESG Report was prepared in accordance with the "comply or explain" provisions of the Environmental, Social and Governance Reporting Code (the "ESG Reporting Code") in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

In preparation for the ESG Report, the Group adheres to the reporting principles as set out in the ESG Reporting Code:

Reporting Principles	The Group's Applications
Materiality	Material ESG issues were identified and prioritised through stakeholder engagement, review of local and international standards and issues of significance to peers. The materiality assessment was presented to the Board of Directors (the "Board"). Relevant contents are disclosed in the ESG Report.
Quantitative	The Group records and discloses key performance indicators in quantitative terms as appropriate.
Balance	The ESG Report discloses information in an objective manner, giving stakeholders an unbiased picture of the Group's overall ESG performance.
Consistency	As far as practicable and unless stated otherwise, the Group employs consistent measurement methodology to allow for meaningful comparison of ESG data over time.

1.3. Confirmation and Approval

Information in the ESG Report was sourced from the official documents, statistical data and management and operational information collected by the Group. The ESG Report was approved by the Board of the Company on 28 March 2025.

1.4. Opinion and Feedback

The Group values the opinions of stakeholders. If any stakeholder has any feedback or suggestions on the ESG Report, please send them to the registered office of the Company at 40th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong or the Company's email address at lcr.ir@lippohk.com. Your feedback or suggestions would greatly help the Group continuously improve its ESG performance.

2. APPROACH TO ESG

The Group recognises the importance of ESG issues and has adopted a strategic approach to address them effectively. Through robust governance and risk management practices, the Group has integrated ESG considerations into its operational decision-making throughout the year. Our commitment on business ethics fosters a culture of integrity and responsibility across the organisation. Moving forward, the Group will continue advancing in these areas, aiming to deliver long-term value for our stakeholders while upholding the highest standards of governance and ethical conduct.

2.1. Governance Structure

A sound governance structure is the foundation for sustainable development and value creation. The Board holds ultimate responsibility for overseeing the Group's ESG-related matters, including climate-related issues. In regular board meetings, the Board assesses and reviews policies, strategies, measures, performance, risks, and impacts related to ESG and climate as needed.

The ESG working group, consisting of senior management, supports the Board in identifying, evaluating and managing significant ESG-related matters, as well as formulating relevant ESG strategies. The ESG working group ensures that policies adhere to applicable regulations and collaborates with various departments to monitor ESG performance regularly, review the materiality assessment and report to the Board annually. To better prepare for future challenges and opportunities, the Group aims to continuously improve its ESG governance and develop sustainability strategies more comprehensively.

2.2. ESG Risk Management and Internal Control Systems

In response to the increasing importance of ESG factors, the Group has integrated ESG and climate-related aspects into the enterprise risk management ("ERM") process. Robust internal controls and a formal review process have been established to ensure the accuracy and reliability of information presented in the ESG Report.

The Board assumes the overall responsibility for maintaining appropriate and effective risk management and internal control systems. Empowered by the Board, the Audit Committee reviews and approves risk criteria, oversees risk exposure along with mitigation strategies, and assesses both the adequacy and effectiveness of the ERM and internal control systems. This structure covers all aspects of our operations, showing a coordinated approach across all business units and departments.

To enhance risk awareness among business entities and departments, relevant risk management training sessions were provided to certain risk owners throughout the Year, enhancing their ability to identify and address emerging risks.

Details of the Group's risk governance structure, management strategy and major risks identified are set out in the Risk Management Report on pages 43 to 49.

2. APPROACH TO ESG *(continued)*

2.3. Business Ethics

Honesty, integrity, and fairness serve as the cornerstone of our core business values, vital for long-term and sustainable development. The Group is committed to upholding the highest ethical and moral standards across our operations, and comply with all relevant laws, regulations and policies.

(a) Anti-corruption

The Anti-corruption Policy sets out the basic behaviour standard expected from all Directors and staff of the Group. It covers topics such as prevention of bribery, corruption, extortion and fraud, as well as relationships with suppliers, contractors and customers. This policy provides guidance in various scenarios, such as accepting and offering advantages, receiving gifts, unusual discounts and entertainment, dealing with conflicts of interest, and handling confidential information. All employees are required to meet the requirements under this policy, act ethically and uphold honesty and integrity in business operations.

For certain subsidiaries in Hong Kong, the Group's Anti-corruption Policy is explained to the new employees for office and frontline staff during the induction program. Anti-corruption and ethics training offered by the Independent Commission Against Corruption ("ICAC") have been arranged for the directors and employees of these subsidiaries during the Year.

During the Year, the Group did not identify any non-compliance cases with laws and regulations in relation to corruption, bribery, extortion, fraud and money laundering, nor was there any concluded legal case regarding corruption practices brought against it or its employees that would have a significant impact on the Group.

(b) Data Privacy, Data Security, and Intellectual Property Rights

The Group is dedicated to protecting customer data privacy and respecting the intellectual property rights of third parties. The Product and Service Responsibility Policy details guiding principles on safeguarding customer data and third-party intellectual property. Employees are required to comply all relevant laws and regulations when handling confidential information. To preserve confidentiality, the Group only collects and keeps information about its suppliers and customers that is necessary for business activities. Prior to data collection, informed consent is obtained from relevant stakeholders to ensure they understand the purpose and usage of the collected data.

To ensure robust data security, the Group implements a range of measures, including access control, authentication, monitoring and regular reviews. These practices are designed to protect sensitive information and minimise risks associated with unauthorised access or data loss. Security reviews of servers, firewalls, routers, and monitoring systems are conducted on a regular basis to identify potential vulnerabilities and enhance system resilience.

2. APPROACH TO ESG *(continued)*

2.3. Business Ethics *(continued)*

(b) *Data Privacy, Data Security, and Intellectual Property Rights (continued)*

For subsidiaries holding personal data in Hong Kong and Singapore, specific privacy policies and operating procedures are in place to govern data collection, use, retention, access, communication and disclosure. These policies are made publicly available on the relevant companies' websites for customers and public access. Customers can contact the data protection officer or customer service department for inquiries or to revoke consent. Moreover, designated employees are tasked with handling data, thereby minimising the risk of unauthorised or accidental access, mishandling, deletion, loss or inappropriate use of the data.

During the Year, the Internal Audit and Risk Management Department ("IA & RM Department") conducted a review of the IT Policy covering the head office and 11 subsidiaries of the Group across all segments. This review was part of our ongoing efforts to ensure that the Group's policies remain relevant, effective, and responsive to increasing stakeholder expectations and concerns.

To enhance cybersecurity awareness among employees, cybersecurity training was provided to employees of certain subsidiaries in Hong Kong during the Year. The training focused on key areas, including safety tips for remote work and online meetings, cloud security to protect sensitive data, awareness of email phishing attacks, and securing Internet of Things devices.

(c) *Whistleblowing Policy*

The Group is committed to the high standards of openness, probity and accountability. The Whistleblowing Policy has long been maintained to facilitate our business affairs comply with the corporate policies and applicable laws. It outlines procedures for confidential reporting of suspected misconduct, malpractice or irregularity without fear of reprisals. Dedicated communication channels, such as email addresses and phone numbers, are established for employees or third parties to raise their concerns. Whistleblowing reports are addressed to managers, department heads, the head of the IA & RM Department, the Chief Executive Officer, or the Audit Committee, depending on the circumstances.

The Audit Committee of the Company is responsible for overseeing the whistleblowing procedure and conducting investigations into received reports with assistance from the IA & RM Department. The Whistleblowing Policy undergoes periodic reviews by the head of the IA & RM Department to ensure its effective monitoring and implementation.

During the Year, there were no whistleblowing cases reported through the Group's whistleblowing channels. The ESG working group conducts regular reviews and updates of the Whistleblowing Policy as necessary to strengthen the Group's commitment to integrity and accountability. The updated Whistleblowing Policy was published on the Company's website (www.lcr.com.hk).

2. APPROACH TO ESG *(continued)*

2.4. Stakeholder Engagement

Open and continuous communications have enabled the Group to better understand the needs and expectations of our stakeholders, allowing us to integrate their feedback into our strategic decision-making processes. We greatly treasure the trust and support of our stakeholders and the Group has established various engagement channels to encourage them to share their thoughts and feedback. These interactions enable us to identify and pursue common goals together.

Stakeholders		Engagement Channels
Internal	The Board	• Regular board meetings
	Management	• Regular communication and updates from management
	General staff	• Internal communication platforms (for example intranet and email) • Team meetings and presentations • Training and development opportunities • Grievance mechanism
External	Investors and shareholders	• Annual General Meeting and Results Announcements • Annual report and interim report • Investor meetings • Corporate website and the Stock Exchange website
	Customers	• Customers complain and feedback system • Customer service channels (for example helpline, WhatsApp and email)
	Business partners, suppliers and service providers	• Tendering and procurement processes • Briefings, meetings and visits • Supplier assessment and performance reviews
	Auditors	• Regular meetings and discussions • Attendance at Audit Committee meetings
	Bankers	• Periodic meetings and discussions • Participation in banking events
	Communities	• Donations and sponsorships for community projects • Public or community event participation • Volunteering opportunities
	Non-governmental organisations	• Joint events and collaborations • Partnerships for social or environmental initiatives
	Media	• Media interviews and press releases • Feedback and responses to media enquiries

2. APPROACH TO ESG *(continued)*

2.5. Materiality Assessment

The Group engaged an independent consultant to assist in conducting a materiality assessment for the Year to identify and prioritise the material issues deemed significant and impactful to our business, stakeholders and strategy via the following process:

1. Identification

- Identified 21 material ESG issues with reference to our sustainability-related practices, the results from last year's materiality assessment exercises and material issues of peers.

2. Prioritisation

- Conducted an online survey to understand stakeholders' perspectives on the material issues, with 128 responses from internal and external stakeholders received.
- Prioritised issues that have a significant impact on the Group based on the results from the online survey.

3. Validation

- Presented the prioritised list of material ESG issues to the Board and management for discussion and validation.

Material ESG issues	2024 Ranking
Governance	
Corporate governance	3
Anti-corruption and whistleblowing	2
Safety and quality management	1
Customer communication	9
Responsible marketing	11
Information security and data privacy	8
Protection of intellectual property rights	17
Supply chain management	18
Social	
Diversity and equal opportunities	5
Employee compensation, wellness and engagement	10
Employee health and safety	6
Development and training	15
Labour standards	4
Community investment	21
Environmental	
Air emissions and greenhouse gases emissions management	13
Waste management	16
Energy efficiency	7
Water stewardship	14
Packaging material management	20
Environmental mitigation	19
Climate action	12

2. APPROACH TO ESG *(continued)*

2.5. Materiality Assessment *(continued)*

A total of 21 material topics were identified, evaluated and prioritised. The top three material issues identified were safety and quality management, anti-corruption and whistleblowing, and corporate governance. In addition, the rankings of two material issues, namely diversity and equal opportunities and labour standards, increased substantially from last year, reflecting stakeholders' growing emphasis on these issues. The outcomes of the materiality assessment serve as a reference for refining our ESG goals and targets, helping us allocate resources more effectively to create shared value for the Group and our stakeholders.

3. CUSTOMERS AND SUPPLIERS

The Group is committed to delivering high-quality and reliable products and services in order to create long-lasting customer relationships. The Product and Service Responsibility Policy guides our approach across the supply chain from sourcing to delivery, complying with laws and regulations related to privacy, health and safety, advertising and labelling. Managing product responsibility, prioritising customer experience and optimising operations help the Group to deliver sustainable value to different stakeholders in the long run.

3.1. Safety and Quality Management

(a) Food businesses

Food safety and quality are fundamental components of brand reputation and customer satisfaction. To address these aspects, the subsidiaries in the food businesses have implemented various management systems designed to systematically identify, assess and monitor potential food safety risks on an ongoing basis across our supply chain and production processes, as well as compliance with the respective regulations of the countries where the Group operates.

Our bakery factory in Malaysia adopted the following management systems and attained the relevant certificates.

- ISO 9001 Quality Management System
- FSSC 22000 Food Safety System
- Good Manufacturing Practices (GMP)
- Hazard Analysis and Critical Control Point (HACCP) System

3. CUSTOMERS AND SUPPLIERS *(continued)*

3.1. Safety and Quality Management *(continued)*

(a) Food businesses (continued)

In order to effectively monitor quality control, the Group's food businesses have set up standardised procedures for handling ingredients and production. These procedures facilitate the sold products meeting the Group's quality standards and compliance with the health and safety regulatory requirements. Regular audits are conducted to verify that food safety requirements are being met. The key quality monitoring procedures are highlighted below.

Supplier assessment	• Conduct evaluation on new and existing suppliers by document review • Evaluate performance and compliance of existing suppliers through audits
Materials inspection and storage	• Perform assessment in accordance with the established acceptance criteria for receiving raw materials, including raw ingredients, dry ingredients, seasoning and packaging • Ensure materials are kept in appropriate locations and temperatures according to the product categories
Production	• Staff are required to follow proper operating procedures and maintain personal hygiene and cleanliness when carrying out daily production duties • Properly clean and maintain production facilities and equipment
Quality assurance	• Perform laboratory testing regularly to ensure the microbiological quality of end products and goods for sale at stores meet regulatory requirements, where applicable.
Logistics	• Ensure the condition of warehouse, storage areas and delivery fleet, if any, are properly maintained and cleaned.
Retail	• Conduct regular quality assessment of retail stores

To maintain food safety standards at the retail level, our food businesses in Hong Kong conduct monthly retail quality assessments on each outlet to evaluate various aspects, including food preparation procedures, food hygiene and personal hygiene practices, customer service as well as cleanliness and maintenance of the facilities. If any non-compliance is identified, responsible staff are assigned to implement necessary improvements.

To further strengthen our commitment to maintaining the highest standards of food safety and quality throughout the operations, a food safety and quality manual is in place for our food businesses in Hong Kong, which serves as a guiding document for all aspects of our management, including risk control, communication protocols, staff training, supplier engagement, and other areas.

During monthly training sessions, assessment results, customer complaints regarding product quality and improvement actions are shared with store managers. In cases where potentially unsafe or non-compliant products are identified, or a recall is required, employees are required to follow a controlled and systematic procedure that is reviewed regularly for its effectiveness. The respective departments are responsible for identifying and segregating the problematic products, evaluating the issues and initiating corrective actions. When a complaint or feedback about a product is received, the relevant departments promptly investigate and report to the management to determine if recall procedures are required, preventing similar issues from recurring. During the Year, there were no incidents in which the products sold were subject to recalls for safety and health reasons.

3. CUSTOMERS AND SUPPLIERS *(continued)*

3.1. Safety and Quality Management *(continued)*

(a) Food businesses (continued)

To maintain good indoor air quality for our customers, our food businesses in Hong Kong conduct regular cleaning and maintenance of air-conditioning units in all stores.

Sunshine Bread rigorously adheres to all Islamic and legal requirements as prescribed by the Department of Islamic Development Malaysia ("JAKIM") for obtaining Halal certification for its products in Malaysia. An internal Halal Committee has been established, which is responsible for overseeing the adherence of Halal standards and procedures, confirming that every product manufactured and distributed in Malaysia is Halal-certified.

(b) Property development, property investment and property management

The Group strives to enhance the well-being and safety of our customers and tenants. In pursuit of this goal, standard procedures are in place to uphold hygienic conditions and effective pest control in common areas. To maintain the seamless operation of essential systems, the Group employs property management contractors to perform regular maintenance, servicing and repairing all mechanical systems and fixtures within the buildings.

Recognising the importance of being prepared for potential emergencies, the Group has developed emergency response plans stipulating procedures for managing crises like fires and natural disasters. This provides an additional layer of protection for tenants and facilitates prompt action in emergency situations. While the Group did not have any ongoing property projects under development during the Year, product health and safety, as well as quality project management, were not considered as material issues for the property development segment, the Group remains dedicated to upholding the highest standards of safety and quality across our operations.

During the Year, the Company did not aware of any incidents of non-compliance related to health and safety relating to products and services provided that would have a significant impact on the Group.

3.2. Responsible Marketing

The Group is committed to responsible advertising and labelling of its products and services. Clear and accurate communication with our customers is crucial to building trust. Across various marketing channels, from digital platforms to physical collaterals like printed materials and product packaging, the Group prominently display essential product details. Product labels are meticulously designed to provide customers with proper instructions for safe usage and storage, as well as information about ingredients, potential allergens, shelf-life dates and other important facts. Relevant employees are trained in responsible marketing practices, which includes compliance with regulations, avoidance of false or misleading claims and respect for customers' privacy.

During the Year, the Company did not aware of any incidents of non-compliance related to advertising, labelling and privacy matters regarding products and services that would have a significant impact on the Group.

3.3. Customer Communication

The Group places customer satisfaction at the forefront and customers lie at the core of everything we do. To maintain positive customer relationships, the Group has established various channels for gathering customers' opinions and feedback, including questionnaires, emails, hotlines, and social media platforms.

3. CUSTOMERS AND SUPPLIERS *(continued)*

3.3. Customer Communication *(continued)*

Customer feedback is a valuable source of insights that enhances our services and helps develop superior products. We handle complaints received with full seriousness, supported by a dedicated team to thoroughly investigate each case. The Group views customer complaints as valuable opportunities to deepen our understanding of customer expectations and to continuously improve their experience. Their feedback is carefully analysed to identify areas for improvement and prevent recurrence of similar issues.

To enhance customer service, our food businesses in Hong Kong hold sharing sessions to equip restaurant managers with essential knowledge for addressing common customer inquiries and concerns about products and services.

3.4. Supply Chain Management

With increasing global challenges such as climate change and resource depletion, adopting sustainable supply chain management has become essential for the Group's resilience. The Sustainable Supply Chain Policy outlines the expectations for suppliers to adhere to ethical, social and environmental standards, with the goal of making procurement decisions that reduces environmental impact and enhance social benefits. It is mandatory for our subsidiaries to adopt procurement procedures that align with this policy. Key evaluation criteria of supplier are as follows:

Pillars	Considerations in the supplier selection process
Business Ethics	• Business code of conduct • Policies related to regulatory compliance • Policies related to the protection of employees' rights • Awards or accreditation obtained related to caring of people • Compliance with laws and regulations related to business ethics, environmental and social responsibility
Product/Service Safety and Quality	• Quality management system in place • Quality assurance function • Awards or accreditation obtained related to product or service
Work Health and Safety	• Health and safety management system in place • Health and safety policy established • Health and safety training provided to their staff • Good record of low incident rate • Awards achieved related to health and safety
Environmental Management	• Environmental management system • Environmental policy established • Environmental-related awards achieved

3. CUSTOMERS AND SUPPLIERS *(continued)*

3.4. Supply Chain Management *(continued)*

Preference is given to suppliers with strong credentials across the four pillars. Continuous monitoring and periodic reviews of supplier performance are carried out to verify ongoing fulfilment of these requirements.

The Group promotes local and diverse sourcing to foster a sustainable supply chain. Subsidiaries are encouraged to engage small businesses, voluntary organisations, community service providers, ethnic minority groups and social enterprises in their supplier selection.

Our food businesses in Hong Kong are encouraged to prioritise environmentally friendly products and services to support sustainable procurement practices and reduce environmental impacts, including sourcing ingredients and materials that are organic, seasonal, fair trade and certified by the Marine Stewardship Council ("MSC") and Aquaculture Stewardship Council ("ASC"), as well as packaging materials certified by the Forest Stewardship Council ("FSC").

Our food business in Singapore has established a Sustainability Policy outlining essential requirements for the suppliers. All suppliers are required to comply with this policy by achieving at least a 50% score across these defined criteria, including ethical practices, employee safety and environmental responsibility. Moreover, they prioritise sourcing ingredients directly from local farmers, promoting the sustainability of local farming communities and reducing carbon emissions resulting from reduced transportation distances.

4. PEOPLE

Employees are the driving force supporting our future progress. Recognising their critical role in enabling long-term and sustainable development, we prioritise creating a safe, engaging and diverse work environment that fosters effective communication and provides development opportunities for personal and professional growth. The Group strictly complies with all applicable labour and human rights laws and regulations in all operational locations. The Group's Human Resources Policy outlines its commitment to prohibiting child labour and forced labour, offering a workplace free from discrimination, promoting a diverse and inclusive culture, supporting employees' development and creating a safe and healthy work environment.

By upholding these principles and protecting employees' rights and interests, they are empowered to realise and unlock their full potential, growing together as a cohesive and successful team.

4.1. Employee Compensation, Wellness and Engagement

The Group offers employees competitive compensation and benefits packages beyond statutory minimums, which include providing paid marriage leave, medical and compassionate leave, generous annual leave, medical and life insurance. To maintain a competitive stance in the market, the Group conducts annual performance appraisals and salary reviews based on factors such as individual performance evaluations, business performance and market trends.

Moreover, the Group prioritises employee well-being, advocating for work-life balance, implementing wellness initiatives and establishing supportive policies. For instance, our food businesses in Hong Kong extend staff discounts and implement well-being initiatives such as flexible work hours. By nurturing a culture of appreciation, and focusing holistic employee well-being, the Group aims to boost employee satisfaction and loyalty.

4. PEOPLE *(continued)*

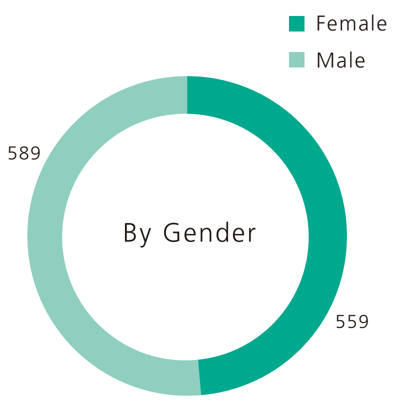
4.1. Employee Compensation, Wellness and Engagement *(continued)*

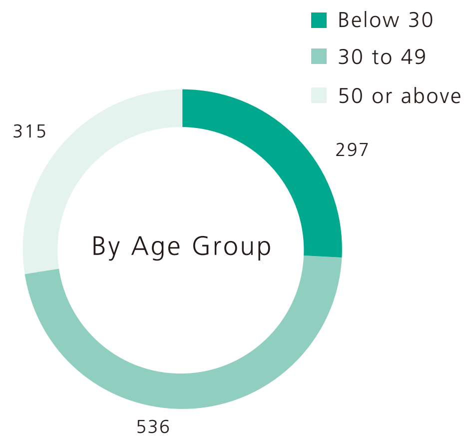
Recognising the value of open and transparent communication, the Group encourages employees to raise work-related concerns through whistleblowing or established communication channels. All feedback received through these confidential grievance mechanisms is carefully considered. The Group addresses the issue raised, identifies areas for improvement and makes ongoing progress. During the Year, the Group did not receive any employee grievances through the Group's whistleblowing channels.

