



鷹君集團有限公司
Great Eagle
Holdings Limited

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

2024
ANNUAL REPORT



CORPORATE PROFILE



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

The Group's principal holdings include a 70.30% interest (as at 31 December 2024) in Champion Real Estate Investment Trust ("Champion REIT"), and a 71.22% interest (as at 31 December 2024) in Langham Hospitality Investments and Langham Hospitality Investments Limited ("LHI"). Champion REIT owns a Grade-A commercial office space in Three Garden Road as well as the office tower and shopping mall of Langham Place. Besides, Champion REIT also holds 27% interest in an office property located in 66 Shoe Lane of Central London. As for LHI, it holds three high quality hotels in the heart of Kowloon, including The Langham, Hong Kong, Cordis, Hong Kong and Eaton HK.

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

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

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

The Group had a core profit after tax of approximately HK\$1,553 million in the financial year 2024 and a net asset value (based on share of net assets of Champion REIT and LHI) of approximately HK\$63.03 billion as of 31 December 2024.

Corporate
Video





CONTENTS

Corporate Information	2
Information for Investors	3
Financial Highlights	5
Chairman’s Statement	8
Overview	
Business Review	
Financial Review	
Outlook	
Sustainability	30
Corporate Governance Report	36
Biographical Details of Directors and Senior Management	70
Report of the Directors	80
Independent Auditor’s Report	104
Consolidated Income Statement	109
Consolidated Statement of Comprehensive Income	110
Consolidated Statement of Financial Position	111
Consolidated Statement of Changes in Equity	113
Consolidated Statement of Cash Flows	115
Notes to the Consolidated Financial Statements	118
Appendix I – List of Major Properties	234
Appendix II – Five Years’ Financial Summary	238
Glossary of Terms	239

CORPORATE INFORMATION

DIRECTORS

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

[#] Non-executive Directors

* Independent Non-executive Directors

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

FINANCE COMMITTEE

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

COMPANY SECRETARY

WONG Mei Ling, Marina

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISORS

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

PRINCIPAL BANKERS

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

REGISTERED OFFICE

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Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Fax: (852) 2827 5799

PRINCIPAL SHARE REGISTRAR

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Canon's Court, 22 Victoria Street
PO Box HM 1179, Hamilton HM EX
Bermuda

BRANCH SHARE REGISTRAR IN HONG KONG

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

WEBSITE

www.GreatEagle.com.hk

STOCK CODE

41

INFORMATION FOR INVESTORS

FINAL DIVIDEND

The Board of Directors recommends the payment of a final dividend in the form of cash in the amount of HK50 cents per share (2023: HK50 cents per share) for the year ended 31 December 2024 to the shareholders whose names appear on the Registers of Members of the Company on Tuesday, 10 June 2025 subject to the approval of the Shareholders at the forthcoming 2025 Annual General Meeting.

Taken together with the interim dividend of HK37 cents per share paid on 15 October 2024, the total dividend for the year 2024 is HK87 cents per share (2023 total dividend: HK87 cents per share, comprising an interim dividend of HK37 cents and a final dividend of HK50 cents).

Dividend warrants in respect of the proposed 2024 final dividend are expected to be despatched to the Shareholders on 20 June 2025.

CLOSURE OF REGISTERS OF MEMBERS

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

(i) To attend and vote at the 2025 Annual General Meeting

For the purpose of ascertaining the Shareholders' entitlement to attend and vote at the 2025 Annual General Meeting, the Registers of Members of the Company will be closed from Friday, 9 May 2025 to Wednesday, 14 May 2025, both days inclusive.

In order to be eligible to attend and vote at the 2025 Annual General Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong for registration not later than 4:30 p.m. on Thursday, 8 May 2025.

(ii) To qualify for the proposed 2024 Final Dividend

For the purpose of ascertaining the Shareholders' entitlement to the proposed 2024 final dividend, the Registers of Members of the Company will be closed from Thursday, 5 June 2025 to Tuesday, 10 June 2025, both days inclusive.

In order to qualify for the proposed 2024 final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar for registration not later than 4:30 p.m. on Wednesday, 4 June 2025.