4.2. Diversity and Equal Opportunities

Diversity and equal opportunity are foundational principles of our Human Resources Policy. The Group treats all employees and job applicants equally, regardless of age, gender, marital status, pregnancy, sexual orientation, family status, disability, political beliefs, race, nationality, or religion. All recruitment and promotion decisions are based on individual qualifications, abilities and performance.

To foster a workplace culture of diversity and equal opportunities, certain subsidiaries have developed specific policies, procedures and measures. Our food businesses in Hong Kong communicate their equal opportunity policies to office staff and frontline staff during induction training to ensure employees' awareness of these issues. Below charts set forth our employment data:





The Group strictly prohibits the use of child labour and forced labour across all operations. During the recruitment process, the identity documents, academic qualifications, talents, ages and experiences of all candidates will be screened. Moreover, suppliers are also expected to comply with relevant labour laws and regulations. The Group regularly monitors compliance with these requirements and conduct thorough investigations according to disciplinary guidelines if any non-compliance cases are identified. Employees are encouraged to report concerns through available grievance mechanisms.

During the Year, there were no reported incidents of non-compliance related to employment practices, child labour or forced labour.

4.3. Employee Health and Safety

Protecting the health and safety of our employees is our top priority, underpinning our efforts to create a secure and supportive work environment. This commitment is vital for enhancing employee well-being, minimising accidents and illnesses, boosting productivity and safeguarding against occupational risks.

4. PEOPLE *(continued)*

4.3. Employee Health and Safety *(continued)*

(a) *Food businesses*

Health and safety committees are established in certain subsidiaries to oversee occupational health and safety. They develop, implement and administer safety policies and procedures that comply with relevant laws and regulations. Regular meetings are held to review health and safety issues, address employee concerns and keep departments updated on the latest health and safety laws and regulations.

Common safety hazards in bakery factories, restaurants and retail stores include cuts, burns, slips, trips and bruises. To prevent these incidents, the Group provides guidance for employees on proper procedures and the proper use of protective equipment. All staff working in restaurants and bakery factories are reminded to wear shoes certified with anti-slip functions while on duty.

Regular and surprise safety inspections are conducted to ensure a clean and safe working environment. First-aid kits are also inspected monthly to verify sufficient stock levels. Safety guidelines have been established covering a variety of topics, including:

- Prevention of occupational hazards and ill-health
- Safe equipment operation
- Fire prevention
- Manual handling operations
- Chemicals handling
- Housekeeping in factory
- Emergency procedures
- Safety procedures in office
- Incident reporting

Our food businesses in Hong Kong hold monthly meetings with restaurants and outlets managers to review and discuss health and safety issues, as well as to strengthen safety culture through case studies and information sharing on preventive measures. Besides, our food business in Singapore engages external auditors to conduct safety checks at all outlets quarterly, which helps identify potential hazards before they become issues. The Group actively encourages employees to contribute suggestions for improving workplace health and safety through various communication channels to enhance overall safety performance.

Certain subsidiaries provide employees with safe work procedure training as part of on-the-job training to enhance their awareness of safety protocols. Regular fire drills are also conducted for employees to ensure emergency preparedness.

(b) *Property development, property investment and property management*

The Group maintains adequate personal protective equipment on-site to prevent injuries in property development, investment and management. In regions with poorer air quality, air purifiers are installed in the office to improve workspace conditions. Regular fire drills enhance emergency preparedness, ensuring employees can effectively identify and mitigate potential fire risks.

4. PEOPLE *(continued)*

4.3. Employee Health and Safety *(continued)*

During the Year, there were 27 cases of work-related injuries across the Group. Each incident was thoroughly investigated to identify the root causes, and preventive measures were implemented to avoid future occurrences. These measures included providing safety training and enhancing workplace safety through facility improvements. Injury cases are discussed in regular meetings and training to foster safety awareness. During the Year, the Company did not aware of any incidents of non-compliance related to occupational health and safety that would have a significant impact on the Group.

4.4. Development and Training

Employees are invaluable assets, and investing in their development is crucial for our sustainable growth and success. The Group's Human Resources Policy outlines our commitment to enhancing employees' skills, expertise and competence, enabling them to fulfil their roles and contribute to the Group's strategic objectives.

Staff orientation training helps new hires become acquainted with their roles and familiarises them with our core values, policies and procedures. It enhances their understanding of the culture, code of conduct, health and safety protocols, and overall vision of the Group and the subsidiaries.

Throughout the Year, the Group provided various training opportunities for employees, covering topics like food safety, quality control, occupational health and safety, cybersecurity, business ethics, IT skills, ESG and industrial processes. The Group aims to keep employees' knowledge and skills aligned with the current industry standards and enhance their workplace performance. Key programs include:

Halal Training

Halal Training was offered to employees by our food business in Malaysia to ensure compliance with Halal standards. The training covers essential topics, including the principles of Halal, traceability and the importance of Halal certification in the Malaysian market. It equips employees with the knowledge and awareness to uphold Halal standards at every stage of production and emphasises their crucial roles in manufacturing Halal-certified products for our customers.

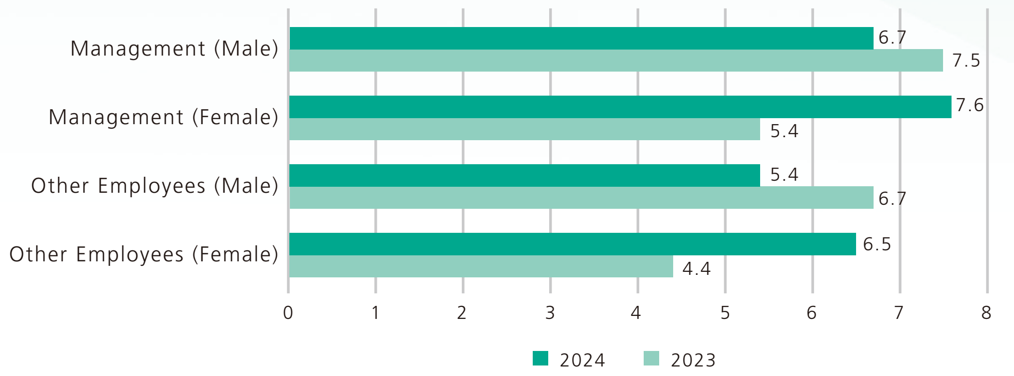
Young Star Leader Program

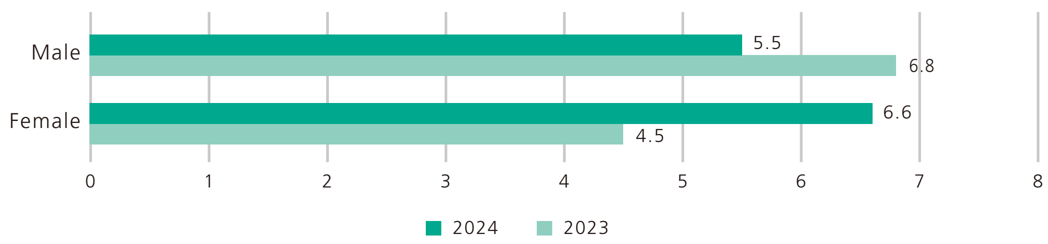
The Young Star Leader Program, conducted by our food businesses in Hong Kong, is a specialised training initiative designed to nurture the leadership potential of young individuals. It serves as a platform for aspiring leaders to enhance their capabilities in key areas such as self-awareness, perspective-taking, effective leadership and non-violent communication. Upon completion of such a program, participants are cultivated with essential leadership qualities and forge strong bonds within their team. These young leaders will be equipped to take up roles and responsibilities in their careers at the Group or in real-world scenarios, empowering them to become the next generation of leaders.

4. PEOPLE *(continued)*

4.4. Development and Training *(continued)*

Development and Training – Performance Data





The Group strives to cultivate an inspired and vibrant team that is dedicated to continuous learning. Relevant divisions and departments within the Company and its subsidiaries are responsible for providing coaching, evaluating employees' development needs, and allocating annual budgets for training and development. To motivate employees to become self-driven learners, tuition fees would be reimbursed for those participating in additional work-related training and development programmes. Furthermore, the Group also arranges training sessions concerning the latest regulatory requirements and insights into corporate governance specifically for Directors and management who will be leading the Group's employees.

4. PEOPLE *(continued)*

4.5. Supporting Our Community

The Group recognises the significance of its relationship with the communities where it operates and provides services. Under the Donation Policy, the Group aims to support organisations focused on education, healthcare, poverty alleviation and disaster relief and religious pursuit via philanthropic donations. Aligning with the Group's ongoing corporate strategy and long-term objectives, an annual review on the donation budget is conducted each year. During the Year, the Group donated a total of HK$4,969,000[6] for various charity initiatives.

Food Delivery Service for the Needed

Certain subsidiaries in Hong Kong partnered with The New Life Psychiatric Rehabilitation Association – Kwai Shing Center to deliver 200 lunch boxes to elderly and low-income families. Our staff participated in this program, demonstrating their commitment to community support in this meal distribution event.

As a socially responsible corporation, the Group recognises the importance of giving back and driving a positive impact within the community. The Group continues to seek opportunities to engage with initiatives that benefit local communities.

5. ENVIRONMENT

The Group recognises its responsibility to minimise environmental impact and incorporate sustainable practices. As outlined in the Environmental Policy, the Group is committed to operating in an environmentally responsible and resource-efficient manner and considering material environmental risks and opportunities during the decision-making process. It indicates guiding principles for fulfilling the commitments, including gas emission, use of resources, environmental and natural resources, climate change, green procurement, stakeholder engagement and support for environmental campaigns.

Stringent measures are in place to monitor and mitigate environmental impacts in accordance with regulatory requirements and industry standards. Robust management systems systematically oversee all environmental aspects of the business. The Group aims to minimise its environmental footprint and contribute to a sustainable future through continuous monitoring, proactive measures and adherence to environmental regulations. To further advance these efforts, the Group is planning to set targets to enhance environmental performance and foster accountability in achieving these goals.

5.1. Managing Our Emissions

The Group takes a proactive and holistic approach to managing emissions, hazardous waste and non-hazardous waste, aiming to minimise our environmental impact and promote sustainable practices.

Safe and effective waste management is crucial for achieving these goals. The Group's hazardous waste mainly comes from the wastewater treatment plant of the bakery factory in Malaysia, which is clearly labelled to prevent cross-contamination. Employees receive training on safe handling, storage, transport and proper disposal of waste, in accordance with legal requirements. Non-hazardous waste includes general waste from offices, food waste and packaging waste from our food businesses. To enhance resource utilisation, the Group follows guidelines for sorting these materials in our operation and prioritising recycling and reuse to maximise material recovery.

[6] The donation beyond the reporting boundary of the ESG Report is included.

5. ENVIRONMENT *(continued)*

5.1. Managing Our Emissions *(continued)*

The Group has implemented several measures to manage our waste in offices, production facilities, restaurants and retail stores:

Managing general waste

Facility	Measures
Offices	• Practise reuse and recycling where applicable • Reuse one-sided paper for printing • Adopt e-communication whenever possible
Production facilities, retail stores and restaurants	• Give priority to durable tools and equipment during purchasing • Reuse store decorations • Reuse shipment trays

Managing food waste

Aspect	Measures
Production	• Conduct sales forecasts and monitor the return of excess products to adjust production patterns • Standardise control of the production process to achieve consistency in product quality and reduce defective products
Material/Food storage and management	• Store perishable ingredients properly • Repurpose leftover ingredients in other dishes, such as bread cubes, while maintaining quality and safety standards • Donate surplus food to local organisations for redistribution to the needy
Tracking and recording	• Record the amount of food waste regularly • Practise food waste collection where applicable

Selling Surplus Products Online to Reduce Food Waste

Delifrance Singapore partners with Yindii, a waste reduction platform, to sell surplus products online at a discounted rate during the last three hours of operation. This program helps reduce food waste and give customers the chance to buy good-quality products at lower prices, supporting sustainability and responsible resource use in our community.

5. ENVIRONMENT *(continued)*

5.1. Managing Our Emissions *(continued)*

To reduce emissions, the Group focuses on incorporating energy-efficient technologies, streamlining operations and sourcing machinery and equipment that utilize cleaner energy options. Continuous monitoring and improvement initiatives are in place to ensure compliance with regulatory requirements and identify areas for emission reduction. The Group has adopted the following measures in our food businesses during the Year:

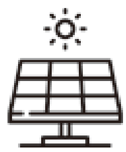
- Switch off equipment and unnecessary lighting when not in use
- Turn off vehicle engines when not in use
- Consolidate and optimise delivery routes to reduce the number of trips
- Prioritise energy-saving lighting

There are no relevant laws and regulations in relation to the environment that have a significant impact on the Group. During the Year, the Company did not aware of any incident of non-compliance case regarding environmental laws and regulations that would have a significant impact on the Group.

5.2. Moving Towards More Sustainable Resource Practices

The Group recognises the need to manage its environmental impacts across facilities and operations through various resource conservation initiatives to improve energy efficiency, optimise water usage and reduce packaging materials.

Various measures are in place to improve energy efficiency and reduce energy consumption, including annual energy audits at selected operation sites to identify areas for improvement, installing automatic lighting controls and motion sensors to optimise energy usage and utilising energy-saving appliances and equipment. To reduce reliance on conventional energy sources and lower carbon footprints, our bakery factory in Malaysia completed the installation of solar panels in September 2024, which generated 565,402 kWh of clean energy from September to December 2024.



565,402 kWh
solar energy

Water is essential to our food businesses. While we have not faced sourcing water issues for our operations, the Group prioritises efficient water utilisation and minimising consumption across our facilities. Our food stores in Hong Kong have installed water-saving taps, upgraded to higher-efficiency dishwashers, used chillers instead of running water to defrost frozen food, and conducted regular inspections to identify water wastage or inefficiencies.

Regarding packaging materials, the Group has taken measures to increase the use of non-plastic and sustainable alternatives for disposable items in order to reduce excessive packaging waste. The Group also monitors the product development stage to minimise the materials and packages needed, as well as avoid unnecessary wrapping and prioritise the use of FSC-certified paper and bio-degradable plastics.

5. ENVIRONMENT (continued)

5.3. Climate Action

The Group seeks to build its business sustainably and to improve climate resilience within and beyond its operations. This Year, the Group undertook a comprehensive assessment to identify climate-related physical and transition risks and opportunities relevant to its food businesses, and property development, property investment and property management, with the aim of better positioning the Group to manage the risks with greater flexibility and preparedness.

Supported by an external consultant, the assessment employed a multi-faceted approach:

- *Desktop Research*
  - — Internal Data Review: Analysed existing risk registers, operating locations data, supplier information and assessed current climate mitigation initiatives.
  - — External Benchmarking: Reviewed industry best practices, regulatory developments, and peer companies' disclosures to identify emerging trends and standards.
- *Business Unit Engagement*
  - — A self-assessment questionnaire was distributed to relevant business units to validate findings and gather additional insights on existing mitigation strategies.

This approach ensured a thorough evaluation of risks and opportunities, leveraging both internal expertise and external benchmarks to build a comprehensive understanding of climate-related impacts.

5. ENVIRONMENT *(continued)*

5.3. Climate Action *(continued)*

The following tables outline the key risks and opportunities and the responses of the Group.

(a) *For food businesses*

(i) Climate-related physical risks

Risk and opportunity type	Impacts on business model and value chain	Our mitigation response/How we seize the opportunities
Acute – Increased exposure to acute weather events (e.g. storms, floods, extreme temperatures) that threaten physical facilities, disrupt supply chains, compromise workforce availability, and reduce customer access to food and beverage services 	**Financial:** • Capital expenditures for repairs, asset devaluation, and rising insurance premiums • Increased operational costs (e.g. emergency power solution, expedited shipping, and maintaining a pool of temporary labour) • Revenue losses due to business downtime, perishable goods spoilage, and reduced foot traffic **Operational:** • Damage to equipment, infrastructure, and inventory, shortening asset lifespans • Supply chain disruptions leading to menu shortages, production delays, and idle facilities • Workforce shortages due to weather-related employee absences	**Proactive Site Selection:** • Assess flood risk and elevation factors when selecting new locations for outlets and restaurants **Emergency Preparedness:** • Develop and regularly update business continuity plans, including procedures for temporary closures, remote work, and rapid recovery • Conduct staff training and emergency drills for extreme weather scenarios **Supply Chain Resilience:** • Diversify suppliers and sourcing locations to mitigate regional disruptions • Implement inventory management systems to maintain critical stock levels **Workforce Flexibility:** • Cross-train employees and maintain a pool of temporary workers to address staffing shortages • Provide employee support programs (e.g. emergency aid, flexible scheduling) during disruptions **Customer Engagement and Revenue Protection:** • Launch targeted promotions and delivery or online ordering options to offset foot traffic declines • Partner with third-party delivery platforms to expand service reach during weather events **Insurance Optimisation:** • Implement risk mitigation measures to lower insurance premiums • Regularly review and negotiate insurance policies to ensure adequate coverage at competitive rates

5. ENVIRONMENT *(continued)*

5.3. Climate Action *(continued)*

(a) *For food businesses (continued)*

(i) Climate-related physical risks *(continued)*

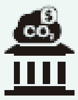
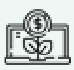
Risk and opportunity type	Impacts on business model and value chain	Our mitigation response/How we seize the opportunities
Chronic – Rising mean temperature, amplifying cooling demands, accelerating equipment degradation, altering consumer preferences, and destabilising supply chains for critical ingredients 	**Financial:** • Higher operating costs from increased energy consumption and frequent equipment replacements • Capital expenditures for cooling system upgrades, heat-resilient infrastructure, and safety stock procurement • Margin pressures from volatile ingredient prices and supply chain rerouting **Operational:** • Reduced lifespans of kitchen equipment and facilities due to heat-related wear and tear **Strategic:** • Declining foot traffic and customer satisfaction if dining experiences fail to adapt to heat-related preferences • Reputational risks from inconsistent menu availability or perceived lack of climate preparedness	**Energy Efficiency and Cooling Optimisation:** • Retrofit Heating, Ventilation, and Air Conditioning ("HVAC") systems and kitchen ventilation with energy-efficient technologies to reduce cooling costs • Conduct regular energy audits to prioritise upgrades and maintenance **Heat-Resilient Infrastructure:** • Implement proactive maintenance programs and invest in durable, heat-resistant equipment **Consumer-Centric Adaptation:** • Adjust menus to feature heat-friendly offerings (e.g. seasonal, lighter dishes) and promote cooling amenities • Enhance indoor dining comfort through climate-controlled spaces and optimised seating layouts **Supply Chain Resilience:** • Diversify ingredient sourcing regions and maintain strategic safety stock for critical items • Adopt flexible menu planning to accommodate seasonal ingredient availability and price fluctuations

5. ENVIRONMENT *(continued)*

5.3. Climate Action *(continued)*

(a) *For food businesses (continued)*

(ii) Climate-related transition risks and opportunities

Risk and opportunity type	Impacts on business model and value chain	Our mitigation response/How we seize the opportunities
Policy and legal – Energy efficiency regulations and stricter standard for building and equipment; carbon pricing mechanism  Resource efficiency – Use of more efficient modes of operations* 	• Increased costs for retrofitting buildings and upgrading equipment to meet new standard • Higher capital expenditure for sustainable building and equipment upgrades • Closure or suspension of operations for building upgrade as requested by the landlord • Potential increase in prices to offset the increased operating costs*	• Conduct assessment of infrastructure, equipment and processes to identify opportunities for energy efficiency improvements and compliance with new standards • Upgrade or replace equipment, prioritising the most critical and energy-intensive assets, to manage costs and minimize operational disruptions • Raise awareness among employees about the importance of reducing carbon emissions and encourage sustainable practices • Keep abreast of latest development in emerging regulation
Technology – Require the adoption of new technologies and significant investment 	• Significant initial costs for purchasing and installing low-emissions technologies	• Assess current technologies and identify areas for improvement to reduce emissions

* *denotes opportunity*

5. ENVIRONMENT *(continued)*

5.3. Climate Action *(continued)*

(a) For food businesses (continued)

(ii) Climate-related transition risks and opportunities *(continued)*

Risk and opportunity type	Impacts on business model and value chain	Our mitigation response/How we seize the opportunities
Market – Customer expectations for sustainability Products and services – Development and/or expansion of low emission goods and services (e.g. green menu); shift in consumer preferences*	• Customers demanding for healthier food option that risk falling behind the competitors • Increased attractiveness to eco-conscious customers* • Potential to command higher prices due to sustainability credentials*	• Conduct market research to understand evolving customer preferences for sustainability • Implement sustainable sourcing practices and communicate these efforts to customers • Introduce a range of plant-based and healthier menu options to cater to health-conscious customers • Participation in government campaign to promote healthy eating habits
Reputation – Potential greenwashing risk	• Damage to brand reputation and loss of customer trust, leading to reduced sales and market share • Increased scrutiny from regulators, investors, and NGOs, potentially leading to investigations, fines, or legal action	• Enhance internal awareness training to prevent greenwashing • Ensure all environmental claims in marketing and advertising are accurate, substantiated, and not misleading • Regularly engage with key stakeholders to understand their concerns and expectations related to sustainability

* *denotes opportunity*

5. ENVIRONMENT *(continued)*

5.3. Climate Action *(continued)*

(b) *For property development, property investment and property management*

(i) Climate-related physical risks

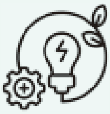
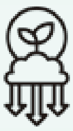
Risk and opportunity type	Impacts on business model and value chain	Our mitigation response/How we seize the opportunities
Acute – Increased exposure to acute weather events (e.g. storms, floods, extreme temperatures) 	**Financial:** • Capital expenditures for repairs, asset devaluation, and rising insurance premiums • Increased operational costs (e.g. emergency services, backup power, and business downtime) • Revenue losses due to reduced occupancy, foot traffic and temporary closures **Operational:** • Damage to buildings, infrastructure, and equipment, shortening asset lifespans • Disruptions to tenant operations **Strategic:** • Challenges in securing cost-effective insurance for high-risk locations • Long-term decline in property attractiveness and tenant retention	**Proactive Asset Management:** • Regular inspections, maintenance, and upgrades to fortify buildings and infrastructure • Investments in resilient amenities (e.g. flood barriers, storm-resistant materials) **Emergency Preparedness:** • Business continuity plans, emergency response protocols, and remote work capabilities • Backup power systems with scheduled maintenance **Tenant Collaboration:** • Tenant support for emergency planning and operational continuity • Transparent communication on emergency procedures and post-event recovery **Insurance Optimisation:** • Risk mitigation initiatives to negotiate competitive premiums and coverage • Regular policy reviews to align with evolving climate risks
Chronic – Rising mean temperature 	**Financial:** • Higher operating expenses from increased energy consumption • Capital expenditures for cooling system upgrades and infrastructure replacements • Potential insurance cost increases due to equipment failure risks **Operational:** • Reduced lifespans of property, plant, and equipment from prolonged heat exposure • Operational disruptions and increased maintenance costs tied to heat-related stress on infrastructure **Strategic:** • Declining occupancy rates for properties lacking climate adaptation measures	• Conduct energy audits and implement energy-efficient HVAC systems to reduce costs • Proactive maintain equipment to prevent failure • Collaborate with tenants to promote energy efficiency and encourage sustainable behaviour through communication and education

5. **ENVIRONMENT** *(continued)*

5.3. Climate Action *(continued)*

(b) *For property development, property investment and property management (continued)*

(ii) Climate-related transition risks and opportunities

Risk and opportunity type	Impacts on business model and value chain	Our mitigation response/How we seize the opportunities
Policy and legal – Energy efficiency regulations and stricter standards for building and equipment 	• Increased costs for retrofitting buildings and upgrading equipment to meet new standard • Higher capital expenditure for sustainable building and equipment upgrades • Decreased revenue from potential temporary closure or reduced occupancy during renovation and upgrade periods	• Assess infrastructure, equipment, and processes to identify energy efficiency opportunities and ensure compliance with new standards • Upgrade or replace equipment, prioritising critical and energy-intensive assets, to manage costs and minimise operational disruptions
Products and services – Development and/or expansion of low emission goods and services; shift in consumer preferences* 	• Positive impact on the bottom line through sustainable operational practices (e.g. increased revenue by attracting environmentally-conscious tenants) and potential to command higher rental or occupancy rates due to sustainability credentials*	

* *denotes opportunity*

It is important to proactively identify and assess climate-related risks. ESG risk factors, including climate-related issues, are incorporated into the Group's risk Assessment Template and Risk Register, which allows us to collect self-assessment results from business units as part of our bottom-up risk review process. While we continue to enhance our approach to climate risk management, this current mechanism provides a structured way to capture climate-related concerns within our broader risk assessment practices. Details of the Group's ERM framework are set out in the Risk Management Report on pages 43 to 49.

To gain a deeper understanding of the potential financial impacts associated with these identified key risks and opportunities, a scenario analysis will be conducted in the upcoming year. This analysis will provide a detailed assessment of various climate-related outcomes to analyse the factors that could influence the Group's financial performance. This will help test our business resilience under different climate scenarios and informing our long-term strategic planning.

6. PERFORMANCE SUMMARY[7,8]

Environmental KPIs	Unit	2024	2023
Air emissions			
Nitrogen oxides ("NO_x")	Tonnes	26.5	21.2
Sulphur oxides ("SO_x")	Tonnes	0.03	0.03
Respiratory suspended particles ("RSP")	Tonnes	2.3	2.0
Greenhouse gas ("GHG") emissions			
Total GHG emissions	**Tonnes CO_2e**	**13,544.3**	**12,092.6**
Scope 1[9]	Tonnes CO_2e	5,505.7[10]	4,487.0
Scope 2[11]	Tonnes CO_2e	7,947.6	7,521.2
Scope 3[12]	Tonnes CO_2e	91.0	84.4
GHG intensity	Tonnes CO_2e/m^2	0.153	0.138
Waste generation			
Hazardous waste[13]	Tonnes	19.4[13]	11.5
Non-hazardous waste[14]	Tonnes	6,760.5	6,121.1
Hazardous waste intensity	Tonnes/m^2	0.0002	0.0001
Non-hazardous waste intensity	Tonnes/m^2	0.08	0.07

7 Any discrepancies between (i) totals provided and the sum of the numbers presented; and (ii) percentages provided and the associated numbers throughout the ESG Report are due to rounding.

8 In the interest of accuracy and transparency, we have reviewed and updated our KPIs for the previous year. This revision process reflects our commitment to continually improve our reporting and ensure the reliability of the information we share with our stakeholders. The updated data has been recalculated based on the following factors:
- Inclusion of additional data sources: We have incorporated new data sources, which have led to a more comprehensive and representative account of our performance.
- Methodology refinement: We have refined our calculation methodologies to enhance accuracy and consistency in our performance representation.

9 Scope 1 emissions include direct emissions from sources that are owned or controlled by the Group, such as emissions from fuel of company vehicles, genset and cooking equipment, the refrigerant of air conditioning and fire extinguishing systems. The emission factors are based on the Intergovernmental Panel on Climate Change (IPCC) Synthesis Report (AR6) (2021), Greenhouse Gas Protocol, International Energy Agency's Energy Statistics Manual, UK Government GHG Conversion Factors for Company Reporting and United States Environmental Protection Agency's Emission Factors for Greenhouse Gas Inventories.

10 Scope 1 emissions were higher in 2024 compared to 2023, due to increased towngas consumption in our food business in Hong Kong and diesel consumption for truck transportation in Malaysia.

11 Scope 2 emissions include indirect emissions from purchased electricity in Hong Kong, Singapore, mainland China and Malaysia, as well as towngas consumed by the Group. The emission factors are based on the emission factors provided by utility providers in Hong Kong, Singapore and Malaysia and the average emission factor of the national grid in 2022 announced by the Ministry of Ecology and Environment of the People's Republic of China (the "PRC").

12 Scope 3 emissions include other indirect GHG emissions from methane gas generation at landfills in Hong Kong due to disposal of paper waste, electricity used for fresh water and sewage processing in Hong Kong and business air travel by employees.

13 Hazardous wastes primarily consist of chemical waste from the bakery factory in Malaysia. The increase in 2024 was due to higher production volume and the commencement of operations at its new wastewater treatment plant.

14 Non-hazardous wastes include domestic solid waste from offices and food waste and packaging waste from food businesses.

6. PERFORMANCE SUMMARY[7,8] *(continued)*

Environmental KPIs	Unit	2024	2023
Energy consumption			
Total energy consumption	**MWh**	**39,540.8**	**33,978.9**
Direct energy			
Petrol	MWh	91.7	68.3
Diesel	MWh	14,564.9[15]	11,772.2
Natural gas	MWh	8,044.2[16]	6,988.3
Towngas	MWh	1,234.4	1,113.3
Solar energy	MWh	565.4[17]	N/A
Indirect energy			
Purchased electricity	MWh	15,040.2[18]	14,036.7
Energy intensity	MWh/m^2	0.45	0.39
Water consumption			
Total water consumption	m^3	107,486.8	100,218.6
Water consumption intensity	m^3/m^2	1.21	1.14
Packaging material used for finished products[19]			
Total packaging material	Tonnes	97.5	105.9
Packaging materials intensity	Tonnes/HK$1 million revenue	0.13	0.14

15 Diesel consumption was higher in 2024 compared to 2023 due to the expansion of the Group's food business in Malaysia, resulting in more diesel consumption for truck transportation.

16 Natural gas consumption was higher in 2024 compared to 2023 due to higher production volume in our bakery factory in Malaysia.

17 Our bakery factory in Malaysia completed the installation of solar panels in September 2024, and there was no solar energy consumption in 2023.

18 Electricity consumption was higher in 2024 compared to 2023 due to higher production volume and the new wastewater treatment plant at our bakery factory in Malaysia and the opening of new outlets in our food businesses in Hong Kong and Singapore.

19 Packaging materials consumed by the Group include materials like plastic, paper and metal for packaging food products or catering orders.

6. PERFORMANCE SUMMARY[7,8] *(continued)*

Social KPIs[20]		Unit	2024	2023
Workforce				
Total number of employees (Year-end number)		**Person (%)**	**1,148 (100%)**	**1,075 (100%)**
By gender	Male	Person (%)	589 (51%)	541 (50%)
	Female	Person (%)	559 (49%)	534 (50%)
By age group	Below 30	Person (%)	297 (26%)	245 (23%)
	30–49	Person (%)	536 (47%)	538 (50%)
	50 or above	Person (%)	315 (27%)	292 (27%)
By region	Hong Kong	Person (%)	532 (46%)	501 (47%)
	Singapore	Person (%)	383 (33%)	363 (34%)
	Malaysia	Person (%)	208 (18%)	187 (17%)
	Mainland China	Person (%)	25 (2%)	24 (2%)
By employee type	Full-time	Person (%)	836 (73%)	810 (75%)
	Part-time	Person (%)	312 (27%)	265 (25%)
By employee category	Management	Person (%)	91 (8%)	107 (10%)
	Other employees	Person (%)	1,057 (92%)	968 (90%)
Turnover				
Turnover rate[21]		**Person (%)**	**536 (47%)**	**498 (46%)**
By gender	Male	Person (%)	271 (46%)	193 (36%)
	Female	Person (%)	265 (47%)	305 (57%)
By age group	Below 30	Person (%)	230 (77%)	211 (86%)
	30–49	Person (%)	227 (42%)	201 (37%)
	50 or above	Person (%)	79 (25%)	86 (29%)
By region	Hong Kong	Person (%)	250 (47%)	271 (54%)
	Singapore	Person (%)	178 (46%)	141 (39%)
	Malaysia	Person (%)	107 (51%)	80 (43%)
	Mainland China	Person (%)	1 (4%)	6 (25%)

20 Employee-related data in Social KPIs covers executive directors, full-time and part-time employees. Temporary and fixed-term employees with contracts shorter than one year are excluded.

21 Turnover rate = Employee in each specific category leaving employment/Number of employees in that category × 100%.

6. PERFORMANCE SUMMARY[7,8] *(continued)*

Social KPIs[20]		Unit	2024	2023
Employee Health and Safety				
Number of work-related fatalities[22]		Case	0	0
Number of work-related injuries[23]		Case	27	18
Work-related injury rate[24]		Case/100 Employees	2.4	1.7
Lost days due to work-related injuries		Day	443	417
Development and Training				
Total employees trained[25]		**Person (%)**	**850 (74%)**	**546 (51%)**
By gender	Male	Person (%)	484 (82%)	230 (43%)
	Female	Person (%)	366 (65%)	316 (59%)
By employee category	Management (Male)	Person (%)	31 (55%)	36 (58%)
	Management (Female)	Person (%)	20 (57%)	19 (42%)
	Other employees (Male)	Person (%)	453 (85%)	194 (41%)
	Other employees (Female)	Person (%)	346 (66%)	297 (61%)
Average training hours per employee[26]		**Hours**	**6.0**	**5.5**
By gender	Male	Hours	5.5	6.8
	Female	Hours	6.6	4.5
By employee category	Management (Male)	Hours	6.7	7.5
	Management (Female)	Hours	7.6	5.4
	Other employees (Male)	Hours	5.4	6.7
	Other employees (Female)	Hours	6.5	4.4
Supply Chain Management				
Total suppliers		**No. of suppliers**	**893**	**692**
By region	Hong Kong	No. of suppliers	276	280
	Singapore	No. of suppliers	321	129
	Malaysia	No. of suppliers	280	271
	Mainland China	No. of suppliers	4	3
	Others	No. of suppliers	12	9
Product Responsibility				
Number of products and service-related complaints received		Case	564	594

22 There was no work-related fatality occurred in the past 3 years including the Year.

23 Work-related injuries in 2024 mainly involved cuts, burns, slips and trips. Thorough investigations were conducted on each injury case and the Group implemented preventive measures to prevent reoccurrence, details of which are set out in section 4.3 on pages 62 to 64.

24 Rate of work-related injury = Number of work-related injuries/Total number of employees x 100 employees.

25 Percentage of employees trained = Number of employees trained in each specific category/Number of employees in that category x 100%.

26 Average training hours per employee = Number of training hours for employees in each specific category/ Number of trained employees in that category.

7. APPENDIX – HKEX ESG REPORTING CODE CONTENT INDEX

Mandatory Disclosure Requirements		Section
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Governance Structure
Reporting Principles – Materiality	The ESG report should disclosed: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified and the process and results of the issuer's stakeholder engagement.	Reporting Principles
Reporting Principles – Quantitative	Information on the standards, methodologies, assumptions and/or calculation tools used and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	Reporting Principles; Performance Summary
Reporting Principles – Consistency	The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	Reporting Principles; Performance Summary
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Reporting Boundary

7. APPENDIX – HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Subject Areas, Aspects, General Disclosures and KPIs		Section
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 and greenhouse gas emissions, discharges into water and land and generation of hazardous and non-hazardous waste.	Environment; Managing Our Emissions
KPI A1.1	The types of emissions and respective emissions data.	Performance Summary
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance 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 Summary
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Managing Our Emissions
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.	Managing Our Emissions

7. APPENDIX – HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Subject Areas, Aspects, General Disclosures and KPIs		Section
A. Environmental *(continued)*		
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environment; Moving Towards More Sustainable Resource Practices
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 Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Moving Towards More Sustainable Resource Practices
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.	Moving Towards More Sustainable Resource Practices
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Performance Summary
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment

7. APPENDIX – HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Subject Areas, Aspects, General Disclosures and KPIs		Section
A. Environmental *(continued)*		
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted and those which may impact, the issuer.	Climate Action
KPI A4.1	Description of the significant climate-related issues which have impacted and those which may impact, the issuer and the actions taken to manage them.	Climate Action
B. Social		
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; Employee Compensation, Wellness and Engagement
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Diversity and Equal Opportunities; Performance Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance 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; Employee 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 Summary
KPI B2.2	Lost days due to work injury.	Performance Summary
KPI B2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored.	Employee Health and Safety

7. APPENDIX – HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Subject Areas, Aspects, General Disclosures and KPIs		Section
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; Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training; Performance 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; Diversity and Equal Opportunities
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Diversity and Equal Opportunities
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Diversity and Equal Opportunities

7. APPENDIX – HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Subject Areas, Aspects, General Disclosures and KPIs		Section
B. Social *(continued)*		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Customers and Suppliers; Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Performance 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.	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.	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.	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.	Customers and Suppliers; Responsible Marketing
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Safety and Quality Management
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Customer Communication; Performance Summary
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Business Ethics
KPI B6.4	Description of quality assurance process and recall procedures.	Safety and Quality Management
KPI B6.5	Description of consumer data protection and privacy policies and how they are implemented and monitored.	Business Ethics

7. APPENDIX – HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Subject Areas, Aspects, General Disclosures and KPIs		Section
B. Social *(continued)*		
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.	Business Ethics
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.	Business Ethics
KPI B7.2	Description of preventive measures and whistle-blowing procedures and how they are implemented and monitored.	Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics
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.	Supporting Our Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Supporting Our Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Supporting Our Community

Independent Auditor's Report

EY 安永

To the members of Lippo China Resources Limited
(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Lippo China Resources Limited (the "Company") and its subsidiaries (the "Group") set out on pages 92 to 189, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy 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 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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") 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"), and we have 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of interest in an associate	
As at 31 December 2024, the carrying amount of the Group's interest in TIH Limited ("TIH"), a material associate of the Group, amounted to HK$310 million (net of impairment provision of HK$22 million). The interest in the associate is stated at the Group's share of net assets under the equity method of accounting, less any impairment losses at the end of each reporting period. TIH is a listed company in Singapore which is engaged in fund investment and management businesses. As at 31 December 2024, there was an indication that the Group's interest in TIH may be impaired. Accordingly, management has performed impairment assessment to determine the recoverable amount of the interest in TIH. The impairment assessment of the Group's interest in TIH was significant to our audit due to (i) the significance of the carrying amount as at 31 December 2024; and (ii) the determination of the recoverable amount of the interest in TIH requiring significant management's judgement and estimate. Related disclosures are included in Notes 3 and 19 to the consolidated financial statements.	We assessed management's process for identifying the objective evidence of impairment in respect of the interest in TIH. We evaluated and tested the assumptions and methodologies used by management in the determination of the recoverable amount. We assessed the cash flow projection of TIH by making reference to its historical financial performance. For the discount rate applied to the cash flow projection, we assessed the inputs used to determine the rate with reference to market data. We involved our internal valuation specialists to assist us in assessing the discount rate adopted in the cash flow projection.
Fair value of investment properties	
As at 31 December 2024, investment properties measured at fair values amounted to HK$575 million, with a corresponding net fair value loss of HK$37 million recognised in profit or loss. The valuation process is inherently subjective and dependent on a number of estimates. The Group has engaged independent professional valuers to perform the valuation of the investment properties. Related disclosures are included in Notes 3 and 17 to the consolidated financial statements.	We considered the objectivity, independence and competency of the valuers. We assessed the valuation methodologies adopted and assumptions used by the valuers, and performed market value benchmarking against comparable properties. We involved our internal valuation specialists to assist us in evaluating the methodologies adopted and the assumptions used by the valuers for the valuation of investment properties held by the Group.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The Directors of the Company 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. Our 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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

As part of an audit in accordance with HKSAs, 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.

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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

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 Wu Ka Lai, Cary.

Ernst & Young
Certified Public Accountants
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

28 March 2025

Consolidated Statement of Profit or Loss

For the year ended 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
Revenue	5	**775,302**	739,438
Cost of sales		**(300,708)**	(309,318)
Gross profit		**474,594**	430,120
Administrative expenses	7	**(409,194)**	(399,602)
Other operating expenses	7	**(180,867)**	(144,549)
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	7	**(63,299)**	19,912
Net fair value loss on investment properties		**(37,162)**	(25,684)
Provision for impairment losses on fixed assets	16	**(79,934)**	–
Other losses — net	6	**(8,735)**	(9,771)
Litigation settlement	8	**(386,482)**	–
Finance costs	9	**(56,700)**	(52,280)
Share of results of associates		**41,799**	(4,452)
Share of results of joint ventures		**(450)**	346
Loss before tax	7	**(706,430)**	(185,960)
Income tax	12	**(2,333)**	1,196
Loss for the year		**(708,763)**	(184,764)
Attributable to:			
Equity holders of the Company		**(683,698)**	(146,420)
Non-controlling interests		**(25,065)**	(38,344)
		(708,763)	(184,764)
		HK$	HK$
Loss per share attributable to equity holders of the Company	13		
Basic and diluted		**(0.74)**	(0.16)

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	2024 HK$'000	2023 HK$'000
Loss for the year	**(708,763)**	(184,764)
Other comprehensive income/(loss)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(9,158)**	(12,835)
Exchange differences reclassified to profit or loss upon derecognition of a foreign associate	**–**	13
Share of other comprehensive income/(loss) of associates	**(30,782)**	12,096
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	**(39,940)**	(726)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity instruments at fair value through other comprehensive income	**(2,950)**	(40,895)
Other comprehensive loss for the year, net of tax	**(42,890)**	(41,621)
Total comprehensive loss for the year	**(751,653)**	(226,385)
Attributable to:		
Equity holders of the Company	**(719,019)**	(177,647)
Non-controlling interests	**(32,634)**	(48,738)
	(751,653)	(226,385)

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
Non-current assets			
Intangible assets	15	**21,034**	21,034
Fixed assets	16	**835,349**	960,537
Investment properties	17	**575,482**	617,149
Right-of-use assets	18(a)	**150,164**	161,109
Interests in associates	19	**823,692**	819,597
Interests in joint ventures	20	**78,286**	78,574
Financial assets at fair value through other comprehensive income	21	**46,267**	49,300
Financial assets at fair value through profit or loss	22	**390,988**	445,303
Debtors, prepayments and other assets	23	**18,270**	27,351
Deferred tax assets	28	**5,893**	5,233
		2,945,425	3,185,187
Current assets			
Inventories	24	**25,001**	23,962
Debtors, prepayments and other assets	23	**141,269**	161,495
Financial assets at fair value through profit or loss	22	**101,927**	303,967
Other financial assets	25	**7,082**	–
Tax recoverable		**116**	115
Cash and cash equivalents		**283,187**	301,604
		558,582	791,143
Current liabilities			
Bank and other borrowings	26	**191,554**	141,834
Lease liabilities	18(b)	**55,910**	46,837
Creditors, accruals and other liabilities	27	**162,855**	193,345
Other financial liability	25	**–**	569
Tax payable		**119,206**	116,794
		529,525	499,379
Net current assets		**29,057**	291,764
Total assets less current liabilities		**2,974,482**	3,476,951

Consolidated Statement of Financial Position *(continued)*

As at 31 December 2024

	Note	**2024 HK$'000**	2023 HK$'000
Non-current liabilities			
Bank and other borrowings	26	**774,304**	502,998
Lease liabilities	18(b)	**105,901**	125,983
Creditors, accruals and other liabilities	27	**10,808**	8,542
Deferred tax liabilities	28	**10,541**	14,905
		901,554	652,428
Net assets		**2,072,928**	2,824,523
Equity			
Equity attributable to equity holders of the Company			
Share capital	29	**1,705,907**	1,705,907
Reserves	30	**70,893**	789,854
		1,776,800	2,495,761
Non-controlling interests		**296,128**	328,762
Total equity		**2,072,928**	2,824,523