INFORMATION FOR INVESTORS

FINANCIAL CALENDAR

2024 Interim Results Announcement	:	21 August 2024
Payment of 2024 Interim Dividend	:	15 October 2024
2024 Annual Results Announcement	:	3 March 2025
Closure of Registers for ascertaining the entitlement to attend and vote at the 2025 Annual General Meeting	:	9 May 2025 to 14 May 2025 (both days inclusive)
2025 Annual General Meeting	:	14 May 2025
Ex-dividend Date	:	3 June 2025
Closure of Registers for ascertaining the entitlement to proposed 2024 Final Dividend	:	5 June 2025 to 10 June 2025 (both days inclusive)
Record Date for the proposed 2024 Final Dividend	:	10 June 2025
Payment of the proposed 2024 Final Dividend	:	20 June 2025

Our Website



FINANCIAL HIGHLIGHTS

	Year ended 31 December		Change
	2024	2023	
	HK\$ million	HK\$ million	
Key Financials on Income Statement			
Based on core business¹			
Revenue based on core business	7,833.1	7,522.3	+4.1%
Core profit after tax attributable to equity holders	1,553.0	1,858.1	-16.4%
Core profit after tax attributable to equity holders (per share)	HK\$2.08	HK\$2.49	
Based on statutory accounting principles²			
Revenue based on statutory accounting principles	10,878.5	10,644.2	+2.2%
Statutory (loss)/profit attributable to equity holders	(1,734.2)	763.5	n.m.
Interim dividend (per share)	HK\$0.37	HK\$0.37	
Final dividend (per share)	HK\$0.50	HK\$0.50	
Total dividend (per share)	HK\$0.87	HK\$0.87	

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

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

FINANCIAL HIGHLIGHTS

	As at the end of	
	December 2024	June 2024
Key Financials on Balance Sheet		
Based on share of Net Assets of Champion REIT, LHI and the U.S. Fund (core balance sheet)¹		
Net gearing	9.3%	13.5%
Book value (per share)	HK\$84.3	HK\$85.4
Based on statutory accounting principles²		
Net gearing ^{3, 4, 5}	36.1%	40.4%
Book value (per share) ^{3, 4}	HK\$72.3	HK\$73.8

¹ The Group's core balance sheet is derived from our share of LHI's net assets. As the hotels owned by LHI are classified as investment properties, the values of these three Hong Kong hotels were marked to market in our core balance sheet. More details about the balance sheet derived from our share of net assets in Champion REIT, LHI and the U.S. Fund are on page 10.

² As for the Group's balance sheet prepared under statutory accounting principles, the entire debts of Champion REIT, LHI and the U.S. Fund were consolidated in aggregate. However, the Group only owned a 70.30%, 71.22% and 49.97% equity stakes in Champion REIT, LHI and the U.S. Fund respectively as at the end of December 2024.

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

⁴ Since most of the Group's owned hotels were acquired years ago, their market value well exceed their depreciated costs. Should estimated market value instead of depreciated cost be recognized in the consolidated financial statements for these hotels, the net gearing ratio would be reduced from 36.1% to 26.4%, and the relevant book value per share will rise from HK\$72.3 to HK\$98.9.

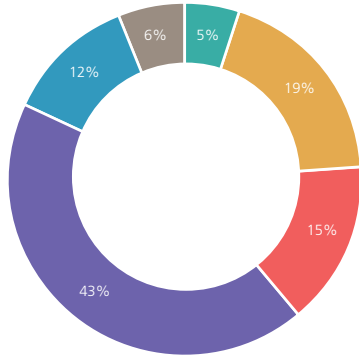
⁵ The Group's debt to asset ratio (i.e. total attributable debts divided by attributable assets) is 26.5% and would be reduced to 20.9% when taking into account the estimated market value of the Group's owned hotels.