Davy Kwok Fai Lee
Director

Stephen Riady
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to equity holders of the Company							
	Share capital HK$'000	Fair value reserve of financial assets at FVOCI* HK$'000	Other assets revaluation reserve HK$'000	Exchange equalisation reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2024	**1,705,907**	**(245,518)**	**5,395**	**67,775**	**962,202**	**2,495,761**	**328,762**	**2,824,523**
Loss for the year	**–**	**–**	**–**	**–**	**(683,698)**	**(683,698)**	**(25,065)**	**(708,763)**
Other comprehensive loss for the year:								
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**(1,589)**	**–**	**(1,589)**	**(7,569)**	**(9,158)**
Changes in fair value of equity instruments at fair value through other comprehensive income	**–**	**(2,950)**	**–**	**–**	**–**	**(2,950)**	**–**	**(2,950)**
Share of other comprehensive loss of associates	**–**	**–**	**–**	**(30,782)**	**–**	**(30,782)**	**–**	**(30,782)**
Total comprehensive loss for the year	**–**	**(2,950)**	**–**	**(32,371)**	**(683,698)**	**(719,019)**	**(32,634)**	**(751,653)**
Transfer of fair value reserve upon derecognition of equity instruments at fair value through other comprehensive income	**–**	**156,315**	**–**	**–**	**(156,315)**	**–**	**–**	**–**
Share of equity movements arising on equity transactions of an associate	**–**	**–**	**–**	**–**	**58**	**58**	**–**	**58**
At 31 December 2024	**1,705,907**	**(92,153)**	**5,395**	**35,404**	**122,247**	**1,776,800**	**296,128**	**2,072,928**
At 1 January 2023	1,705,907	(211,539)	5,395	65,023	1,108,431	2,673,217	349,818	3,023,035
Loss for the year	–	–	–	–	(146,420)	(146,420)	(38,344)	(184,764)
Other comprehensive income/(loss) for the year:								
Exchange differences on translation of foreign operations	–	–	–	(9,357)	–	(9,357)	(3,478)	(12,835)
Exchange differences reclassified to profit or loss upon derecognition of a foreign associate	–	–	–	13	–	13	–	13
Changes in fair value of equity instruments at fair value through other comprehensive income	–	(33,979)	–	–	–	(33,979)	(6,916)	(40,895)
Share of other comprehensive income of associates	–	–	–	12,096	–	12,096	–	12,096
Total comprehensive income/(loss) for the year	–	(33,979)	–	2,752	(146,420)	(177,647)	(48,738)	(226,385)
Share of equity movements arising on equity transactions of an associate	–	–	–	–	191	191	–	191
Advance from non-controlling shareholders of a subsidiary	–	–	–	–	–	–	27,682	27,682
At 31 December 2023	1,705,907	(245,518)	5,395	67,775	962,202	2,495,761	328,762	2,824,523

* FVOCI stands for fair value through other comprehensive income.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note	**2024 HK$'000**	2023 HK$'000
Cash flows from operating activities			
Cash generated from/(used in) operations	33(a)	**176,012**	(65,922)
Interest received		**8,144**	8,750
Dividends received from:			
A joint venture		**1,016**	–
Associates		**5,633**	9,663
Investments		**10,025**	10,528
Taxes refunded/(paid):			
Hong Kong		**–**	284
Mainland China and overseas		**(4,220)**	(1,762)
Net cash flows from/(used in) operating activities		**196,610**	(38,459)
Cash flows from investing activities			
Distribution from financial assets at fair value through profit or loss		**12,474**	20,532
Proceeds from disposal of:			
Fixed assets		**–**	25
Financial assets at fair value through profit or loss		**10,434**	51,859
Subsidiaries	32	**957**	–
Payments to acquire:			
Fixed assets		**(30,305)**	(46,211)
Exploration and evaluation assets		**(428)**	(405)
Financial assets at fair value through other comprehensive income		**–**	(17,472)
Financial assets at fair value through profit or loss		**(12,204)**	(19,808)
Additions to investment properties		**(822)**	–
Advances to joint ventures		**(64)**	(17)
Repayment from a joint venture		**–**	332
Litigation settlement		**(386,482)**	–
Net cash flows used in investing activities		**(406,440)**	(11,165)
Cash flows from financing activities			
Drawdown of bank and other borrowings		**799,439**	184,791
Repayment of bank and other borrowings		**(478,033)**	(402,694)
Principal portion of lease payments		**(67,142)**	(58,711)
Finance costs paid		**(57,478)**	(53,459)
Advance from non-controlling shareholders of a subsidiary		**–**	27,682
Net cash flows from/(used in) financing activities		**196,786**	(302,391)
Net decrease in cash and cash equivalents		**(13,044)**	(352,015)
Cash and cash equivalents at beginning of year		**301,604**	652,761
Exchange realignments		**(5,373)**	858
Cash and cash equivalents at end of year		**283,187**	301,604

Notes to the Financial Statements

1. CORPORATE AND GROUP INFORMATION

Lippo China Resources Limited is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at 40th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong.

The principal activity of the Company is investment holding. Its subsidiaries, associates, joint ventures and joint operation are principally engaged in investment holding, property investment, property development, food businesses, healthcare services, property management, mineral exploration and extraction, securities investment and treasury investment.

The immediate holding company of the Company is Skyscraper Realty Limited, a company incorporated in the British Virgin Islands. In the opinion of the Directors, the ultimate holding company of the Company is Lippo Capital Group Limited, a company incorporated in Hong Kong.

Details of the principal subsidiaries are set out on pages 180 to 186.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and certain financial instruments which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.1 BASIS OF PREPARATION *(continued)*

Basis of consolidation *(continued)*

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All significant intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange equalisation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements:

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised HKFRSs are described below:

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period. The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments did not have any impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKAS 21	*Lack of Exchangeability*[1]
Annual Improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRSs. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRSs. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19. Some of the Company's subsidiaries are considering the application of HKFRS 19 in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

(a) Interests in associates and joint ventures

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

The Group's interests in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interests in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's interests in associates or joint ventures.

If an interest in an associate becomes an interest in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Interests in joint operations

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

The Group recognises in relation to its interest in a joint operation:

(i) its assets, including its share of any assets held jointly;

(ii) its liabilities, including its share of any liabilities incurred jointly;

(iii) its revenue from the sale of its share of the output arising from the joint operation;

(iv) its share of the revenue from the sale of the output by the joint operation; and

(v) its expenses, including its share of any expenses incurred jointly.

The assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation are accounted for in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses.

(c) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

(c) Business combinations and goodwill (continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGUs"), or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the CGU (group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (group of CGUs) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a CGU (or group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the CGU retained.

(d) Fair value measurement

The Group measures its investment properties and certain financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(d) Fair value measurement *(continued)*

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(e) Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than contract assets, deferred tax assets, inventories, financial assets, investment properties and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or CGU's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the CGU to which the asset belongs.

In testing a CGU for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual CGU if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of CGUs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(f) Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) 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); and

(viii) 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 parent of the Group.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(g) Fixed assets and depreciation

Fixed assets, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of fixed assets is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5. The cost of an item of fixed assets comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of fixed assets are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of fixed assets to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Freehold land	Not depreciated
Buildings and leasehold improvements	Over the unexpired terms of the leases or $2^1/_2$% to 20%, whichever is shorter
Furniture, fixtures, plant and equipment	$6^2/_3$% to $33^1/_3$%
Motor vehicles	10% to 20%

Where parts of an item of fixed assets have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of fixed assets including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is not depreciated as the asset is not available for use. It is reclassified to the appropriate category of fixed assets when completed and ready for use.

(h) Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period. When fair value is not reliably determinable for a property under development, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably determinable.

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

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(h) Investment properties *(continued)*

Any gains or losses on the retirement or disposal of investment properties are recognised in the statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Fixed assets and depreciation" for owned property and/or accounts for such property in accordance with the policy stated under "Right-of-use assets" for property held as a right-of-use asset up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is dealt with as a movement in the other assets revaluation reserve. On disposal of the asset, the relevant portion of the other assets revaluation reserve realised in respect of previous valuations is transferred to the retained profits as a movement in reserves.

(i) Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Intangible asset relating to unpatented technology acquired in a business combination has finite useful life and is measured at cost less impairment losses and is amortised on a straight-line basis over its estimated useful life of 10 years.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

(j) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(j) Leases *(continued)*

Group as a lessee (continued)

At inception or on reassessment of a contract that contains a lease component and non-lease components, the Group adopts the practical expedient not to separate non-lease components and to account for the lease component and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

(i) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land and buildings	1 to 10 years
Plant and equipment	2 to 5 years
Motor vehicles	2 to 10 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(ii) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(j) Leases *(continued)*

Group as a lessee (continued)

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property and other equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. 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. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

(k) Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), and fair value through profit or loss (“FVPL”).

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for “Revenue recognition” below.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(k) Investments and other financial assets *(continued)*

Initial recognition and measurement (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at FVPL.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVOCI (debt instruments)

For debt investments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at FVOCI (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at FVOCI when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as revenue in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVPL

Financial assets at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on the equity investments are also recognised as revenue in the statement of profit or loss when the right of payment has been established.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(l) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

(i) the rights to receive cash flows from the asset have expired; or

(ii) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(m) Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(m) Impairment of financial assets *(continued)*

General approach (continued)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at FVOCI and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

(n) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(n) Financial liabilities *(continued)*

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

(o) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

(p) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(q) Derivative financial instruments

When appropriate, the Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

(r) Inventories

Inventories are stated at the lower of cost and net realisable value. In relation to the food manufacturing business, cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, labour and production overheads based on the level of normal activity. In relation to the food retail business, cost is determined on the first-in, first-out basis. Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(s) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

(t) Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general policy for provisions above; and (ii) the amount initially recognised less, when appropriate, the amount of income recognised in accordance with the policy for revenue recognition.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(u) Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(i) when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

(ii) in respect of taxable temporary differences associated with interests in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

(i) when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

(ii) in respect of deductible temporary differences associated with interests in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

2.4 MATERIAL ACCOUNTING POLICIES (continued)

(u) Income tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(v) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

(w) Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(w) Revenue recognition *(continued)*

Revenue from contracts with customers (continued)

(i) Revenue from food manufacturing operation

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods are often sold with a right of return and with retrospective promotional rebates and trading term rebates based on the aggregate sales over a period of time.

The amount of revenue recognised is based on the transaction price, which comprises the contractual price, net of the estimated promotional rebates and trading term rebates and adjusted for expected returns. Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction price only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group recognises the expected promotional rebates and trading term rebates payable to customers where considerations have been received from the customers and refunds due to expected returns from the customers as refund liabilities. Separately, the Group recognises a related asset for the right to recover the returned goods, based on the former carrying amount of the goods less expected costs to recover the goods, and adjust them against cost of sales correspondingly.

At the end of each reporting period, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes. The Group also updates its measurement of the asset for the right to recover returned goods for changes in its expectations about returned goods.

The Group has elected to apply the practical expedient to recognise the incremental costs of obtaining a contract as an expense when incurred where the amortisation period of the asset that would otherwise be recognised is one year or less.

(ii) Revenue from restaurant operation

Revenue from restaurant operation is recognised upon the delivery of food and beverage to and acceptance by customers, net of discounts.

(iii) Provision of management services

Revenue from the provision of management services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

(w) Revenue recognition (continued)

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. 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 incurred.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(x) Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

(y) Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

(z) Employee benefits

Paid leave entitlement

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the end of each reporting period is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the end of the reporting period for the expected future cost of such paid leave earned during the year by the employees and carried forward at the end of each reporting period.

Retirement benefits

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In Hong Kong, the Group operates defined contribution Mandatory Provident Fund retirement benefit schemes (the "MPF Schemes") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Schemes. Contributions are made based on a percentage of the employees' relevant income and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Schemes. The assets of the MPF Schemes are held separately from those of the Group in independently administered funds. The Group's employer contributions vest fully with the employees when contributed into the MPF Schemes except for the Group's employer voluntary contributions forfeited when the employees leave employment prior to fully vesting in such contributions, which can be used to reduce the amount of future employer contributions or to offset against future administration expenses or to refund to the Group, in accordance with the rules of the MPF Schemes.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(z) Employee benefits *(continued)*

Retirement benefits (continued)

The employees of the Group's subsidiaries which operate in mainland China are required to participate in a central pension scheme operated by the local municipal government. Contributions are made to the central pension scheme based on a percentage of the employees' relevant income and are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group's subsidiaries in Singapore and Malaysia make contributions to the Central Provident Fund Scheme ("CPF") in Singapore and the Employees Provident Fund ("EPF") in Malaysia, respectively. Both CPF and EPF are defined contribution pension schemes. Contributions to the CPF and EPF are recognised as an expense in the statement of profit or loss in the period in which the related service is performed.

(aa) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(ab) Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

(ac) Dividends and distributions

Final dividends and distributions are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends and distributions are disclosed in the notes to the financial statements. Interim dividends and distributions are simultaneously proposed and declared, because the Company's articles of association grants the Directors the authority to declare interim dividends and distributions. Consequently, interim dividends and distributions are recognised immediately as a liability when they are proposed and declared.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(ad) Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than Hong Kong dollars. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the exchange rates that approximate to those prevailing at the dates of the transactions. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange equalisation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

(a) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Property lease classification — Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease (e.g., construction of significant leasehold improvements or significant customisation to the leased asset). The Group includes the renewal period as part of the lease term for certain leases due to the significance of these assets to its operations.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. The Group may provide ancillary services to the occupants of properties it holds. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property. The property is an investment property only if the ancillary services are insignificant to the arrangement as a whole.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

(b) Estimation uncertainty

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

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(i) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;

(ii) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices; and

(iii) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The carrying amount of investment properties as at 31 December 2024 was HK$575,482,000 (2023 — HK$617,149,000). Further details are disclosed in Note 17 to the financial statements.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or CGU and choose a suitable discount rate in order to calculate the present value of those cash flows.

The recoverable amount of the CGU to which goodwill has been allocated to is determined based on value-in-use calculations. The key assumptions applied in the determination of the value in use are disclosed and further explained in Note 15 to the financial statements. The carrying amount of intangible assets as at 31 December 2024 was HK$21,034,000 (2023 — HK$21,034,000).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

(b) Estimation uncertainty *(continued)*

Impairment of interests in associates

After applying the equity method, the Group assesses whether there is any objective evidence of impairment for the interests in associates. The interests in associates are tested for impairment when there is objective evidence of impairment. The carrying amount of interests in associates as at 31 December 2024 was HK$823,692,000 (2023 — HK$819,597,000). Further details are disclosed in Note 19 to the financial statements.

Fair value of unlisted equity investments

When the fair values of financial assets recorded in the statement of financial position cannot be derived from active markets, their fair values are determined using valuation techniques including the use of comparable recent arm's length transactions and other valuation techniques commonly used by other market participants. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as the implied equity value, volatility and discount rate. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The Group classifies the fair value of these investments as Level 3. Further details are included in Note 38 to the financial statements.

Provision for expected credit losses on trade debtors

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade debtors is disclosed in Note 23 to the financial statements.

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has reportable operating segments as follows:

(a) the property investment segment includes investments relating to the letting and resale of properties;

(b) the treasury investment segment includes investments in money markets;

(c) the securities investment segment includes investments in securities that are held for trading and for long-term strategic purposes;

(d) the food businesses segment mainly includes food manufacturing and food retail operations in chains of cafés and bistros;

(e) the healthcare services segment includes the provision of healthcare management services;

(f) the property management segment includes the provision of property management services; and

(g) the "other" segment comprises principally development and sale of properties, mineral exploration and extraction and investment in a closed-end fund.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss) and comprises segment results of the Company and its subsidiaries, the Group's share of results of associates and joint ventures.

Segment results are measured consistently with the Group's profit/(loss) before tax except that the Group's share of results of associates and joint ventures, unallocated corporate expenses and certain finance costs are excluded from such measurement.

Segment assets exclude interests in associates and joint ventures, deferred tax assets, tax recoverable and other head office and corporate assets which are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and other head office and corporate liabilities which are managed on a group basis.

Inter-segment transactions are on an arm's length basis in a manner similar to transactions with third parties.

4. SEGMENT INFORMATION *(continued)*

Year ended 31 December 2024

	Property investment HK$'000	Treasury investment HK$'000	Securities investment HK$'000	Food businesses HK$'000	Healthcare services HK$'000	Property management HK$'000	Other HK$'000	Inter-segment elimination HK$'000	Consolidated HK$'000
Revenue									
External	16,998	2,809	11,314	727,796	–	12,470	3,915	–	775,302
Inter-segment	4,368	–	–	–	–	590	–	(4,958)	–
Total	21,366	2,809	11,314	727,796	–	13,060	3,915	(4,958)	775,302
Segment results	(118,324)	2,809	(57,829)	(34,755)	(461)	9,775	4,283	151	(194,351)
Unallocated corporate expenses									(505,901)
Finance costs									(47,527)
Share of results of associates	–	–	–	–	(512)	–	42,311	–	41,799
Share of results of joint ventures	–	–	–	(431)	–	–	(19)	–	(450)
Loss before tax									(706,430)
Segment assets	1,062,163	236,020	556,009	698,477	–	683	4,527	(7,458)	2,550,421
Interests in associates	–	–	–	–	470,175	–	353,517	–	823,692
Interests in joint ventures	–	–	41,279	36,970	–	–	37	–	78,286
Unallocated assets									51,608
Total assets									3,504,007
Segment liabilities	212,793	–	41,513	343,826	436,520	1,529	300,476	(992,483)	344,174
Unallocated liabilities									1,086,905
Total liabilities									1,431,079
Other segment information:									
Capital expenditure *(Note)*	922	–	–	28,726	–	7	428	–	30,083
Depreciation	(16,656)	–	–	(117,191)	–	(6)	(39)	3,994	(129,898)
Interest income	–	2,809	1,479	1,944	–	–	2,737	–	8,969
Finance costs	–	–	–	(9,698)	–	–	–	525	(9,173)
Gain on disposal of subsidiaries	–	–	–	–	–	–	957	–	957
Loss on disposal of fixed assets	–	–	–	(12,897)	–	–	–	–	(12,897)
Write-back of provisions/(Provisions) for impairment losses on:									
Fixed assets	(79,934)	–	–	–	–	–	–	–	(79,934)
Inventories	–	–	–	(1,022)	–	–	–	–	(1,022)
Loans and receivables	–	–	180	(344)	–	–	1,562	–	1,398
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	–	–	(65,774)	2,475	–	–	–	–	(63,299)
Net fair value loss on investment properties	(37,162)	–	–	–	–	–	–	–	(37,162)
Unallocated:									
Capital expenditure *(Note)*									1,472
Depreciation									(4,377)
Finance costs									(47,527)
Loss on disposal of fixed assets									(6)
Litigation settlement									(386,482)

4. SEGMENT INFORMATION *(continued)*

Year ended 31 December 2023

	Property investment HK$'000	Treasury investment HK$'000	Securities investment HK$'000	Food businesses HK$'000	Healthcare services HK$'000	Property management HK$'000	Other HK$'000	Inter-segment elimination HK$'000	Consolidated HK$'000
Revenue									
External	18,685	5,898	11,849	687,261	–	12,459	3,286	–	739,438
Inter-segment	4,041	–	–	–	–	563	834	(5,438)	–
Total	22,726	5,898	11,849	687,261	–	13,022	4,120	(5,438)	739,438
Segment results	(24,963)	5,898	26,010	(55,206)	(2,708)	9,874	(5,069)	(243)	(46,407)
Unallocated corporate expenses									(95,184)
Finance costs									(40,263)
Share of results of associates	–	–	–	–	7,710	–	(12,162)	–	(4,452)
Share of results of joint ventures	–	–	–	(400)	–	–	746	–	346
Loss before tax									(185,960)
Segment assets	1,201,022	234,458	822,391	739,114	–	722	51,790	(11,706)	3,037,791
Interests in associates	–	–	–	–	489,364	–	330,233	–	819,597
Interests in joint ventures	–	–	41,461	36,019	–	–	1,094	–	78,574
Unallocated assets									40,368
Total assets									3,976,330
Segment liabilities	208,911	–	42,208	349,354	439,257	1,474	375,787	(1,067,435)	349,556
Unallocated liabilities									802,251
Total liabilities									1,151,807
Other segment information:									
Capital expenditure *(Note)*	–	–	–	46,066	–	4	405	–	46,475
Depreciation	(16,754)	–	–	(113,992)	–	(6)	(94)	3,494	(127,352)
Interest income	–	5,898	1,131	1,840	–	–	2,454	–	11,323
Finance costs	–	–	(33)	(12,288)	–	–	–	304	(12,017)
Loss on disposal of fixed assets	–	–	–	(3,002)	–	–	(93)	–	(3,095)
Loss on derecognition of an associate	–	–	–	–	–	–	(496)	–	(496)
Provisions for impairment losses on:									
A joint venture	–	–	–	–	–	–	(34)	–	(34)
Inventories	–	–	–	(1,539)	–	–	–	–	(1,539)
Loans and receivables	–	–	(237)	–	–	–	(1,562)	–	(1,799)
Net fair value gain on financial instruments at fair value through profit or loss	–	–	19,912	–	–	–	–	–	19,912
Net fair value loss on investment properties	(25,684)	–	–	–	–	–	–	–	(25,684)
Unallocated:									
Capital expenditure *(Note)*									141
Depreciation									(5,891)
Finance costs									(40,263)
Loss on disposal of fixed assets									(3)

Note: Capital expenditure includes additions to fixed assets, investment properties and exploration and evaluation assets.

4. SEGMENT INFORMATION *(continued)*

Geographical information

(a) Revenue from external customers

	2024 HK$'000	2023 HK$'000
Hong Kong	**265,688**	255,262
Mainland China	**5,920**	7,495
Republic of Singapore	**456,551**	452,911
Malaysia	**32,764**	10,522
Other	**14,379**	13,248
	775,302	739,438

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2024 HK$'000	2023 HK$'000
Hong Kong	**974,042**	1,118,882
Mainland China	**145,087**	150,752
Republic of Singapore	**945,977**	948,430
Malaysia	**290,774**	311,882
Other	**131,772**	131,341
	2,487,652	2,661,287

The non-current assets information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

Revenue of approximately HK$119,811,000 for the year ended 31 December 2024 (2023 — HK$114,667,000) was derived from sales by the food businesses segment to a single customer.

5. REVENUE

An analysis of revenue is as follows:

	2024 HK$'000	2023 HK$'000
Revenue from contracts with customers:		
Revenue from food manufacturing operation	**348,155**	324,523
Revenue from restaurant operation	**376,103**	359,901
Provision of management services	**12,866**	12,855
	737,124	697,279
Revenue from other sources:		
Property rental income from operating leases:		
Variable lease payments that do not depend on an index or a rate	**26**	587
Other lease payments, including fixed payments	**16,972**	18,098
	16,998	18,685
Interest income	**8,969**	11,323
Dividend income	**9,835**	10,718
Other	**2,376**	1,433
	38,178	42,159
	775,302	739,438

5. **REVENUE** *(continued)*

Revenue from contracts with customers

(a) Disaggregated revenue information

Segments	Food businesses HK$'000	Property management HK$'000	Other HK$'000	Total HK$'000
Year ended 31 December 2024				
Types of goods or services:				
Revenue from food manufacturing operation	**348,155**	**–**	**–**	**348,155**
Revenue from restaurant operation	**376,103**	**–**	**–**	**376,103**
Provision of management services	**–**	**12,470**	**396**	**12,866**
Total revenue from contracts with customers	**724,258**	**12,470**	**396**	**737,124**
Geographical markets:				
Hong Kong	**240,738**	**10,526**	**396**	**251,660**
Mainland China	**–**	**1,944**	**–**	**1,944**
Republic of Singapore	**452,151**	**–**	**–**	**452,151**
Malaysia	**31,369**	**–**	**–**	**31,369**
Total revenue from contracts with customers	**724,258**	**12,470**	**396**	**737,124**
Timing of revenue recognition:				
Goods transferred at a point in time	**724,258**	**–**	**–**	**724,258**
Services transferred over time	**–**	**12,470**	**396**	**12,866**
Total revenue from contracts with customers	**724,258**	**12,470**	**396**	**737,124**
Year ended 31 December 2023				
Types of goods or services:				
Revenue from food manufacturing operation	324,523	–	–	324,523
Revenue from restaurant operation	359,901	–	–	359,901
Provision of management services	–	12,459	396	12,855
Total revenue from contracts with customers	684,424	12,459	396	697,279
Geographical markets:				
Hong Kong	227,488	10,437	396	238,321
Mainland China	–	2,022	–	2,022
Republic of Singapore	447,288	–	–	447,288
Malaysia	9,648	–	–	9,648
Total revenue from contracts with customers	684,424	12,459	396	697,279
Timing of revenue recognition:				
Goods transferred at a point in time	684,424	–	–	684,424
Services transferred over time	–	12,459	396	12,855
Total revenue from contracts with customers	684,424	12,459	396	697,279

5. REVENUE *(continued)*

Revenue from contracts with customers *(continued)*

(a) Disaggregated revenue information *(continued)*

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

Segments	Food businesses HK$'000	Property management HK$'000	Other HK$'000	Total HK$'000
Year ended 31 December 2024				
Revenue from contracts with customers				
External customers	**724,258**	**12,470**	**396**	**737,124**
Inter-segment	**–**	**590**	**–**	**590**
Total revenue from contracts with customers	**724,258**	**13,060**	**396**	**737,714**
Revenue from other sources — external	**3,538**	**–**	**3,519**	**7,057**
Total segment revenue	**727,796**	**13,060**	**3,915**	**744,771**
Year ended 31 December 2023				
Revenue from contracts with customers				
External customers	684,424	12,459	396	697,279
Inter-segment	–	563	834	1,397
Total revenue from contracts with customers	684,424	13,022	1,230	698,676
Revenue from other sources — external	2,837	–	2,890	5,727
Total segment revenue	687,261	13,022	4,120	704,403

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

(i) Revenue from food manufacturing operation

Revenue from food manufacturing operation is recognised at a point in time when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods are often sold with a right of return and with volume discounts based on the aggregate sales over a period of time. Trading terms with customers are either on a cash basis or on credit. For those customers who trade on credit, a credit period of 30 to 90 days is allowed according to relevant business practice.

5. **REVENUE** *(continued)*

Revenue from contracts with customers *(continued)*

(b) Performance obligations *(continued)*

(ii) Revenue from restaurant operation

Revenue from restaurant operation is recognised at a point in time when the food and beverage are delivered to and accepted by the customer, net of discounts. The payment of the transaction price is due immediately at the point when the customer purchases the goods.

(iii) Provision of management services

The performance obligation is satisfied over time as services are rendered. Accordingly, the service fee income is recognised as the service is performed over time.

6. OTHER LOSSES — NET

	2024 HK$'000	2023 HK$'000
Gain/(Loss) on disposal of:		
Subsidiaries *(Note 32)*	**957**	–
Fixed assets	**(12,903)**	(3,098)
Loss on derecognition of an associate	**–**	(496)
Write-back of provisions/(Provisions) for impairment losses on:		
A joint venture	**–**	(34)
Inventories	**(1,022)**	(1,539)
Loans and receivables	**1,398**	(1,799)
Foreign exchange gains/(losses) — net	**2,835**	(2,805)
	(8,735)	(9,771)

7. LOSS BEFORE TAX

Loss before tax is arrived at after crediting/(charging):

	2024 HK$'000	2023 HK$'000
Net fair value gain/(loss) on financial instruments at fair value through profit or loss:		
Financial assets at fair value through profit or loss mandatorily classified as such, including those held for trading:		
Equity securities	**(18,210)**	30,993
Debt securities	**(1,572)**	(3,061)
Investment funds	**(43,341)**	(6,661)
Derivative financial instruments	**(176)**	(1,359)
	(63,299)	19,912
Employee benefit expense *(Note (a))*:		
Wages and salaries	**(280,932)**	(275,349)
Retirement benefit costs *(Note (b))*	**(16,480)**	(14,570)
Total staff costs *(Note (c))*	**(297,412)**	(289,919)
Interest income:		
Loans and advances	**4,649**	4,195
Financial assets at fair value through profit or loss	**961**	940
Other	**3,359**	6,188
Depreciation of fixed assets *(Note (d))*	**(67,043)**	(70,987)
Depreciation of right-of-use assets *(Note (e))*	**(67,232)**	(62,256)
Auditors' remuneration *(Note (e))*	**(5,251)**	(5,179)
Lease payments not included in the measurement of lease liabilities *(Note 18(c))*	**(3,377)**	(4,731)
Direct operating expenses arising from rental-earning investment properties	**(1,640)**	(1,746)
Selling and distribution expenses *(Note (f))*	**(48,847)**	(45,241)
Legal and professional fees *(Note (f))*	**(56,452)**	(17,403)
Consultancy and service fees *(Note (f))*	**(11,508)**	(9,135)
Utilities charges *(Note (f))*	**(14,061)**	(13,424)
Cost of inventories sold *(Note (c) and Note (d))*	**(299,068)**	(307,572)
Government grants *(Note (g))*	**2,003**	1,690

Note:

(a) The amounts include Directors' emoluments disclosed in Note 10 to the financial statements.

(b) At 31 December 2024, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2023 — Nil).

(c) Total staff costs of HK$25,279,000 (2023 — HK$26,558,000) and HK$272,133,000 (2023 — HK$263,361,000) are included in "Cost of inventories sold" and "Administrative expenses" in the consolidated statement of profit or loss, respectively.

(d) Deprecation of fixed assets of HK$18,852,000 (2023 — HK$20,507,000) and HK$48,191,000 (2023 — HK$50,480,000) are included in "Cost of inventories sold" and "Administrative expenses" in the consolidated statement of profit or loss, respectively.

(e) The amounts are included in "Administrative expenses" in the consolidated statement of profit or loss.

(f) The amounts are included in "Other operating expenses" in the consolidated statement of profit or loss.

(g) Government grants mainly represent subsidies received in Singapore. There are no unfulfilled conditions or other contingencies attaching to these grants.

8. LITIGATION SETTLEMENT

Reference was made to the Group's minority ownership interest in Skye Mineral Partners, LLC ("Skye") whose major asset, prior to the events described below, was substantially all of the equity interests in CS Mining, LLC ("CS Mining"), a company that owned a number of copper ore deposits in the U.S.A. Subsequently, CS Mining sold its assets through a court-supervised sale process under its bankruptcy proceedings and a former joint venture of the Company participated and won the bid to acquire the assets in 2017. In 2018, a verified complaint was filed in a state court in the U.S.A. by the majority investors in Skye (the "Majority Investors") individually and derivatively on behalf of Skye against, among others, certain entities and persons in or related to the Group (collectively, the "Parties"), alleging, among other things, that they suffered from diminution in the value of their equity interests in CS Mining based on an alleged scheme perpetrated by the Parties on CS Mining. The Group, individually and derivatively on behalf of Skye, also filed a counterclaim against the Majority Investors and their related persons (the "Counterparties"), in which the Group claimed that the Counterparties, at all relevant times, controlled both Skye and CS Mining, preferred their own interests over those of Skye and its creditors and other owners and that this misconduct of the Counterparties caused the Group to suffer loss. The parties agreed to attempt to consensually resolved the litigation in mediation and prior to the commencement of trial in the litigation, the parties reached a settlement, which was memorialised in a settlement agreement dated 20 September 2024 (the "Settlement Agreement"). Under the Settlement Agreement, the litigation and all claims that existed with respect to the Group's ownership interest and participation in Skye and CS Mining were settled and the Parties and the Counterparties agreed to fully and forever release and discharge all the claims against each other and Skye was dissolved (the "Settlement"). In consideration of the Settlement, the Group paid US$49.5 million (equivalent to HK$386,482,000) to the Counterparties under the Settlement Agreement. While the Group continues to maintain that it has no liability in respect of the claims, the Settlement Agreement entered into by the Group avoided the risk, uncertainty and costs associated with litigation.

9. FINANCE COSTS

	2024 HK$'000	2023 HK$'000
Interest on bank and other borrowings	**49,908**	46,806
Interest on lease liabilities	**6,792**	5,474
	56,700	52,280

10. DIRECTORS' EMOLUMENTS

Directors' emoluments for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

	2024 HK$'000	2023 HK$'000
Directors' fees	**3,071**	2,754
Basic salaries, allowances and benefits in kind	**4,083**	3,683
Discretionary bonuses paid and payable	**3,777**	11,687
Retirement benefit costs	**119**	102
	11,050	18,226

The emoluments paid to each of the Directors during the year ended 31 December 2024 are as follows:

2024	Directors' fees HK$'000	Basic salaries, allowances and benefits in kind HK$'000	Discretionary bonuses paid and payable HK$'000	Retirement benefit costs HK$'000	Total HK$'000
Executive directors:					
Stephen Riady	272	2,104	2,087	74	4,537
John Luen Wai Lee	272	662	1,000	18	1,952
Davy Kwok Fai Lee *(Note (a))*	156	470	90	9	725
James Siu Lung Lee	272	847	600	18	1,737
Brian Riady *(Note (b))*	272	–	–	–	272
	1,244	4,083	3,777	119	9,223
Non-executive director:					
Leon Nim Leung Chan	447	–	–	–	447
Independent non-executive directors:					
Edwin Neo	511	–	–	–	511
Victor Ha Kuk Yung	480	–	–	–	480
Min Yen Goh	389	–	–	–	389
	1,380	–	–	–	1,380
	3,071	4,083	3,777	119	11,050

10. DIRECTORS' EMOLUMENTS *(continued)*

The emoluments paid to each of the Directors during the year ended 31 December 2023 are as follows:

2023	Directors' fees HK$'000	Basic salaries, allowances and benefits in kind HK$'000	Discretionary bonuses paid and payable HK$'000	Retirement benefit costs HK$'000	Total HK$'000
Executive directors:					
Stephen Riady	263	2,111	10,087	66	12,527
John Luen Wai Lee	263	710	1,000	18	1,991
James Siu Lung Lee	263	862	600	18	1,743
Brian Riady *(Note (b))*	200	–	–	–	200
	989	3,683	11,687	102	16,461
Non-executive director:					
Leon Nim Leung Chan	432	–	–	–	432
Independent non-executive directors:					
Edwin Neo	494	–	–	–	494
Victor Ha Kuk Yung	463	–	–	–	463
Min Yen Goh	376	–	–	–	376
	1,333	–	–	–	1,333
	2,754	3,683	11,687	102	18,226

Note:

(a) Davy Kwok Fai Lee was appointed as an executive director of the Company on 7 June 2024.

(b) Brian Riady was appointed as an executive director of the Company on 30 March 2023.

There were no arrangements under which a Director waived or agreed to waive any emoluments during the year.

No share options were granted to the Directors during the year.

11. FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS

The five highest paid employees during the year ended 31 December 2024 included one Director (2023 — one Director), details of whose emoluments are set out in Note 10 to the financial statements. Details of the emoluments of the remaining four (2023 — four) non-director, highest paid employees for the year are as follows:

	2024 HK$'000	2023 HK$'000
Basic salaries, allowances and benefits in kind	**9,221**	9,307
Discretionary bonuses paid and payable	**2,610**	1,927
Retirement benefit costs	**126**	211
	11,957	11,445

The number of non-director highest paid employees whose emoluments fell within the following bands is as follows:

	2024 Number of employees	2023 Number of employees
HK$2,000,001 to HK$2,500,000	**–**	1
HK$2,500,001 to HK$3,000,000	**2**	1
HK$3,000,001 to HK$3,500,000	**2**	2
	4	4

12. INCOME TAX

	2024 HK$'000	2023 HK$'000
Hong Kong:		
Deferred *(Note 28)*	**(42)**	(970)
Mainland China and overseas:		
Charge for the year	**8,033**	3,423
Overprovision in prior years	**(1,092)**	(1,312)
Deferred *(Note 28)*	**(4,566)**	(2,337)
	2,375	(226)
Total charge/(credit) for the year	**2,333**	(1,196)

12. INCOME TAX *(continued)*

Hong Kong profits tax has been provided at the rate of 8.25% or 16.5% (2023 — 8.25% or 16.5%), as appropriate. For the companies operating in mainland China and the Republic of Singapore, corporate taxes have been calculated on the estimated assessable profits for the year at the rates of 25% and 17% (2023 — 25% and 17%), respectively. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

A reconciliation of the tax credit applicable to loss before tax at the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax charge/(credit) at the effective tax rate is as follows:

	2024 **HK$'000**	2023 HK$'000
Loss before tax	**(706,430)**	(185,960)
Tax at the statutory tax rate of 16.5% (2023 — 16.5%)	**(116,561)**	(30,683)
Effect of different tax rates in other jurisdictions	**(657)**	(6,121)
Adjustments in respect of current tax of previous years	**(1,092)**	(1,312)
Profits and losses attributable to joint ventures and associates	**(6,823)**	677
Income not subject to tax	**(5,662)**	(11,215)
Expenses not deductible for tax	**111,883**	26,904
Effect of partial tax exemption and tax relief	**(245)**	(201)
Benefits from tax losses/temporary differences previously unrecognised	**(1,416)**	(2,632)
Tax losses/temporary differences not recognised	**22,906**	23,387
Tax charge/(credit) at the Group's effective rate	**2,333**	(1,196)

13. LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

(a) Basic loss per share

Basic loss per share is calculated based on (i) the consolidated loss for the year attributable to equity holders of the Company; and (ii) the weighted average number of approximately 918,691,000 ordinary shares (2023 — approximately 918,691,000 ordinary shares) outstanding during the year.

(b) Diluted loss per share

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2024 and 2023.

14. DIVIDEND

The Directors have resolved not to recommend payment of any final dividend for the year ended 31 December 2024 (2023 — Nil).

15. INTANGIBLE ASSETS

	Goodwill HK$'000	Trademark licence agreement HK$'000	Unpatented technology HK$'000	Total HK$'000
2024				
Cost:				
At 1 January 2024	**155,770**	**192,257**	**84,280**	**432,307**
Exchange adjustments	**(5,194)**	**(7,412)**	**(3,249)**	**(15,855)**
At 31 December 2024	**150,576**	**184,845**	**81,031**	**416,452**
Accumulated amortisation and impairment losses:				
At 1 January 2024	**134,736**	**192,257**	**84,280**	**411,273**
Exchange adjustments	**(5,194)**	**(7,412)**	**(3,249)**	**(15,855)**
At 31 December 2024	**129,542**	**184,845**	**81,031**	**395,418**
Net carrying amount:				
At 31 December 2024	**21,034**	**–**	**–**	**21,034**
2023				
Cost:				
At 1 January 2023	153,671	189,261	82,967	425,899
Exchange adjustments	2,099	2,996	1,313	6,408
At 31 December 2023	155,770	192,257	84,280	432,307
Accumulated amortisation and impairment losses:				
At 1 January 2023	132,637	189,261	82,967	404,865
Exchange adjustments	2,099	2,996	1,313	6,408
At 31 December 2023	134,736	192,257	84,280	411,273
Net carrying amount:				
At 31 December 2023	21,034	–	–	21,034

Trademark licence agreement relates to the right to use the "Délifrance" trademark granted under a licence agreement. The value of the trademark licence agreement was fully impaired in prior years.

Unpatented technology relates to Delifrance's Modified Sous Vide Process for the Group's food retail business, which allows for the preparation of food to reduce wastage significantly, increases the shelf life of the food items, and reduces the time required to reheat food significantly. The value of the unpatented technology was fully impaired in prior years.

15. INTANGIBLE ASSETS *(continued)*

Impairment testing of goodwill

The carrying amount of goodwill acquired through business combinations allocated to the food businesses is as follows:

	Goodwill HK$'000	Compounded revenue growth rate %	Long-term growth rate %	Pre-tax discount rate per annum %
At 31 December 2024				
All Around Limited	**21,034**	**3.2**	**1.0**	**10.0**
At 31 December 2023				
All Around Limited	21,034	4.1	1.0	4.5

The recoverable amounts have been determined based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a period of five years (2023 — five years). Management has considered and determined the factors applied in these financial budgets which include budgeted gross margins and the target growth rates.

Key assumptions used in the value-in-use calculations

Compounded revenue growth rate — The compounded revenue growth rate is the rate which revenue grows over a period of five years, taking into account the effect of annual compounding. Management determines the growth rate based on past performance and its expectations for market development. The forecast is based on management's past experience and does not exceed the long-term average growth rate for the industries relevant to the CGUs.

Long-term growth rate — The forecast long-term growth rate is based on published industry research and does not exceed the long-term average growth rate for the industry.

Pre-tax discount rate — The discount rate represents the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital.

Impairment loss recognised

For the years ended 31 December 2024 and 2023, impairment assessment review had been performed for the goodwill acquired in All Around Limited and it was assessed that there was no impairment as the recoverable amount was in excess of the carrying value. No impairment loss was charged to the consolidated statement of profit or loss during the year ended 31 December 2024 (2023 — Nil) based on the impairment assessment review.

Sensitivity to changes in assumptions

For the years ended 31 December 2024 and 2023, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the business units to materially exceed their recoverable amounts.

16. FIXED ASSETS

	Land and buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures, plant and equipment HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
2024						
At 1 January 2024						
Cost	942,606	211,279	306,738	20,435	3,787	1,484,845
Accumulated depreciation and impairment losses	(204,977)	(161,346)	(151,265)	(6,720)	–	(524,308)
Net carrying amount	737,629	49,933	155,473	13,715	3,787	960,537
At 1 January 2024, net of accumulated depreciation and impairment losses	737,629	49,933	155,473	13,715	3,787	960,537
Additions	148	14,022	10,686	4,147	1,302	30,305
Reclassification	–	1,541	–	–	(1,541)	–
Disposals	–	(24)	(9,627)	(12)	(3,240)	(12,903)
Depreciation provided during the year	(19,722)	(21,044)	(24,566)	(1,711)	–	(67,043)
Impairment during the year	(79,934)	–	–	–	–	(79,934)
Exchange adjustments	2,830	(762)	2,043	220	56	4,387
At 31 December 2024, net of accumulated depreciation and impairment losses	640,951	43,666	134,009	16,359	364	835,349
At 31 December 2024						
Cost	945,828	213,914	296,541	23,633	364	1,480,280
Accumulated depreciation and impairment losses	(304,877)	(170,248)	(162,532)	(7,274)	–	(644,931)
Net carrying amount	640,951	43,666	134,009	16,359	364	835,349

16. FIXED ASSETS *(continued)*

	Land and buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures, plant and equipment HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
2023						
At 1 January 2023						
Cost	949,833	193,463	308,564	13,058	6,698	1,471,616
Accumulated depreciation and impairment losses	(185,708)	(143,280)	(133,897)	(5,502)	–	(468,387)
Net carrying amount	764,125	50,183	174,667	7,556	6,698	1,003,229
At 1 January 2023, net of accumulated depreciation and impairment losses	764,125	50,183	174,667	7,556	6,698	1,003,229
Additions	497	21,696	15,711	7,721	586	46,211
Reclassification	94	2,437	734	–	(3,265)	–
Disposals	–	(2,882)	(218)	–	(23)	(3,123)
Depreciation provided during the year	(19,705)	(21,458)	(28,567)	(1,257)	–	(70,987)
Exchange adjustments	(7,382)	(43)	(6,854)	(305)	(209)	(14,793)
At 31 December 2023, net of accumulated depreciation and impairment losses	737,629	49,933	155,473	13,715	3,787	960,537
At 31 December 2023						
Cost	942,606	211,279	306,738	20,435	3,787	1,484,845
Accumulated depreciation and impairment losses	(204,977)	(161,346)	(151,265)	(6,720)	–	(524,308)
Net carrying amount	737,629	49,933	155,473	13,715	3,787	960,537

As at 31 December 2024, the Group carried out an impairment assessment of its office buildings situated in Hong Kong reported under the property investment segment as a result of drop in market value of the properties in Hong Kong during the year. The Group assessed the recoverable amounts of those land and buildings and the carrying amount of the land and buildings was written down to their recoverable amount of HK$357,000,000. An impairment loss of HK$79,934,000 (2023 — Nil) was recognised in the consolidated statement of profit or loss during the year ended 31 December 2024. The estimates of the recoverable amount were based on the fair value less costs of disposal. The fair value is categorised as a Level 3 measurement. The fair value is estimated on the basis of capitalisation of the net income and has allowed for outgoings and, in appropriate cases, made provisions for reversionary income potential. The key input was the capitalisation rate of 3.2%.

Certain land and buildings were pledged to secure banking facilities granted to the Group as set out in Note 26 to the financial statements.

17. INVESTMENT PROPERTIES

	2024 HK$'000	2023 HK$'000
Carrying amount at beginning of year	**617,149**	644,432
Additions	**822**	–
Fair value adjustments	**(37,162)**	(25,684)
Exchange adjustments	**(5,327)**	(1,599)
Carrying amount at end of year	**575,482**	617,149

Certain investment properties were pledged to secure banking facilities granted to the Group as set out in Note 26 to the financial statements.

The Group engages external, independent and professionally qualified valuers to perform valuations for determining the fair value of the Group's investment properties for financial reporting purposes. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's management has reviewed the valuation results by verifying the major inputs and assumptions made by the independent valuers and assessing the reasonableness of property valuation.

Based on professional valuations as at 31 December 2024 made by CBRE, Inc., Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Dalia Assis, Newmark Polska Sp. z o.o., RHL Appraisal Limited and Vigers Appraisal and Consulting Limited, independent qualified valuers, the investment properties were revalued on an open market, existing use basis at HK$575,482,000 (2023 — HK$617,149,000).