2024 Annual Results
Presentation



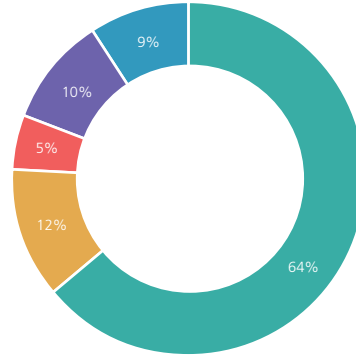
ASSETS EMPLOYED

Total Assets HK\$99,404 million



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

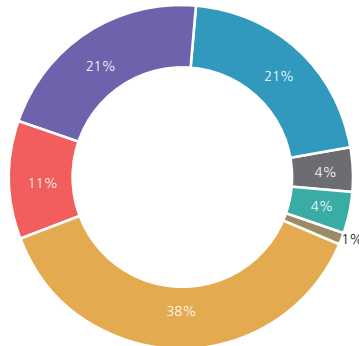
FINANCED BY



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

OPERATING INCOME FROM CORE BUSINESS

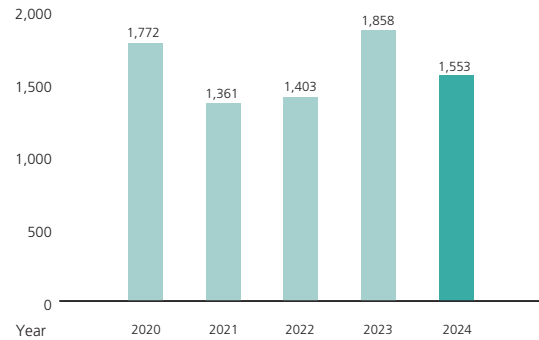
HK\$2,886 million



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

CORE PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

HK\$ million



CHAIRMAN'S STATEMENT



CORE PROFIT – FINANCIAL FIGURES BASED ON CORE BUSINESS

	Year ended 31 December		Change
	2024	2023	
	HK\$ million	HK\$ million	
Revenue from core business			
Revenue from property sales	1,340.5	1,075.1	+24.7%
Hotels Division	5,085.2	4,932.9	+3.1%
Management fee income from Champion REIT	303.2	332.8	-8.9%
Distribution income from Champion REIT ^	603.2	698.6	-13.7%
Distribution income from LHI ^	39.1	–	n/a
Gross rental income	172.9	168.2	+2.8%
Other operations	289.0	314.7	-8.2%
Total revenue	7,833.1	7,522.3	+4.1%
Income from property sales	599.0	798.1	-24.9%
Hotels EBITDA	1,105.2	1,098.2	+0.6%
Management fee income from Champion REIT	303.2	332.8	-8.9%
Distribution income from Champion REIT ^	603.2	698.6	-13.7%
Distribution income from LHI ^	39.1	–	n/a
Net rental income	110.9	108.1	+2.6%
Operating income from other operations	125.0	125.4	-0.3%
Operating income from core business	2,885.6	3,161.2	-8.7%
Depreciation	(351.5)	(338.2)	+3.9%
Administrative, selling and other expenses	(535.2)	(580.2)	-7.8%
Other income	104.0	69.9	+48.8%
Interest income	172.6	195.4	-11.7%
Finance costs	(512.0)	(443.7)	+15.4%
Share of results of joint ventures	(0.2)	93.9	n.m.
Share of results of associates	5.9	14.2	-58.5%
Core profit before tax	1,769.2	2,172.5	-18.6%
Income taxes	(215.8)	(313.9)	-31.3%
Core profit after tax	1,553.4	1,858.6	-16.4%
Non-controlling interest	(0.4)	(0.5)	-20.0%
Core profit attributable to equity holders	1,553.0	1,858.1	-16.4%

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

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

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

31 December 2024

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

31 December 2023

	Assets HK\$ million	Liabilities HK\$ million	Net Assets HK\$ million
Great Eagle operations	42,590	16,458	26,132
Champion REIT	44,630	12,182	32,448
LHI	11,121	4,667	6,454
U. S. Fund	460	172	288
	98,801	33,479	65,322