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	**Significant observable inputs (Level 2) HK$'000**	**Significant unobservable inputs (Level 3) HK$'000**	**Total HK$'000**
At 31 December 2024				
Recurring fair value measurement for:				
Completed investment properties in:				
Hong Kong	**–**	**–**	**354,350**	**354,350**
Mainland China	**–**	**–**	**119,542**	**119,542**
Overseas	**–**	**–**	**101,590**	**101,590**
	–	**–**	**575,482**	**575,482**
At 31 December 2023				
Recurring fair value measurement for:				
Completed investment properties in:				
Hong Kong	–	–	388,600	388,600
Mainland China	–	–	124,693	124,693
Overseas	–	–	103,856	103,856
	–	–	617,149	617,149

17. INVESTMENT PROPERTIES *(continued)*

Fair value hierarchy *(continued)*

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2023 — Nil).

Below is a summary of the valuation techniques used and key inputs to the valuation of investment properties:

Class of property	Valuation techniques	Significant unobservable inputs	Range
Completed investment properties in:			
Hong Kong	Market approach	Price per square metre	HK$121,000 to HK$263,500 (2023 — HK$201,000 to HK$289,500)
	Income approach	Capitalisation rate	3.2% to 8.0% (2023 — 2.6% to 8.0%)
Mainland China	Market approach	Price per square metre	HK$10,500 to HK$11,500 (2023 — HK$11,000 to HK$11,500)
Overseas	Market approach	Price per square metre	HK$7,500 to HK$123,500 (2023 — HK$9,500 to HK$124,000)

Under the market approach, fair value is estimated by the direct comparison method on the assumption of the sale of the property interest with the benefit of vacant possession and by referring to comparable sales transactions as available in the market. The key input was the market price per square metre. A significant increase/decrease in the market price in isolation would result in a significant increase/decrease in the fair value of the investment properties.

Under the income approach, fair value is estimated on the basis of capitalisation of the net income and has allowed for outgoings and, in appropriate cases, made provisions for reversionary income potential. The key input was the capitalisation rate. A significant increase/decrease in the capitalisation rate in isolation would result in a significant decrease/increase in the fair value of the investment properties.

18. LEASES

The Group as a lessee

The Group has lease contracts for various items of properties, equipment and motor vehicles used in its operations. Leases of properties generally have lease terms of 1 to 10 years. Equipment generally has lease terms of 2 to 5 years, while motor vehicles generally have lease terms of 2 to 10 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. The Group has elected not to recognise right-of-use assets and lease liabilities for leases with lease term of 1 year or less and leases of low-value assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Land and buildings HK$'000	Plant and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
2024				
At 1 January 2024	**149,501**	**1,869**	**9,739**	**161,109**
Additions	**44,745**	**239**	**13,977**	**58,961**
Depreciation provided during the year	**(55,649)**	**(823)**	**(10,760)**	**(67,232)**
Exchange adjustments	**(2,552)**	**(39)**	**(83)**	**(2,674)**
At 31 December 2024	**136,045**	**1,246**	**12,873**	**150,164**
2023				
At 1 January 2023	138,503	471	16,867	155,841
Additions	62,122	2,165	2,598	66,885
Depreciation provided during the year	(51,640)	(770)	(9,846)	(62,256)
Exchange adjustments	516	3	120	639
At 31 December 2023	149,501	1,869	9,739	161,109

18. LEASES *(continued)*

The Group as a lessee *(continued)*

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2024 HK$'000	2023 HK$'000
Balance at beginning of year	**172,820**	165,383
Additions	**58,961**	66,885
Interest expenses	**6,792**	5,474
Payments	**(73,934)**	(64,185)
Exchange adjustments	**(2,828)**	(737)
Balance at end of year	**161,811**	172,820
Analysed into:		
Within one year	**55,910**	46,837
After one year but within two years	**59,705**	43,659
After two years but within five years	**38,397**	71,929
Over five years	**7,799**	10,395
	105,901	125,983
	161,811	172,820

The maturity analysis of lease liabilities is disclosed in Note 39(b) to the financial statements.

(c) Amounts recognised in profit or loss in relation to leases

	2024 HK$'000	2023 HK$'000
Interest on lease liabilities	**6,792**	5,474
Depreciation of right-of-use assets	**67,232**	62,256
Expense relating to short-term leases (included in administrative expenses)	**183**	628
Expense relating to leases of low-value assets (included in administrative expenses)	**222**	256
Variable lease payments not included in the measurement of lease liabilities (included in administrative expenses)	**2,972**	3,847
Total amount recognised in the statement of profit or loss	**77,401**	72,461

18. LEASES *(continued)*

The Group as a lessee *(continued)*

(d) Extension and termination options

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and they are aligned with the Group's business needs. The Group does not expect to exercise the termination options under the lease contracts. Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease terms:

	Payable within five years HK$'000	Payable after five years HK$'000	Total HK$'000
At 31 December 2024			
Extension options expected not to be exercised	**–**	**42,134**	**42,134**
At 31 December 2023			
Extension options expected not to be exercised	3,591	43,824	47,415

(e) Variable lease payments

The Group leased certain properties which contain variable lease payment terms that are based on the percentage of sales in excess of the base rent. There are also minimum annual base rental arrangements for these leases. The amounts of the fixed and variable lease payments made during the year ended 31 December 2024 for these leases were HK$42,905,000 and HK$2,972,000 (2023 — HK$37,267,000 and HK$3,847,000), respectively.

(f) The total cash outflow for leases is disclosed in Note 33(d) to the financial statements.

The Group as a lessor

The Group leases certain properties under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the prevailing market condition. Details of the rental income recognised by the Group are included in Note 5 to the financial statements.

At the end of the reporting period, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows:

	2024 HK$'000	2023 HK$'000
Within one year	**10,761**	12,491
After one year but within two years	**5,785**	6,671
After two years but within three years	**2,394**	2,667
After three years but within four years	**1,161**	1,165
After four years but within five years	**1,161**	1,129
After five years	**894**	2,001
	22,156	26,124

19. INTERESTS IN ASSOCIATES

	2024 **HK$'000**	2023 HK$'000
Share of net assets	**572,375**	558,203
Goodwill	**273,615**	284,586
Provisions for impairment losses	**(22,298)**	(23,192)
	823,692	819,597

As at 31 December 2024, certain shares in a listed associate were pledged to secure banking facilities granted to the Group as set out in Note 26 to the financial statements (2023 — Nil).

Details of the principal associates are set out on page 187.

Healthway Medical Corporation Limited ("Healthway") and TIH Limited ("TIH") are considered as material associates of the Group.

Healthway

Healthway has a wide network of over 130 clinics, primarily in Singapore, offering comprehensive services including general practitioner and family medicine clinics, health screening, adult specialists, baby and child specialists, dental services and allied healthcare services. Healthway is accounted for using the equity method. As at 31 December 2024, the Group's equity interest in Healthway remained at 40.76% (2023 — 40.76%).

TIH

TIH is a closed-end fund listed in Singapore which focuses on investment in various sectors in Asia such as consumer and industrial products, healthcare, technology, media and telecommunications, food, manufacturing and chemicals. TIH is accounted for using the equity method. As at 31 December 2024, the Group's equity interest in TIH remained at 39.92% (2023 — 39.92%).

The Group assessed that there was indication that the carrying amount of interest in TIH may be impaired as at 31 December 2024. The recoverable amount of the associate is estimated based on a value-in-use calculation. The Directors considered no impairment loss was necessary for the year ended 31 December 2024 (2023 — Nil).

19. INTERESTS IN ASSOCIATES *(continued)*

The following table illustrates the summarised consolidated financial information of Healthway and TIH, adjusted for fair value adjustments on acquisition (if any) and any differences in accounting policies and reconciled to the carrying amounts in the financial statements:

	Healthway		TIH	
	2024	2023	**2024**	2023
	HK$'000	HK$'000	**HK$'000**	HK$'000
Current assets	**305,916**	323,751	**320,672**	341,175
Non-current assets	**807,429**	826,050	**497,490**	515,806
Current liabilities	**(254,965)**	(265,775)	**(41,616)**	(139,132)
Non-current liabilities	**(245,830)**	(254,131)	**(108)**	(787)
Net assets, excluding goodwill	**612,550**	629,895	**776,438**	717,062
Less: Non-controlling interests	**(29,199)**	(22,329)	**–**	–
Net assets attributable to equity holders of the associates	**583,351**	607,566	**776,438**	717,062
Reconciliation to the Group's interests in associates:				
Group's share of net assets of associates, excluding goodwill	**237,766**	247,636	**309,954**	286,251
Goodwill, less cumulative impairment	**232,409**	241,728	**–**	–
Carrying amount of the investments	**470,175**	489,364	**309,954**	286,251
Revenue for the year	**1,081,918**	997,609	**122,754**	32,580
Profit/(Loss) for the year attributable to equity holders of the associates	**(1,255)**	18,916	**103,424**	(25,631)
Other comprehensive income/(loss) for the year attributable to equity holders of the associates	**(45,968)**	18,696	**(29,937)**	11,208
Total comprehensive income/(loss) for the year attributable to equity holders of the associates	**(47,223)**	37,612	**73,487**	(14,423)
Dividend received for the year	**–**	–	**5,633**	5,624
Fair value of the Group's listed investments *(Note)*	**N/A**	N/A	**112,500**	106,737

Note: Based on the quoted market prices as at 31 December 2024 and 2023 (Level 1 in the fair value hierarchy)

N/A: Not applicable

19. INTERESTS IN ASSOCIATES *(continued)*

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2024 HK$'000	2023 HK$'000
Share of the associates' profit/(loss) for the year	**1,024**	(1,930)
Share of the associates' other comprehensive income/(loss) for the year	**(96)**	1
Share of the associates' total comprehensive income/(loss) for the year	**928**	(1,929)
Aggregate carrying amount of the Group's interests in the associates	**43,563**	43,982

20. INTERESTS IN JOINT VENTURES

	2024 HK$'000	2023 HK$'000
Share of net liabilities	**(2,015)**	(539)
Due from joint ventures	**213,265**	212,811
Provisions for impairment losses	**(132,964)**	(133,698)
	78,286	78,574

As at 31 December 2024, the amounts due from joint ventures included balances of HK$38,930,000 (2023 — HK$37,579,000), which are unsecured, bear interest at rates ranging from nil to 5% per annum (2023 — nil to 5% per annum) and are repayable when the resources of the joint venture permit. The remaining balances with the joint ventures are unsecured, interest-free and repayable on demand. In the opinion of the Directors, the balances with joint ventures are considered as part of the Group's net investments in the joint ventures. As at 31 December 2024, the loss allowance for impairment of amounts due from joint ventures amounted to HK$132,964,000 (2023 — HK$133,698,000), which represented lifetime ECLs made for credit-impaired balances. During the year ended 31 December 2023, a loss allowance of HK$34,000 was provided for credit-impaired receivables with a gross carrying amount of HK$34,000. Except for the credit-impaired balances, there has been no significant increase in credit risk of the remaining balances. As at 31 December 2024 and 2023, the loss allowance for such remaining balances was assessed to be minimal.

Details of the principal joint ventures are set out on page 188.

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2024 HK$'000	2023 HK$'000
Share of the joint ventures' profit/(loss) and total comprehensive income/(loss) for the year	**(450)**	346
Aggregate carrying amount of the Group's interests in the joint ventures	**78,286**	78,574

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 HK$'000	2023 HK$'000
Financial assets at fair value through other comprehensive income:		
Equity securities	**46,267**	49,300

The Group has designated certain equity securities as financial assets at fair value through other comprehensive income as the Group considers these equity securities to be strategic in nature.

During the year ended 31 December 2024, the Group recognised dividend income of HK$654,000 (2023 — HK$724,000) from investments held at the end of the reporting period. Such dividend income is included in "Revenue" in the consolidated statement of profit or loss.

During the year ended 31 December 2024, the Group completed a share swap of one of its unlisted investments with a listed investment in a related business, both of which are designated as financial assets at fair value through other comprehensive income. The share swap allows the Group to enhance liquidity of its investment portfolio. The fair value on the date of transfer was HK$8,785,000 and the accumulated loss of HK$2,500,000 was transferred from fair value reserve of financial assets at fair value through other comprehensive income to retained profits upon completion. The Group also derecognised certain financial assets at fair value through other comprehensive income upon dissolution of the investee during the year ended 31 December 2024. The fair value on the date of derecognition was nil and the accumulated loss of HK$153,815,000 was transferred from fair value reserve of financial assets at fair value through other comprehensive income to retained profits upon derecognition.

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 HK$'000	2023 HK$'000
Mandatorily classified as such, including those held for trading:		
Equity securities	**101,927**	279,165
Debt securities	**17,457**	37,844
Investment funds	**373,531**	432,261
	492,915	749,270
Analysed for financial reporting purposes as:		
Current assets	**101,927**	303,967
Non-current assets	**390,988**	445,303
	492,915	749,270

As at 31 December 2024, certain financial assets at fair value through profit or loss were pledged to secure banking facilities granted to the Group as set out in Note 26 to the financial statements (2023 — Nil).

23. DEBTORS, PREPAYMENTS AND OTHER ASSETS

Trade debtors mainly relate to the food businesses operation. Trading terms with customers are either on a cash basis or on credit. For those customers who trade on credit, a credit period is allowed according to relevant business practice. Credit limits are set for customers. The Group seeks to maintain tight control over its outstanding receivables in order to minimise credit risk. Overdue balances are regularly reviewed by the senior management. The Group does not hold any collateral or other credit enhancements over its trade debtors balances. Trade debtors are non-interest bearing.

Included in the balances are trade debtors with an ageing analysis, based on the invoice date and net of loss allowance, as follows:

	2024 HK$'000	2023 HK$'000
Outstanding balances with ages:		
Within 30 days	**35,339**	28,062
Between 31 and 60 days	**22,548**	21,258
Between 61 and 90 days	**13,749**	14,413
Over 90 days	**1,115**	396
	72,751	64,129

As at 31 December 2024, the balances of debtors, prepayments and other assets included loans and advances of HK$6,139,000 (2023 — HK$49,316,000), which are unsecured, bear interest at a rate of 5.0% per annum (2023 — rates ranging from 5.0% to 6.0% per annum) and are repayable within one year (2023 — one to two years). The Group does not hold any collateral or other credit enhancements over these balances.

The remaining balances of debtors, prepayments and other assets are non-interest bearing and relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2024 and 2023, the loss allowance for these balances was assessed to be minimal.

The movements in the loss allowance for impairment of trade debtors are as follows:

	2024 HK$'000	2023 HK$'000
Balance at beginning of year	**1,320**	2,050
Impairment losses recognised	**344**	–
Write-off	**(18)**	(752)
Exchange adjustments	**(59)**	22
Balance at end of year	**1,587**	1,320

An impairment analysis for trade debtors is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on the past due status of the debtors and adjusted for factors specific to the debtors, general economic condition forecasts and forward-looking information that is available without undue cost or effort. For the year ended 31 December 2024, a loss allowance of HK$344,000 (2023 — Nil) was charged to the consolidated statement of profit or loss for receivables arising from contracts with customers under the food businesses.

23. DEBTORS, PREPAYMENTS AND OTHER ASSETS *(continued)*

Set out below is the information about credit risk exposure on the Group's trade debtors using a provision matrix:

	2024 Expected credit loss rate	2024 Gross carrying amount HK$'000	2024 Expected credit losses HK$'000	2023 Expected credit loss rate	2023 Gross carrying amount HK$'000	2023 Expected credit losses HK$'000
Current	**0%**	**36,583**	**–**	0%	35,336	–
Past due:						
Within 30 days	**3.3%**	**30,991**	**1,013**	0%	24,108	–
Between 31 and 90 days	**9.6%**	**5,609**	**540**	19.8%	5,390	1,065
Between 91 and 120 days	**2.9%**	**802**	**23**	50.2%	319	160
Over 121 days	**3.1%**	**353**	**11**	32.1%	296	95
	2.1%	**74,338**	**1,587**	2.0%	65,449	1,320

The movements in the loss allowance for impairment of loans and advances are as follows:

	2024 12-month ECLs HK$'000	2023 12-month ECLs HK$'000	2023 Lifetime ECLs HK$'000	2023 Total HK$'000
Balance at beginning of year	**1,799**	–	212,727	212,727
Impairment losses recognised/(reversed)	**(1,742)**	1,799	–	1,799
Write-off	**–**	–	(212,997)	(212,997)
Exchange adjustments	**–**	–	270	270
Balance at end of year	**57**	1,799	–	1,799

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate, general economic condition forecasts and forward-looking information that is available without undue cost or effort. All loans and advances provided were considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12-month ECLs. During the year ended 31 December 2024, a loss allowance of HK$1,742,000 was reversed (2023 — HK$1,799,000 was provided), which was mainly due to the repayment of loans and advances during the year. During the year ended 31 December 2023, lifetime ECLs made in prior years for credit-impaired loans and advances were fully written off as further recovery was not expected.

24. INVENTORIES

	2024 **HK$'000**	2023 HK$'000
Raw materials and stores	**14,681**	15,022
Finished goods and goods for sale	**10,320**	8,940
	25,001	23,962

25. OTHER FINANCIAL ASSETS/LIABILITY

	2024 **Assets** **HK$'000**	2023 Liability HK$'000
Derivative financial instruments:		
Forward currency contracts *(Note)*	**2,497**	–
Futures	**–**	569
Warrants	**4,585**	–
	7,082	569

Note: Forward currency contracts are mainly used to hedge the foreign exchange exposure related to the food businesses operation. The notional amount of the outstanding forward currency contracts as at 31 December 2024 was HK$96,418,000 (2023 — Nil).

26. BANK AND OTHER BORROWINGS

	2024 HK$'000	2023 HK$'000
Current portion:		
Bank loans — secured *(Note (a))*	**191,554**	141,834
Non-current portion:		
Bank loans — secured *(Note (a))*	**604,304**	502,998
Other loan — unsecured *(Note (b))*	**170,000**	–
	774,304	502,998
	965,858	644,832
Bank and other borrowings by currency:		
Hong Kong dollar	**925,191**	602,352
Malaysian ringgit	**40,667**	42,480
	965,858	644,832
Bank loans repayable:		
Within one year or on demand	**191,554**	141,834
In the second year	**173,004**	341,337
In the third to fifth years, inclusive	**431,300**	161,661
	795,858	644,832
Other borrowings repayable:		
In the second year	**170,000**	–

The Group's bank and other borrowings bear interest at rates ranging from 5.0% to 7.2% per annum (2023 — 4.7% to 7.8% per annum).

Note:

(a) At the end of the reporting period, the bank loans were secured by:

(i) investment properties and land and buildings of the Group with carrying amounts of HK$338,067,000 (2023 — HK$324,050,000) and HK$640,951,000 (2023 — HK$737,629,000), respectively;

(ii) financial assets at fair value through profit or loss with a carrying amount of HK$63,254,000 (2023 — Nil) and shares in a listed associate of the Group with market value of HK$112,500,000 (2023 — Nil); and

(iii) fixed and floating charges over all the assets of certain subsidiaries of the Group.

(b) The Group's other loan represented a loan of HK$170,000,000 advanced from Lippo Limited ("Lippo"), an intermediate holding company of the Company, which is unsecured and bears interest at floating rate (2023 — Nil).

27. CREDITORS, ACCRUALS AND OTHER LIABILITIES

Included in the balances are trade creditors with an ageing analysis, based on the invoice date, as follows:

	2024 HK$'000	2023 HK$'000
Outstanding balances with ages:		
Within 30 days	**27,003**	28,076
Between 31 and 60 days	**13,186**	11,620
Between 61 and 90 days	**3,794**	2,804
Over 90 days	**483**	1,237
	44,466	43,737

The balances of creditors are non-interest bearing and are generally settled on their normal trade terms.

28. DEFERRED TAX

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

	Depreciation allowance in excess of related depreciation HK$'000	Revaluation of properties HK$'000	Right-of-use assets HK$'000	Lease liabilities HK$'000	Tax losses/ Unabsorbed capital allowances HK$'000	Provision and accruals HK$'000	Total HK$'000
2024							
At 1 January 2024	**28,412**	**13,474**	**20,423**	**(22,118)**	**(29,649)**	**(870)**	**9,672**
Deferred tax charged/(credited) to the statement of profit or loss during the year *(Note 12)*	**1,285**	**(4,088)**	**(1,834)**	**1,734**	**(1,250)**	**(455)**	**(4,608)**
Exchange adjustments	**5,370**	**(476)**	**(692)**	**758**	**(5,222)**	**(154)**	**(416)**
At 31 December 2024	**35,067**	**8,910**	**17,897**	**(19,626)**	**(36,121)**	**(1,479)**	**4,648**
2023							
At 1 January 2023	25,522	19,029	23,312	(23,312)	(28,576)	(2,586)	13,389
Deferred tax charged/(credited) to the statement of profit or loss during the year *(Note 12)*	4,175	(5,065)	(3,236)	1,567	(2,450)	1,702	(3,307)
Exchange adjustments	(1,285)	(490)	347	(373)	1,377	14	(410)
At 31 December 2023	28,412	13,474	20,423	(22,118)	(29,649)	(870)	9,672

28. DEFERRED TAX *(continued)*

The following is the reconciliation to the consolidated statement of financial position for financial reporting purposes:

	2024 HK$'000	2023 HK$'000
Deferred tax assets recognised in the consolidated statement of financial position	**(5,893)**	(5,233)
Deferred tax liabilities recognised in the consolidated statement of financial position	**10,541**	14,905
	4,648	9,672

The Group has tax losses of HK$1,941,366,000 (2023 — HK$1,980,522,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose, except for tax losses of HK$11,908,000 (2023 — HK$12,820,000) which will expire in one to five years (2023 — one to five years) and tax losses of HK$168,416,000 (2023 — HK$165,942,000) which will expire after five years. Deferred tax assets have not been recognised in respect of these tax losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

The Group also has unrecognised deferred tax assets in respect of unabsorbed capital allowances of HK$17,369,000 (2023 — HK$9,535,000) available for offsetting future taxable income, subject to compliance with the relevant rules and procedures and agreement of the respective tax authorities. The Group did not recognise those deferred tax assets as it is not probable that taxable profits will be available against which the unabsorbed capital allowances can be utilised.

Pursuant to the People's Republic of China Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in mainland China. The requirement became effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between mainland China and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in mainland China in respect of earnings generated from 1 January 2008.

As at 31 December 2024, there were no significant unrecognised deferred tax liabilities (2023 — Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associates or joint ventures as the Group has no liability to additional tax should such amounts be remitted.

There are no income tax consequences attaching to the payments of dividends by the Company to its shareholders.

29. SHARE CAPITAL

	Number of ordinary shares	HK$'000
Issued and fully paid:		
At 1 January 2023	**9,186,912,716**	**1,705,907**
Share Consolidation *(Note)*	**(8,268,221,445)**	**–**
At 31 December 2023, 1 January 2024 and 31 December 2024	**918,691,271**	**1,705,907**

Note: On 6 June 2023, every ten issued ordinary shares of the Company were consolidated into one share pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 2 June 2023.

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company have no par value.

30. RESERVES

The amounts of the Group's reserves and movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 96.

31. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Auric Pacific Group Limited is considered a subsidiary that has material non-controlling interests. The percentage of ownership interest held by its non-controlling shareholders as at 31 December 2024 was 59.8% (2023 — 59.8%). Details of the Group's subsidiary that has material non-controlling interests are set out below:

	2024 HK$'000	2023 HK$'000
Loss for the year allocated to non-controlling interests	**(15,656)**	(33,213)
Accumulated balances of non-controlling interests at the end of the reporting period	**267,913**	289,205

31. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS *(continued)*

The following tables illustrate the summarised consolidated financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

	2024 HK$'000	2023 HK$'000
Current assets	**125,935**	113,904
Non-current assets	**349,211**	381,147
Current liabilities	**(252,639)**	(260,480)
Non-current liabilities	**(46,867)**	(40,913)
Revenue	**350,058**	325,782
Total expenses	**(376,248)**	(381,341)
Loss for the year	**(26,190)**	(55,559)
Total comprehensive loss for the year	**(11,019)**	(83,735)
Net cash flows from/(used in) operating activities	**35,434**	(9,004)
Net cash flows from/(used in) investing activities	**(7,466)**	17,194
Net cash flows used in financing activities	**(24,865)**	(91,120)
Net increase/(decrease) in cash and cash equivalents	**3,103**	(82,930)

32. DISPOSAL OF SUBSIDIARIES

	2024 HK$'000
Net assets disposed of:	
Cash and cash equivalents	**4,043**
Gain on disposal of subsidiaries *(Note 6)*	**957**
	5,000
Satisfied by:	
Cash	**5,000**

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries was as follows:

	2024 HK$'000
Cash consideration	**5,000**
Cash and cash equivalents disposed of	**(4,043)**
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	**957**

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of loss before tax to cash generated from/(used in) operations

	Note	**2024 HK$'000**	2023 HK$'000
Loss before tax		**(706,430)**	(185,960)
Adjustments for:			
Share of results of associates		**(41,799)**	4,452
Share of results of joint ventures		**450**	(346)
Gain on disposal of subsidiaries	6	**(957)**	–
Loss on disposal of fixed assets	6	**12,903**	3,098
Loss on derecognition of an associate	6	**–**	496
Provisions/(Write-back of provisions) for impairment losses on:			
Fixed assets	16	**79,934**	–
A joint venture	6	**–**	34
Inventories	6	**1,022**	1,539
Loans and receivables	6	**(1,398)**	1,799
Net fair value loss/(gain) on financial instruments at fair value through profit or loss	7	**63,299**	(19,912)
Net fair value loss on investment properties		**37,162**	25,684
Finance costs	9	**56,700**	52,280
Interest income	5	**(8,969)**	(11,323)
Dividend income	5	**(9,835)**	(10,718)
Depreciation of fixed assets	7	**67,043**	70,987
Depreciation of right-of-use assets	7	**67,232**	62,256
Litigation settlement	8	**386,482**	–
		2,839	(5,634)
Decrease/(Increase) in other financial assets		**(7,258)**	63
Decrease/(Increase) in inventories		**(2,959)**	71
Decrease/(Increase) in debtors, prepayments and other assets		**25,623**	(62,144)
Decrease in financial instruments at fair value through profit or loss		**181,853**	3,804
Decrease in creditors, accruals and other liabilities		**(23,517)**	(1,882)
Decrease in other financial liability		**(569)**	(200)
Cash generated from/(used in) operations		**176,012**	(65,922)

(b) Major non-cash transactions

Save as disclosed elsewhere in the financial statements, the Group had the following major non-cash transactions:

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of HK$58,961,000 (2023 — HK$66,885,000) and HK$58,961,000 (2023 — HK$66,885,000), respectively, in respect of lease arrangements.

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

(c) Changes in liabilities arising from financing activities

	Bank and other borrowings HK$'000	Interest payable HK$'000	Lease liabilities HK$'000	Total HK$'000
At 1 January 2024	**644,832**	**533**	**172,820**	**818,185**
Changes from financing cash flows:				
Drawdown of bank and other borrowings	**799,439**	**–**	**–**	**799,439**
Repayment of bank and other borrowings	**(478,033)**	**–**	**–**	**(478,033)**
Principal portion of lease payments	**–**	**–**	**(67,142)**	**(67,142)**
Finance costs paid	**(2,700)**	**(47,986)**	**(6,792)**	**(57,478)**
Total changes from financing cash flows	**318,706**	**(47,986)**	**(73,934)**	**196,786**
Addition to lease liabilities	**–**	**–**	**58,961**	**58,961**
Exchange adjustments	**780**	**–**	**(2,828)**	**(2,048)**
Finance costs charged to the statement of profit or loss	**1,540**	**48,368**	**6,792**	**56,700**
At 31 December 2024	**965,858**	**915**	**161,811**	**1,128,584**
At 1 January 2023	863,437	1,084	165,383	1,029,904
Changes from financing cash flows:				
Drawdown of bank and other borrowings	184,791	–	–	184,791
Repayment of bank and other borrowings	(402,694)	–	–	(402,694)
Principal portion of lease payments	–	–	(58,711)	(58,711)
Finance costs paid	(2,100)	(45,885)	(5,474)	(53,459)
Total changes from financing cash flows	(220,003)	(45,885)	(64,185)	(330,073)
Addition to lease liabilities	–	–	66,885	66,885
Exchange adjustments	(74)	–	(737)	(811)
Finance costs charged to the statement of profit or loss	1,472	45,334	5,474	52,280
At 31 December 2023	644,832	533	172,820	818,185

(d) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2024 HK$'000	2023 HK$'000
Within operating activities	**3,377**	4,731
Within financing activities	**73,934**	64,185
	77,311	68,916

34. CONTINGENT LIABILITIES

Save as disclosed elsewhere in the financial statements, the Group had the following contingent liabilities at the end of the reporting period:

	2024 HK$'000	2023 HK$'000
Secured bankers' guarantee	**1,371**	1,337
Unsecured bankers' guarantee	**3,385**	3,357
	4,756	4,694

The bankers' guarantees were mainly issued in lieu of rental and utility deposits for the premises used in the food businesses segment. The secured bankers' guarantees were secured by certain assets pledged as security for the bank borrowings of the Group.

35. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	2024 HK$'000	2023 HK$'000
Contracted, but not provided for:		
Properties, plant and equipment	**7,273**	4,528
Financial assets at fair value through profit or loss	**76,629**	83,786
	83,902	88,314

36. RELATED PARTY TRANSACTIONS

The Group had the following transactions with related parties during the year:

(a) During the year, LCR Management Limited, a wholly-owned subsidiary of the Company, received rental income (including service charges) of HK$348,000 (2023 — HK$378,000) from Lippo, an intermediate holding company of the Company, and HK$1,072,000 (2023 — HK$1,166,000) from Hongkong Chinese Limited ("HKC"), a fellow subsidiary of the Company, respectively. The rentals were determined by reference to the then prevailing open market rentals. Such leases will expire on 31 July 2025. The Group expects the total future minimum lease receivables from Lippo and HKC for the year ending 31 December 2025 to be HK$160,000 and HK$488,000, respectively.

(b) During the year, the Group received interest income of HK$1,565,000 (2023 — HK$1,566,000) from a joint venture of the Group.

(c) During the year, the Group paid interest expense of HK$2,340,000 (2023 — Nil) to Lippo pursuant to an unsecured loan granted by such holding company, details of which are disclosed in Note 26 to the financial statements.

(d) During the year, the Group paid management service fee of HK$2,102,000 (2023 — HK$2,099,000) to a joint venture of HKC. The fee was charged pursuant to the terms of the agreement signed between the parties.

(e) On 3 January 2020, Delifrance Singapore Pte. Ltd. (formerly known as Maxx Coffee Singapore Pte. Ltd.) (the "Maxx Coffee Franchisee"), a non-wholly owned subsidiary of the Company, entered into a franchise agreement (the "Maxx Coffee Franchise Agreement") with PT Maxx Coffee Prima (the "Maxx Coffee Franchisor"), pursuant to which the Maxx Coffee Franchisor agreed to grant the Maxx Coffee Franchisee the exclusive right and licence in Singapore to carry on the business of establishing, developing and operating the Maxx Coffee shops (the "Business") for an initial term of ten years commencing from the date of the Maxx Coffee Franchise Agreement, with an option for the Maxx Coffee Franchisee to extend for another five years upon expiration of the initial term. Due to an internal group restructuring, on 30 December 2021, the Maxx Coffee Franchisee entered into a sub-franchise agreement (the "Maxx Coffee Sub-Franchise Agreement") with Maxx Coffee Singapore Pte. Ltd., a wholly-owned subsidiary of the Maxx Coffee Franchisee, in relation to the Business commencing from 1 January 2022. The terms of the Maxx Coffee Sub-Franchise Agreement are substantially the same as the terms of the Maxx Coffee Franchise Agreement and in particular, the royalty fees to be paid by the Maxx Coffee Sub-Franchisee under the Maxx Coffee Sub-Franchise Agreement will be same as those payable by the Maxx Coffee Franchisee to the Maxx Coffee Franchisor under the Maxx Coffee Franchise Agreement. During the year, no royalty fee (2023 — HK$145,000) was paid by the Group to the Maxx Coffee Franchisor. As at the date when the Maxx Coffee Franchise Agreement was entered into, the Maxx Coffee Franchisor was indirectly controlled by PT Inti Anugerah Pratama, of which Dr. Stephen Riady, an executive Director and the Chairman of the Board of Directors of the Company, and his brother, Mr. James Tjahaja Riady, were the ultimate beneficial owners.

36. RELATED PARTY TRANSACTIONS *(continued)*

(f) On 14 December 2020, Cuisine Continental Group (HK) Limited and Cuisine Continental (HK) Limited (the "Chatterbox Franchisees"), non-wholly owned subsidiaries of the Company, entered into franchise agreements (the "Chatterbox Franchise Agreements") with Chatexpress Pte. Ltd. (the "Chatterbox Franchisor"), a joint venture of HKC, pursuant to which the Chatterbox Franchisor agreed to grant to the Chatterbox Franchisees the exclusive right and licence to carry on the business of establishing and operating the restaurants known as "Chatterbox Café" and "Chatterbox Express" (together, the "Outlets"), and to conduct the business of operating casual dining restaurants and food delivery business at and from the Outlets and the channels (that is, sale and fulfilment of products via approved online food ordering and delivery platforms and any other mode of trading other than the Outlets as expressly designated by the Chatterbox Franchisor in accordance with the Chatterbox Franchise Agreements) within Hong Kong for an initial term of seven years commencing from 1 January 2021, with an option for the Chatterbox Franchisees to extend for another seven years upon expiration of the initial term. During the year, the Group paid to the Chatterbox Franchisor a royalty fee of HK$2,735,000 (2023 — HK$1,868,000).

(g) As at 31 December 2024, the Group had balances with its joint ventures, further details of which are set out in Note 20 to the financial statements.

(h) The key management personnel of the Group are its Directors. Details of the Directors' emoluments are disclosed in Note 10 to the financial statements.

The transactions referred to in items (e) and (f) above were also continuing connected transactions as defined under Chapter 14A of the Listing Rules which were subject to the disclosure requirements under the Listing Rules. Further details of such transactions are disclosed in the section headed "Continuing Connected Transactions" in the Report of the Directors. The transactions referred to in items (a), (c) and (d) above were continuing connected transactions or connected transactions exempt from the reporting, annual review and independent shareholders' approval requirement under Chapter 14A of the Listing Rules. The transactions referred to in items (b), (g) and (h) above were not continuing connected transactions or connected transactions as defined under Chapter 14A of the Listing Rules which were subject to the disclosure requirements under the Listing Rules.

In respect of the above transactions, the relationships between the Company, HKC and Lippo, all are publicly listed companies in Hong Kong, of which the ultimate holding company is Lippo Capital Group Limited, are defined, and the Directors' interests therein are separately reported.

37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	Financial assets at fair value through profit or loss — Mandatorily classified as such, including those held for trading HK$'000	Financial assets at fair value through other comprehensive income — Equity securities HK$'000	Financial assets at amortised cost HK$'000	Derivative financial instruments HK$'000	Total HK$'000
At 31 December 2024					
Financial assets at fair value through other comprehensive income	**–**	**46,267**	**–**	**–**	**46,267**
Financial assets at fair value through profit or loss	**492,915**	**–**	**–**	**–**	**492,915**
Other financial assets	**–**	**–**	**–**	**7,082**	**7,082**
Amounts due from joint ventures	**–**	**–**	**80,301**	**–**	**80,301**
Financial assets included in debtors, prepayments and other assets	**–**	**–**	**106,138**	**–**	**106,138**
Cash and cash equivalents	**–**	**–**	**283,187**	**–**	**283,187**
	492,915	**46,267**	**469,626**	**7,082**	**1,015,890**
At 31 December 2023					
Financial assets at fair value through other comprehensive income	–	49,300	–	–	49,300
Financial assets at fair value through profit or loss	749,270	–	–	–	749,270
Amounts due from joint ventures	–	–	79,113	–	79,113
Financial assets included in debtors, prepayments and other assets	–	–	147,512	–	147,512
Cash and cash equivalents	–	–	301,604	–	301,604
	749,270	49,300	528,229	–	1,326,799

37. FINANCIAL INSTRUMENTS BY CATEGORY *(continued)*

Financial liabilities

	Financial liabilities at amortised cost HK$'000	Derivative financial instruments HK$'000	Total HK$'000
At 31 December 2024			
Bank and other borrowings	**965,858**	**–**	**965,858**
Financial liabilities included in creditors, accruals and other liabilities	**157,238**	**–**	**157,238**
	1,123,096	**–**	**1,123,096**
At 31 December 2023			
Bank and other borrowings	644,832	–	644,832
Financial liabilities included in creditors, accruals and other liabilities	165,910	–	165,910
Other financial liability	–	569	569
	810,742	569	811,311

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2024 HK$'000	2023 HK$'000	**2024 HK$'000**	2023 HK$'000
Financial assets:				
Financial assets at fair value through other comprehensive income	**46,267**	49,300	**46,267**	49,300
Financial assets at fair value through profit or loss	**492,915**	749,270	**492,915**	749,270
Other financial assets	**7,082**	–	**7,082**	–
	546,264	798,570	**546,264**	798,570
Financial liability:				
Other financial liability	**–**	569	**–**	569

Management has assessed that the fair values of cash and cash equivalents, financial assets included in debtors, prepayments and other assets, amounts due from joint ventures, financial liabilities included in creditors, accruals and other liabilities approximate to their carrying amounts largely due to the short-term maturity of these instruments. In addition, the fair values of interest-bearing bank loans and floating rate other loan approximate to their carrying amounts as they are floating rate instruments that are repriced to market interest rates at or near the end of the reporting period and the changes in fair value as a result of the Group's non-performance risk were considered to be minimal.

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The Group's management is responsible for determining the policies and procedures for the fair value measurement of significant financial instruments. At each reporting date, the finance team analyses the movements in the values of financial instruments and determines major inputs applied in the valuation.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of listed equity securities, debt securities, investment funds and derivatives are based on quoted market prices.

The fair values of unlisted debt securities are determined by reference to the quoted market prices from the broker using a valuation technique with market observable inputs or calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The fair values of the forward currency contracts are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include present value calculations using forward pricing.

The fair values of unlisted investment funds are assessed to approximate the net asset values indicated on the net asset value statements issued by the investment fund managers, which take into consideration the fair values of the underlying assets held under the investments. For unlisted investment funds classified under Level 3 of the fair value measurement hierarchy, when the net asset value increases/decreases by 3% (2023 — 3%), the fair value will be increased/decreased by HK$11,206,000 (2023 — HK$12,848,000).

The fair values of unlisted equity securities are estimated based on either the market approach or the income approach. The market approach is based on the price multiple determined with reference to comparable public companies and includes appropriate risk adjustments for lack of marketability. The income approach uses the discounted cash flow model which requires management to make assumptions about model inputs, including forecast cash flows, the discount rate and volatility based on observable or unobservable market data.

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Below is a summary of significant unobservable inputs to the valuation of the unlisted equity securities used in Level 3 fair value measurements as at 31 December 2024:

	Valuation techniques	Significant unobservable inputs	Range/Rate	Sensitivity of fair value to the input
Unlisted equity securities	Market approach	Enterprise value to sales multiple ("Multiple")	3.1 (2023 — 3.42)	When Multiple increases/decreases by 0.1 (2023 — 0.1), the fair value will be increased/decreased by HK$377,000 and HK$377,000 (2023 — HK$381,000 and HK$381,000), respectively.
	Income approach	Discount rate	16.5% to 23.8% (2023 — 17.8% to 29.4%)	When discount rate increases/decreases by 3% (2023 — 3%), the fair value will be decreased/increased by HK$1,768,000 and HK$2,550,000 (2023 — HK$1,728,000 and HK$2,407,000), respectively.
		Discount for lack of marketability ("DLOM")	15.6% (2023 — 15.7%)	When DLOM increases/decreases, the fair value will be decreased/increased. Fair value changes resulting from reasonably possible changes in DLOM were not significant (2023 — not significant).

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
At 31 December 2024				
Assets measured at fair value				
Financial assets at fair value through other comprehensive income:				
Equity securities	**10,879**	**–**	**35,388**	**46,267**
Financial assets at fair value through profit or loss:				
Equity securities	**101,927**	**–**	**–**	**101,927**
Debt securities	**–**	**17,457**	**–**	**17,457**
Investment funds	**–**	**–**	**373,531**	**373,531**
Other financial assets:				
Forward currency contracts	**–**	**2,497**	**–**	**2,497**
Warrants	**4,585**	**–**	**–**	**4,585**
	117,391	**19,954**	**408,919**	**546,264**
At 31 December 2023				
Assets measured at fair value				
Financial assets at fair value through other comprehensive income:				
Equity securities	11,067	–	38,233	49,300
Financial assets at fair value through profit or loss:				
Equity securities	279,165	–	–	279,165
Debt securities	18,587	19,257	–	37,844
Investment funds	4,002	–	428,259	432,261
	312,821	19,257	466,492	798,570
Liability measured at fair value				
Other financial liability:				
Futures	569	–	–	569

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy *(continued)*

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

	Equity securities at fair value through other comprehensive income HK$'000	Debt securities at fair value through profit or loss HK$'000	Investment funds at fair value through profit or loss HK$'000
At 1 January 2024	**38,233**	**–**	**428,259**
Total losses recognised in the statement of profit or loss	**–**	**–**	**(43,388)**
Total gains recognised in other comprehensive income	**5,940**	**–**	**–**
Additions	**–**	**–**	**12,204**
Disposals	**(8,785)**	**–**	**(10,434)**
Distributions	**–**	**–**	**(12,595)**
Exchange adjustments	**–**	**–**	**(515)**
At 31 December 2024	**35,388**	**–**	**373,531**
At 1 January 2023	71,992	3,260	490,155
Total losses recognised in the statement of profit or loss	–	(3,264)	(9,258)
Total losses recognised in other comprehensive income	(33,851)	–	–
Additions	8	–	19,808
Disposals	–	–	(51,859)
Distributions	–	–	(20,763)
Exchange adjustments	84	4	176
At 31 December 2023	38,233	–	428,259

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2023 — 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.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has established policies and procedures for risk management which are reviewed regularly by the Executive Directors and senior management of the Group to ensure the proper monitoring and control of all major risks arising from the Group's activities at all times.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The risk management function is carried out by individual business units and regularly overseen by the Group's senior management with all the risk limits approved by the Executive Directors of the Group, which are summarised below. The Group's accounting policies in relation to derivatives are set out in Note 2.4 to the financial statements.

(a) Credit risk

Credit risk arises from the possibility that the counterparty in a transaction may default. It arises from treasury, investment, food businesses and other activities undertaken by the Group.

The Group trades only with recognised and creditworthy parties. The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposures. Credit policies with guidelines on credit terms and limits set the basis for risk control for trade debtors. New customers are subject to credit evaluation while the Group continues to monitor existing customers, especially those with repayment issues. Credit approval for loans and advances takes into account the type and tenor of loans, creditworthiness and repayment ability of prospective borrowers, collateral available and the resultant risk concentration in the context of the Group's total assets. Appropriate allowances are made for probable losses when necessary for identified debtors.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification. The amounts presented are gross carrying amounts for financial assets.

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	Total HK$'000
As at 31 December 2024					
Amounts due from joint ventures*	80,301	–	132,964	–	213,265
Financial assets included in debtors, prepayments and other assets					
Trade debtors**	–	–	–	74,338	74,338
Others*	33,444	–	–	–	33,444
Cash and cash equivalents***	283,187	–	–	–	283,187
	396,932	–	132,964	74,338	604,234

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(a) Credit risk *(continued)*

Maximum exposure and year-end staging (continued)

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	Total HK$'000
As at 31 December 2023					
Amounts due from joint ventures*	79,113	–	133,698	–	212,811
Financial assets included in debtors, prepayments and other assets					
Trade debtors**	–	–	–	65,449	65,449
Others*	85,182	–	–	–	85,182
Cash and cash equivalents***	301,604	–	–	–	301,604
	465,899	–	133,698	65,449	665,046

* Further details in respect of the Group's loss allowance for impairment of amounts due from joint ventures and other financial assets included in debtors, prepayments and other assets are disclosed in Notes 20 and 23 to the financial statements, respectively.

** For trade debtors to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in Note 23 to the financial statements.

*** The bank balances are deposited with creditworthy financial institutions with no recent history of default. The Group considers these balances to have low credit risk and the amount of the loss allowance for impairment was negligible.

Concentration of credit risk

The Group's exposure to credit risk arising from trade debtors and loans and advances at the end of the reporting period based on the information provided to key management is as follows:

	2024 HK$'000	2023 HK$'000
By geographical area:		
Hong Kong	**737**	1,006
Republic of Singapore	**65,811**	66,538
Indonesia	**–**	43,457
Others	**12,342**	2,444
	78,890	113,445

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(b) Liquidity risk

The Group manages the liquidity structure of its assets, liabilities and commitments in view of market conditions and its business needs, as well as to ensure that its operations meet the statutory requirement for the minimum liquidity ratio whenever applicable.