FINANCIAL FIGURES BASED ON STATUTORY ACCOUNTING PRINCIPLES

	Year ended 31 December		Change
	2024	2023	
	HK\$ million	HK\$ million	
Revenue based on statutory accounting principles			
Revenue from property sales	1,340.5	1,075.1	+24.7%
Hotels Division	6,670.9	6,550.4	+1.8%
Gross rental income	172.9	168.2	+2.8%
Other operations (including management fee income from Champion REIT)	592.2	647.5	-8.5%
Gross rental income – Champion REIT	2,458.7	2,575.7	-4.5%
Gross rental income – LHI	481.2	595.2	-19.2%
Gross revenue – U.S. Fund	25.8	35.3	-26.9%
Elimination on intragroup transactions	(863.7)	(1,003.2)	-13.9%
Consolidated total revenue	10,878.5	10,644.2	+2.2%
Income from property sales	599.0	798.1	-24.9%
Hotels EBITDA	1,105.2	1,098.2	+0.6%
Net rental income	110.9	108.1	+2.6%
Operating income from other operations (including management fee income from Champion REIT)	428.3	458.2	-6.5%
Net rental income – Champion REIT	1,598.4	1,713.7	-6.7%
Net rental income – LHI	381.0	494.7	-23.0%
Net operating income – U.S. Fund	0.2	8.6	-97.7%
Elimination on intragroup transactions	(17.3)	(16.0)	+8.1%
Consolidated segment results	4,205.7	4,663.6	-9.8%
Depreciation	(883.8)	(885.0)	-0.1%
Fair value changes on investment properties	(3,239.8)	(782.2)	+314.2%
Fair value changes on derivative financial instruments	(210.3)	(208.6)	+0.8%
Fair value changes on financial assets at fair value through profit or loss	74.4	34.0	+118.8%
Administrative, selling and other expenses	(540.1)	(506.3)	+6.7%
Allowance for credit losses on notes receivables and interest receivables	–	(12.0)	n.m.
Other income (including interest income)	261.8	295.5	-11.4%
Finance costs	(1,513.2)	(1,311.7)	+15.4%
Share of results of joint ventures	24.9	24.5	+1.6%
Share of results of associates	5.9	14.2	-58.5%
Statutory (loss)/profit before tax	(1,814.5)	1,326.0	n.m.
Income taxes	(582.2)	(498.0)	+16.9%
Statutory (loss)/profit after tax	(2,396.7)	828.0	n.m.
Non-controlling interest	36.5	3.7	n.m.
Non-controlling unitholders of Champion REIT	626.0	(68.2)	n.m.
Statutory (loss)/profit attributable to equity holders	(1,734.2)	763.5	n.m.

OVERVIEW

In 2024, global economy had continued to navigate a complex landscape, balancing recovery with persistent challenges including high inflation, elevated interest rates and geopolitical uncertainties. The lingering inflationary pressure still impacted the operating costs of our global hotels portfolio and impeded its overall profitability.

In the local context, the prevailing high interest rates, strong currency and subdued demand had tempered the pace of recovery for Hong Kong as a whole. Our retail sector continued to encounter challenges as shifting consumer preferences among locals persisted with increasing favour for dining, entertainment and lifestyle experiences in out-of-town destinations, including Shenzhen and other areas within the Greater Bay Area ("GBA"). Furthermore, despite steady recovery in tourist arrivals mainly driven by the return of travellers from Mainland China, nevertheless, the appreciation of the Hong Kong dollar against Chinese yuan and the shift of their spending pattern with greater emphasis on experiential and value-driven purchases had exerted ongoing pressures on hotels and retailers.

During the year, residential pricing experienced a moderate decline driven by the conservative pricing of first-hand stocks in view of the abundant inventory. In contrast, an uptick in residential transaction volume was recorded as a result of the favorable government initiatives introduced during the year including the removal of punitive stamp duties and adjustments to loan-to-value ratios for mortgages, which in turn lowered the purchase barriers and encouraged sales. The ongoing demand from skilled professionals and entrepreneurial migrants from Mainland China provided genuine support to the local residential market and helped enhancing market activities throughout the year.

The Group had successfully launched the presale of the ONMANTIN project and made steady progress on joint venture developments in Kai Tak and Ma Tau Chung areas during the reporting period. In

hospitality, construction of the new Langham Hotel in Venice and refurbishment of Chelsea Hotel, Toronto were advanced, alongside plans to re-entitle the Chelsea site into a mixed-use development with hotel and condominium components. On the other hand, the Group had entered a joint venture on minority shareholding with a Singaporean developer to acquire the hotel portion of a mixed-use development located in the city centre of Kuala Lumpur, Malaysia. The said hotel will be managed by Langham Hospitality Group upon completion and is scheduled to be in operation by end of 2027. In view of the inflated construction cost in Tokyo, the Group started joint venture discussions with potential investors who possessed local development experience for our Langham Tokyo hotel development. Additionally, the expansion of midscale Ying'nFlo brand in an asset-light operating model continued, with hotels in major cities of Mainland China including Hangzhou, Nanjing, Wuhan and so on set to launch in 2025.

The Group's core profit attributable to equity holders for the year was HK\$1,553.0 million representing a 16.4% decline compared to HK\$1,858.1 million last year. Meanwhile, the Group's statutory results, which included fair value changes of investment properties and financial assets, reported a loss attributable to equity holders of HK\$1,734.2 million (2023: profit of HK\$763.5 million). The Management's discussion and analysis below focuses on the core profit of the Group.

During the reporting period, the Group recorded a 4.1% increase in total core revenue to HK\$7,833.1 million (2023: HK\$7,522.3 million) mainly attributed to contribution from the ONTOLO project. Nevertheless, the operating income showed an 8.7% decline to HK\$2,885.6 million (2023: HK\$3,161.2 million) and this was partially because of the one-off, non-recurring HK\$300.3 million cost saving following the conclusion of final accounts with the project main contractor of ONTOLO recorded in last year. Otherwise, our operating income of 2024 largely remained stable despite declines for both distribution and management fees received from Champion REIT.

The performance of Champion REIT remained soft as the competitive landscape of Hong Kong office market persisted. Also the shift of spending patterns for travellers from Mainland China, and the growing preference of locals in favour of spending leisure times in out-of-town destinations including the GBA also impeded the rental of Langham Place Mall. After factoring in the Group's 1.07% increase in investment in Champion REIT during the year, distribution income from Champion REIT dropped 13.7% year-on-year to HK\$603.2 million from HK\$698.6 million for the previous year, while management fee income from Champion REIT also fell 8.9% from HK\$332.8 million to HK\$303.2 million.

The net rental income from our investment portfolio, mainly Great Eagle Centre and serviced apartments, recorded a growth of 2.6% to HK\$110.9 million (2023: HK\$108.1 million). During the reporting period, Great Eagle Centre demonstrated a resilient performance with improvement in overall rental income which mainly driven by improved occupancy for both office and retail portion. The serviced apartments had a sustained performance with improved demand from the local market amid the rate pressure from nearby competition.

The performance of LHI was largely impacted by the softened demand as a result of limited return of long-haul inbound travels and travellers from Mainland China were more cost-conscious. The increased operating expenses from escalating labour and financing costs further weighed on their profit

margins. LHI declared a distribution per Share Stapled Unit of HK1.6 cents for the year 2024 (2023: NIL).

The three Hong Kong hotels in LHI's portfolio are leased to the Group according to the Master Lease Agreements. The Group pays rent that includes a fixed rental income of HK\$225 million and a variable rent. Based on an independent valuer's assessment and in accordance with the Master Lease Agreements, the profit-sharing percentage of the variable rent for the hotels to be paid to LHI decreased from 70% to 50%, effective 1 January 2024.

The Group's other business operations recorded a net income of HK\$125.0 million (2023: HK\$125.4 million) which comprised dividend income from investment in listed shares, property management income and results of other business operations.

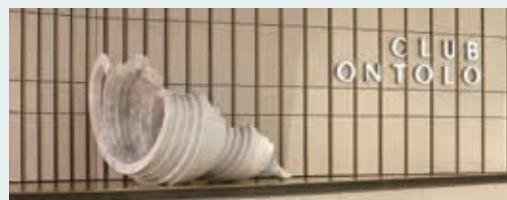
The finance costs of the Group increased 15.4% to HK\$512.0 million (2023: HK\$443.7 million) and this was mainly attributed to the high interest rates prevailed. On the other hand, the interest income recorded a 11.7% decline to HK\$172.6 million due to less investment in notes and deposits.

In sum, the overall performance of the Group remains resilient which enabled us to navigate through the market uncertainties. Supported by prudent financial management, the Group maintains a healthy and stable financing position which ensuring a sustained growth in the long run.

BUSINESS REVIEW

Breakdown of Operating Income	Year ended 31 December		Change
	2024	2023	
	HK\$ million	HK\$ million	
1. Income from property sales	599.0	798.1	-24.9%
2. Hotels EBITDA	1,105.2	1,098.2	+0.6%
3. Income from Champion REIT	906.4	1,031.4	-12.1%
4. Distribution income from LHI	39.1	–	n/a
5. Net rental income from investment properties	110.9	108.1	+2.6%
6. Operating income from other operations	125.0	125.4	-0.3%
Operating income from core business	2,885.6	3,161.2	-8.7%

1. PROPERTY SALES



ONTOLO, Pak Shek Kok

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

The average sales price of residential units for 2024 was HK\$20,417 per sq. ft. based on saleable area, while the average sales price for the sold car parking spaces was HK\$2.31 million per unit.

During the reporting period, 44 residential units, 29 car parking spaces and one motorcycle space were delivered. Accumulated sales reached 706 residential units, which represented 97.6% of the total 723 residential units. Among such, 669 units had been delivered to buyers as of end 2024.