Management comprising Executive Directors and senior managers monitors the liquidity position of the Group on an on-going basis to ensure the availability of sufficient liquid funds to meet all obligations as they fall due and to make the most efficient use of the Group's financial resources. All of the Group's banking facilities are subject to the fulfilment of covenants. The relevant group entities are required to comply with certain financial covenants which are commonly found in lending arrangements with financial institutions. As at 31 December 2024, approximately 20% (2023 — 22%) of the Group's debts would mature in less than one year based on the carrying values of bank and other borrowings.

The maturity profile of liabilities of the Group as at the end of the reporting period, based on the contractual undiscounted payments (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period), is as follows:

	3 months or less HK$'000	1 year or less but over 3 months HK$'000	5 years or less but over 1 year HK$'000	Over 5 years HK$'000	Total HK$'000
At 31 December 2024					
Bank and other borrowings	**165,035**	**81,709**	**849,094**	**–**	**1,095,838**
Lease liabilities	**17,791**	**43,910**	**105,597**	**8,038**	**175,336**
Financial liabilities included in creditors, accruals and other liabilities	**90,292**	**66,946**	**–**	**–**	**157,238**
Bankers' guarantee	**893**	**1,434**	**2,429**	**–**	**4,756**
	274,011	**193,999**	**957,120**	**8,038**	**1,433,168**
At 31 December 2023					
Bank and other borrowings	66,052	118,921	534,257	–	719,230
Lease liabilities	17,360	34,137	124,456	10,721	186,674
Financial liabilities included in creditors, accruals and other liabilities	85,848	80,062	–	–	165,910
Bankers' guarantee	1,460	1,337	1,897	–	4,694
	170,720	234,457	660,610	10,721	1,076,508

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(c) Interest rate risk

Interest rate risk primarily results from timing differences in the repricing of interest-bearing assets and liabilities. The Group's interest rate positions mainly arise from treasury and other investment activities undertaken.

The Group monitors its interest-sensitive products and investments and net repricing gap and limits interest rate exposure through management of maturity profile, currency mix and choice of fixed or floating interest rates. When appropriate, interest rate swaps would be used to manage this risk in a cost-effective manner. The interest rate risk is managed and monitored regularly by the senior management of the Group.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit/(loss) before tax (through the impact on floating rate monetary assets and liabilities).

	2024		2023	
	Increase/ (Decrease) in basis points	**Increase/ (Decrease) in profit before tax HK$'000**	Increase/ (Decrease) in basis points	Increase/ (Decrease) in profit before tax HK$'000
Hong Kong dollar	**+50**	**(4,565)**	+50	(2,831)
United States dollar	**+50**	**316**	+50	219
Singapore dollar	**+50**	**204**	+50	95
Renminbi	**+50**	**148**	+50	276
Hong Kong dollar	**–50**	**4,565**	–50	2,831
United States dollar	**–50**	**(316)**	–50	(219)
Singapore dollar	**–50**	**(204)**	–50	(94)
Renminbi	**–50**	**(148)**	–50	(276)

(d) Foreign currency risk

Foreign currency risk is the risk to earnings or capital arising from movements in foreign exchange rates. The Group's foreign currency risk primarily arises from currency exposures originating from its foreign exchange dealings and other investment activities conducted in currencies other than the functional currencies of the operating units.

The Group monitors the relative foreign exchange positions of its assets and liabilities to minimise foreign currency risk. When appropriate, hedging instruments including forward contracts, swaps and currency loans would be used to manage the foreign exchange exposure. The foreign currency risk is managed and monitored on an on-going basis by the senior management of the Group.

The Group uses forward currency contracts to mitigate the currency exposures on transactions under the food businesses segment. The forward currency contracts must be in the same currency as the hedged item. It is the Group's policy not to enter into forward currency contracts until a firm commitment is in place. It is the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness. The Group does not apply hedge accounting.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(d) Foreign currency risk *(continued)*

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the United States dollar and Singapore dollar exchange rates, with all other variables held constant, of the Group's profit/(loss) before tax (arising from United States dollar and Singapore dollar denominated financial instruments).

	Increase/(Decrease) in profit before tax **2024** **HK$'000**	2023 HK$'000
United States dollar against Hong Kong dollar		
— strengthened by 3% (2023 — 3%)	**2,012**	3,093
— weakened by 3% (2023 — 3%)	**(2,012)**	(3,093)
Singapore dollar against Hong Kong dollar		
— strengthened by 3% (2023 — 3%)	**618**	375
— weakened by 3% (2023 — 3%)	**(618)**	(375)

At the end of the reporting period, total cash and cash equivalents of the Group's subsidiaries in mainland China denominated in Renminbi amounted to HK$78,923,000 (2023 — HK$129,072,000). The conversion of these Renminbi balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the government in mainland China.

(e) Equity price risk

Equity price risk is the risk that the fair values of financial assets decrease as a result of changes in the levels of equity indices and the values of individual financial assets. The Group is exposed to equity price risk mainly arising from individual financial assets included in financial assets at fair value through other comprehensive income (Note 21) and financial assets at fair value through profit or loss (Note 22) as at 31 December 2024. The Group's listed financial assets are mainly listed on the stock exchanges in Hong Kong, the Republic of Singapore and New York and are valued at quoted market prices at the end of the reporting period.

The market equity indices (rounded down) for the following stock exchanges, at the close of business of the nearest trading day to the end of the reporting period, and their respective highest and lowest points during the year were as follows:

	31 December 2024	**High/Low 2024**	31 December 2023	High/Low 2023
Hong Kong — Hang Seng Index	**20,059**	**23,241/14,794**	17,047	22,700/15,972
Republic of Singapore — Straits Times Index	**3,787**	**3,842/3,092**	3,240	3,408/3,041
New York — NYSE Composite Index	**19,097**	**20,332/16,462**	16,852	16,933/14,471

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(e) Equity price risk *(continued)*

The senior management of the Group regularly reviews and monitors the mix of securities in the Group's investment portfolio based on the fair value to ensure the loss arising from the changes in the market values of the investment portfolios is capped within an acceptable range.

The following table demonstrates the sensitivity to every 3% change in the fair values of the equity investments and investment funds, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, for the investments at fair value through other comprehensive income, the impact is deemed to be on the fair value reserve of financial assets at FVOCI.

	2024				2023			
	3% increase		3% decrease		3% increase		3% decrease	
	Increase in profit before tax HK$'000	Increase in equity* HK$'000	Decrease in profit before tax HK$'000	Decrease in equity* HK$'000	Increase in profit before tax HK$'000	Increase in equity* HK$'000	Decrease in profit before tax HK$'000	Decrease in equity* HK$'000
Financial assets at fair value through other comprehensive income								
Hong Kong	–	721	–	(721)	–	532	–	(532)
Republic of Singapore	–	457	–	(457)	–	742	–	(742)
Global and others	–	210	–	(210)	–	205	–	(205)
	–	1,388	–	(1,388)	–	1,479	–	(1,479)
Financial assets at fair value through profit or loss								
Hong Kong	34	–	(34)	–	29	–	(29)	–
Republic of Singapore	2,245	–	(2,245)	–	2,703	–	(2,703)	–
United States of America	27	–	(27)	–	5,002	–	(5,002)	–
Global and others	11,958	–	(11,958)	–	13,609	–	(13,609)	–
	14,264	–	(14,264)	–	21,343	–	(21,343)	–

* Excluding retained profits

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(f) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. 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 for managing capital during the years ended 31 December 2024 and 2023.

The Group monitors capital using a gearing ratio, which is calculated by dividing its total borrowings, net of non-controlling interests, by equity attributable to equity holders of the Company. Total borrowings include current and non-current bank and other borrowings as stated in the consolidated statement of financial position.

	2024 **HK$'000**	2023 HK$'000
Bank and other borrowings *(Note 26)*	**965,858**	644,832
Less: Non-controlling interests in bank and other borrowings	**(24,311)**	(25,395)
Bank and other borrowings, net of non-controlling interests	**941,547**	619,437
Equity attributable to equity holders of the Company	**1,776,800**	2,495,761
Gearing ratio	**53.0%**	24.8%

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2024 HK$'000	2023 HK$'000
Non-current assets		
Fixed assets	**1,565**	492
Interests in subsidiaries	**1,777,468**	2,246,168
Interest in a joint venture	**39,023**	37,653
Financial assets at fair value through profit or loss	**15,900**	17,700
	1,833,956	2,302,013
Current assets		
Debtors, prepayments and other assets	**25,435**	10,417
Cash and cash equivalents	**142,508**	86,474
	167,943	96,891
Current liabilities		
Bank loans	**161,963**	99,354
Creditors, accruals and other liabilities	**7,830**	33,499
Tax payable	**297**	297
	170,090	133,150
Net current liabilities	**(2,147)**	(36,259)
Total assets less current liabilities	**1,831,809**	2,265,754
Non-current liabilities		
Bank and other borrowings	**763,228**	502,998
Net assets	**1,068,581**	1,762,756
Equity		
Share capital	**1,704,032**	1,704,032
Reserves *(Note)*	**(635,451)**	58,724
Total equity	**1,068,581**	1,762,756

Davy Kwok Fai Lee
Director

Stephen Riady
Director

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Note:

A summary of the Company's reserves is as follows:

	Capital reserve HK$'000	Retained profits/ (Accumulated losses) HK$'000	Total HK$'000
2024			
At 1 January 2024	**705**	**58,019**	**58,724**
Loss and total comprehensive loss for the year	**–**	**(694,175)**	**(694,175)**
At 31 December 2024	**705**	**(636,156)**	**(635,451)**
2023			
At 1 January 2023	705	118,892	119,597
Loss and total comprehensive loss for the year	–	(60,873)	(60,873)
At 31 December 2023	705	58,019	58,724

41. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 28 March 2025.

Particulars of Principal Subsidiaries

PARTICULARS OF PRINCIPAL SUBSIDIARIES AS AT 31 DECEMBER 2024 ARE SET OUT BELOW.

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Golden Sunshine Worldwide Limited	British Virgin Islands/ Hong Kong	US$1	100	100	Investment holding
Grand Vista Limited	British Virgin Islands/ Hong Kong	US$1	100	100	Investment holding
Kingz Holdings Limited	British Virgin Islands/ Hong Kong	US$1	100	100	Investment holding
Rickon Holdings Limited	British Virgin Islands/ Hong Kong	US$1	100	100	Investment holding
Admiralty Development Limited	Hong Kong	HK$446,767,129	–	100	Property investment
Asia Now Resources Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Investment holding
Cajan Enterprises Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Investment holding
Castar Assets Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Property investment
Chalton Assets Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Property investment
China Chance Investments Limited	Hong Kong	HK$10	–	100	Investment holding
China Gold Pte. Ltd.	Republic of Singapore	S$1	–	100	Investment holding
China Pacific Electric Limited	British Virgin Islands/ Hong Kong	US$100	–	100	Investment holding
Continental Equity Inc.	British Virgin Islands	US$1	–	100	Investment

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Direct Union Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Investment
Dragon Board Holdings Limited	British Virgin Islands/ Hong Kong	S$1	–	100	Investment holding
Dukestown Sp. z o.o.	Poland	PLN600,000	–	100	Property investment
Energetic Realty Limited 安利捷物業有限公司	British Virgin Islands/ Hong Kong	US$1	–	100	Property investment
Ethnos Ltd.	Israel	NIS100	–	100	Property investment
Fortune Finance Investment Limited	British Virgin Islands	US$1	–	100	Investment
福建莆田忠信物業管理有限公司 (Fujian Putian Zhong Xin Property Management Limited) — wholly foreign-owned re-invested enterprise##	People's Republic of China	RMB810,000*	–	100	Property management
福州力寶商業顧問有限公司 (Fuzhou Lippo Commercial Consultants Limited) — wholly foreign-owned enterprise##	People's Republic of China	HK$100,000*	–	100	Real estate leasing and agency services, and consultancy services
Gentle Care Pte. Ltd.	Republic of Singapore	S$1	–	100	Investment holding
Golden Super Holdings Limited	British Virgin Islands	US$1	–	100	Investment
Grandbeam Limited	Hong Kong	HK$1	–	100	Investment holding
Hongkong China Treasury Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Securities investment

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Innovation Lab Technology Pte. Ltd.	Republic of Singapore	S$1	–	100	Software product development
Istan Assets Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Property investment
JB Property Holdings Pte. Ltd.	Republic of Singapore	S$1	–	100	Property investment
Kaiser Union Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Investment holding
Keytime Holdings Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Property investment
LCR Management Limited	Hong Kong	HK$1	–	100	Management services
Laurel Century Limited	British Virgin Islands	US$1	–	100	Investment holding
Liberty Town Holding Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Property investment
Lippo Consortium Pte. Limited	Republic of Singapore	S$2	–	100	Property development
Lippo Group International Pte. Limited	Republic of Singapore	S$2	–	100	Investment holding
Lippo Property Management Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Investment holding
Mantor Assets Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Property investment
Mastafield Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Property investment
Pantogon Holdings Pte Ltd	Republic of Singapore	S$1,000,000	–	100	Investment holding

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
莆田力寶商業顧問有限公司 (Putian Lippo Commercial Consultants Limited) — wholly foreign-owned enterprise##	People's Republic of China	RMB2,000,000*	–	100	Commercial consulting
莆田塔林基礎建設有限公司 (Putian Talin Infrastructure Co., Ltd.) — wholly foreign-owned enterprise##	People's Republic of China	US$300,000*	–	100	Property services
Radical Profits Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Property investment
Reiley Inc.	British Virgin Islands/ Hong Kong	US$1	–	100	Investment holding
Rock Phoenix Limited	British Virgin Islands	US$1	–	100	Property investment
Season Spark Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Investment
Serene Yield Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Property investment
Star Heaven Limited	British Virgin Islands	US$1	–	100	Investment holding
Star Trendy Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Property holding
Starford Corporation Limited	Hong Kong	HK$1	–	100	Investment
Tamsett Holdings Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Investment holding
Trefar Enterprises Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Property investment
West Tower Holding Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Property investment

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Win Joyce Limited	Hong Kong	HK$2	–	100	Investment
Winplace Global Limited	British Virgin Islands	US$1	–	100	Investment holding
Wollora Assets Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Property investment
Writring Investments Limited	Hong Kong	HK$2	–	100	Property investment
Jeremiah Holdings Limited	British Virgin Islands/ Hong Kong	S$1,298,645	–	60	Investment holding
Nine Heritage Pte Ltd	Republic of Singapore	S$1,000,000	–	48	Investment holding
Auric Pacific Group Limited	Republic of Singapore	S$60,251,954	–	40.23	Investment holding
Auric Pacific Food Industries Pte Ltd	Republic of Singapore	S$34,400,000	–	40.23	Wholesale of confectionery and bakery products
Sunshine Bread Sdn. Bhd.	Malaysia	RM25,000,002	–	40.23	Manufacture of bread, cakes and other bakery products, provision of food management and training services, consultation, supply and related matters
Superfood Retail Limited	British Virgin Islands/ Hong Kong	US$2,048,260	–	40.23	Investment holding
Cuisine Continental Group (HK) Limited	Hong Kong	HK$12,000,000	–	40.23	Selling of food and beverages, operation of cafés and kiosk and provision of catering services

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Cuisine Continental (HK) Limited	Hong Kong	HK$3,000,000	–	40.23	Selling of food and beverages, operation of restaurants and the wholesale business
Cuisine Creations Pte. Ltd.	Republic of Singapore	S$2	–	40.23	Management and holding company and development and sale of its subsidiary's franchising activities
Delifrance Singapore Pte. Ltd.	Republic of Singapore	S$4,000,002	–	40.23	Manufacture and sale of bakery and pastry products and operation of café-bakeries and bakery corners
Maxx Coffee Singapore Pte. Ltd.	Republic of Singapore	S$300,000	–	40.23	Selling of food and beverages and operation of cafés and kiosk
LCR Catering Services Limited	Hong Kong	HK$9,000,000	–	36.21	Owns and operates a restaurant in Hong Kong

\# *based on the number of issued shares carrying voting rights and represents the effective holding of the Group after non-controlling interests therein*

\## *type of legal entity*

* *paid up registered capital*

Note:

NIS	–	*New Israeli shekels*
PLN	–	*Poland zlotys*
RM	–	*Malaysian ringgits*
RMB	–	*People's Republic of China renminbi*
S$	–	*Singapore dollars*
US$	–	*United States dollars*

As at 31 December 2024, all the subsidiaries of the Company had no loan capital or convertible loan capital.

The above table includes the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of all subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

Particulars of Principal Associates

PARTICULARS OF PRINCIPAL ASSOCIATES AS AT 31 DECEMBER 2024 ARE SET OUT BELOW.

Name of company	Form of business structure	Place of incorporation and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Group#	Principal activities
Lippo-Savills Property Management Limited	Corporate	Hong Kong	HK$2	50	Property management services
Healthway Medical Corporation Limited	Corporate	Republic of Singapore	S$277,630,000	40.76	Healthcare services
莆田華正自來水有限公司 (Putian Hua Zheng Water Co., Ltd.)	Equity joint venture enterprise	People's Republic of China	RMB9,250,000*	40	Water supply
TIH Limited	Corporate	Republic of Singapore	S$56,650,000	39.92	Private equity investment
Moolahgo Pte. Ltd.	Corporate	Republic of Singapore	*Note (b)*	*Note (b)*	Digital financial services

\# *based on the number of issued shares carrying voting rights and represents the effective holding of the Group after non-controlling interests therein*

* *paid up registered capital*

Note:

(a) *RMB – People's Republic of China renminbi*
S$ – Singapore dollars
US$ – United States dollars

(b) *Its issued share capital comprised of (i) S$179,840 ordinary share capital; (ii) S$216,922 non-voting preference share capital; and (iii) US$3,349,510.70 non-voting preference share capital. The Group was interested in approximately 86.81% of its non-voting preference share capital.*

The above table includes the associates of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of all associates would, in the opinion of the Directors, result in particulars of excessive length.

Particulars of Principal Joint Ventures

PARTICULARS OF PRINCIPAL JOINT VENTURES AS AT 31 DECEMBER 2024 ARE SET OUT BELOW.

Name of company	Form of business structure	Place of incorporation and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Group (unless otherwise stated)#	Principal activities
Vasily Asia Limited	Corporate	British Virgin Islands	US$100	50	Investment
Collyer Quay Limited	Corporate	Cayman Islands	*Note (b)*	*Note (b)*	Investment holding

\# *based on the number of issued shares carrying voting rights and represents the effective holding of the Group after non-controlling interests therein*

Note:

(a) US$ – United States dollars

(b) Its issued share capital comprised of 100 management shares of US$1.00 each and 100 participating shares of US$0.01 each, of which the Group was interested in 50 management shares and 60 participating shares which entitled the Group to 50% of the voting rights and 60% of the dividend and distribution of this company.

Particulars of Joint Operation

PARTICULARS OF JOINT OPERATION AS AT 31 DECEMBER 2024 ARE SET OUT BELOW.

Name of company	Form of business structure	Place of incorporation and operation	Registered capital	Approximate percentage of interest attributable to the Group#	Principal activity
雲南東鑫礦產勘查有限公司 (Yunnan Dong Xin Mineral Exploration Company Limited)	Chinese-foreign cooperative joint-venture enterprise	People's Republic of China	US$14,900,000	72	Exploration of mineral resources

represents the effective interest of the Group after non-controlling interests therein

Note:

US$ – United States dollars

Schedule of Major Properties

(1) PROPERTIES HELD FOR INVESTMENT AS AT 31 DECEMBER 2024

Description	Use	Approximate gross floor area	Status	Percentage of the Group's interest
		(square metres)		
Hong Kong				
Lippo Centre 89 Queensway Central Inland Lot No. 8615	Commercial	1,384 (net floor area)	Rental	100
The above property is held under long term lease.				
People's Republic of China				
19th Floor to 29th Floor and 13 car parking spaces of Lippo Tianma Plaza 1 Wuyibei Road Fuzhou, Fujian	Commercial	11,955	Rental	100
The above properties are held under medium term leases.				
Overseas				
353 Pasir Panjang Road #05-02, #05-03 and #05-05 Jubilee Residence Singapore 118695	Residential	711	Rental	100
10 Harav Agan Street Jerusalem Block 30050 Parcel 101 Israel	Commercial	940	Rental	100
The above properties are freehold.				

(2) PROPERTIES HELD AS FIXED ASSETS AS AT 31 DECEMBER 2024

Description	Use	Approximate gross floor area	Approximate percentage of the Group's interest
		(square metres)	
Hong Kong			
Lippo Centre 89 Queensway Central Inland Lot No. 8615	Commercial	2,491 (net floor area)	100
2nd Floor of Sun Court 3 Belcher's Street Kennedy Town Subsection 1 of Section C of Marine Lot No. 262, the remaining portion of Section C of Marine Lot No. 262 and the remaining portion of Marine Lot No. 262	Commercial	743	100
3 units and 3 car parking spaces of Celestial Garden 5 Repulse Bay Road Rural Building Lot No. 979	Residential	660	100
The above properties are held under long term leases.			
Overseas			
No. 2 and 3, Jalan Teknologi 6 Kawasan Perindustrian Taman Teknologi 2 71760 Bandar Enstek Negeri Sembilan Darul Khusus Malaysia	Industrial	31,910	40.23
The above property is freehold.			

Summary of Financial Information

	Year ended 31 December 2024 HK$'000	Year ended 31 December 2023 HK$'000	Year ended 31 December 2022 HK$'000	Year ended 31 December 2021 HK$'000	Nine months ended 31 December 2020 HK$'000
Profit/(Loss) attributable to equity holders of the Company	**(683,698)**	(146,420)	(277,890)	48,665	(11,630)
Total assets	**3,504,007**	3,976,330	4,392,037	5,004,747	5,249,193
Total liabilities	**(1,431,079)**	(1,151,807)	(1,369,002)	(1,542,782)	(1,767,050)
Net assets	**2,072,928**	2,824,523	3,023,035	3,461,965	3,482,143
Non-controlling interests	**(296,128)**	(328,762)	(349,818)	(383,625)	(358,585)
Equity attributable to equity holders of the Company	**1,776,800**	2,495,761	2,673,217	3,078,340	3,123,558

Lippo China Resources Limited

力寶華潤有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 156)