For the reporting year, ONTOLO reported a sales revenue of HK\$1,340.5 million (2023: HK\$1,075.1 million) and a gross profit of HK\$599.0 million (2023: HK\$798.1 million, which had included an one-off, HK\$300.3 million cost adjustment).

2. HOTELS DIVISION



Hotels Performance

	Average daily rooms available		Occupancy		Average room rate (local currency)		RevPAR (local currency)	
	2024	2023	2024	2023	2024	2023	2024	2023
Europe								
The Langham, London	380	380	79.2%	73.5%	529	536	419	394
North America								
The Langham, Boston	312	312	72.4%	66.2%	482	462	349	306
The Langham Huntington, Pasadena	379	379	61.8%	65.0%	324	347	200	225
The Langham, Chicago	316	316	71.6%	67.1%	505	490	361	329
The Langham, New York, Fifth Avenue	234	234	79.9%	77.6%	822	785	656	610
Eaton, Washington D.C.	209	209	70.4%	69.3%	265	272	187	188
Chelsea Hotel, Toronto	1,590	1,590	70.4%	70.2%	217	216	153	152
Australia/New Zealand								
The Langham, Melbourne	388	388	78.5%	73.3%	319	333	250	245
The Langham, Sydney	96	96	80.2%	74.0%	511	552	410	409
Cordis, Auckland	640	640	71.5%	69.3%	231	252	165	175
Mainland China								
The Langham, Shanghai, Xintiandi	356	356	86.5%	86.4%	1,432	1,415	1,238	1,223
Cordis, Shanghai, Hongqiao	391	391	81.6%	74.3%	829	892	676	663

CHAIRMAN'S STATEMENT

	Year ended 31 December		Change
	2024	2023	
	HK\$ million	HK\$ million	
Hotels revenue			
Europe	807.0	732.3	+10.2%
North America	2,818.7	2,729.8	+3.3%
Australia/New Zealand	769.0	817.7	-6.0%
Mainland China	421.7	438.7	-3.9%
Others ^{^#}	268.8	214.4	+25.4%
Total hotels revenue	5,085.2	4,932.9	+3.1%
Hotels EBITDA			
Europe	243.7	233.6	+4.3%
North America	547.4	568.0	-3.6%
Australia/New Zealand	68.1	104.4	-34.8%
Mainland China	125.5	139.7	-10.2%
Others ^{^#}	120.5	52.5	+129.5%
Total hotels EBITDA	1,105.2	1,098.2	+0.6%

[^] Including (i) hotel management fee income, (ii) master lessee surplus or shortfall and (iii) income from Ying'nFlo, Wesley Admiralty

[#] Ying'nFlo, Wesley Admiralty commenced operation in Q3 2023

The Hotels Division recorded a steady performance despite varied results between regions. Hotels in Europe and North America demonstrated a resilient performance in general, whilst recovery for those in Oceania and Mainland China regions remained slow.

Total revenue for the Hotels Division recorded 3.1% year-on-year growth to HK\$5,085.2 million (2023: HK\$4,932.9 million).

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

Overall, the Hotels Division reported a slight growth of 0.6% in EBITDA to HK\$1,105.2 million in 2024 (2023: HK\$1,098.2 million).

EUROPE**The Langham, London**

Our London hotel witnessed a resilient performance benefiting from international travel and a mix of leisure, corporate and group segments. Food and beverage ("F&B") revenue was supported by restaurants and catering business from increased corporate meetings and events.

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

Majority of our hotels saw an uplift in room revenue attributed to the improved leisure, corporate travel and conference group segments.

Boston performed well along with New York and Chicago, which benefited from the vast number of citywide and conference events. Pasadena saw a soft performance for most of the year due to the reduction in group business.

Chelsea Hotel, Toronto

The performance remained steady where rooms business had improved over 2H 2024 as Toronto hosted a number of large music, cultural and sports events.

The renovation for remaining rooms in the North Tower is expected to complete by Q1 2025 and plan for upgrade of common area is underway with works scheduled to be completed by end 2025. The elevated product is anticipated to be well received by the market.

AUSTRALIA/NEW ZEALAND**The Langham, Melbourne and The Langham, Sydney**

The performance of both hotels was impacted by the softened market with greater reliance on domestic business. Improvement in rooms business had been witnessed in Q4 2024 whereas the cities hosted a series of major sports and music events.

Cordis, Auckland

Auckland recorded a soft performance due to the lower domestic demand and a lack of major events to attract visitors to the city. Improvement had been seen in Q4 2024 with the increased leisure travellers coming to the city, along with corporate and conference group activities.

F&B business was sustained by the All-Day Dining restaurant, with the catering segment holding meetings and conferences.

MAINLAND CHINA**The Langham, Shanghai, Xintiandi and Cordis, Shanghai, Hongqiao**

Our Shanghai hotels demonstrated a resilient performance where room revenue had shown sign of improvement during the reporting period. Nevertheless, the revenue of F&B segment declined as a result of weaker consumer sentiment and persisting trend of consumption downgrade.

The hosting of major conventions and exhibitions by the city including the China International Import Expo in November 2024 had boosted the room demand and attracted more business to our hotels.

HOTEL MANAGEMENT BUSINESS

As of end December 2024, there were 14 third-party hotels under management with approximately 4,200 rooms.

3. INCOME FROM CHAMPION REIT



The Group's core profit is based on the attributable distribution income and management fee income from Champion REIT in respect of the same financial period. On that basis, total income from Champion REIT in 2024 dropped 12.1% to HK\$906.4 million. Distribution attributable to the Group decreased 13.7% to HK\$603.2 million after taking into account of the Group's increase in holding interest from

69.23% as at the end of December 2023 to 70.30% as at the end of December 2024, and that the REIT has declared a 15.5% decline in distribution per unit based on a 90.0% payout ratio (2023: 90.0%). The balance represented management fee income which also fell by 8.9% to HK\$303.2 million in 2024 due to Champion REIT's lower net property income.

	Year ended 31 December		Change
	2024	2023	
	HK\$ million	HK\$ million	
Attributable distribution income	603.2	698.6	-13.7%
Management fee income	303.2	332.8	-8.9%
Total income from Champion REIT	906.4	1,031.4	-12.1%

The following text was extracted from the 2024 annual results announcement of Champion REIT relating to the performance of the REIT's properties.

Three Garden Road

Despite the sluggish momentum of the overall Central Grade A office leasing in 2024, occupancy of Three Garden Road continued to demonstrate resilience. The competitive landscape remained intense due to abundant supply. Demand mainly came from relocation within Central, involving mostly small-sized occupiers. We also observed moderate demand for expansion from existing tenants in asset management because of business and consolidation needs. Office occupancy of the property was 82.6% as at 31 December 2024 (31 December 2023: 82.8%).

Market rental of Central office continued to soften due to the ample stock and lackluster demand. Three Garden Road inevitably continued to face negative rental reversion in 2024. Passing rent dropped to HK\$87.0 per sq. ft. (based on lettable area) as at 31 December 2024 (31 December 2023: HK\$91.7 per sq. ft.). Rental income of the property fell 7.4% to HK\$1,132 million (2023: HK\$1,222 million).

Langham Place Office Tower

The slower than expected recovery of mainland medical tourism in the post-pandemic era impacted the performance of Langham Place Office Tower. Some beauty and medical tenants had reduced their operations in the property. Although occupancy of 87.2% as at 31 December 2024 (31 December 2023: 93.3%) was lower than the end of previous year, it was similar to the level in June 2024. The property remains an enviable lifestyle and wellness hub with lifestyle tenants accounting for 67% of the area as at 31 December 2024.

While occupancy remained stable in the second half of 2024, market rental of the property remained under pressure. Passing rent lowered slightly to HK\$44.0 per sq. ft. (based on GFA) (31 December 2023: HK\$45.9 per sq. ft.). Rental income declined by 7.3% to HK\$324 million (2023: HK\$350 million) as a result of lower average occupancy and negative rental reversion.

Net property operating expenses decreased by 2.7% to HK\$45 million (2023: HK\$46 million). The increase in net building management expenses caused by lower average occupancy was offset by lower rental commission due to lower leasing activities and reduced repairs and maintenance expenses. Net property income dropped by 8.0% to HK\$280 million (2023: HK\$304 million).

Langham Place Mall

Against the backdrop of the challenging operating environment, Langham Place Mall continued to outperform the market. But it was not entirely unscathed by the downward trends. Tenants' sales of the mall declined by 4.3% in 2024, compared with a 7.3% drop in Hong Kong retail sales.

Occupancy of the mall maintained a high level at 99.3% as at 31 December 2024 (31 December 2023: 98.6%). The base rent portion improved to HK\$475 million (2023: HK\$457 million) mainly attributable to pure turnover leases converted to base rent plus turnover leases as well as higher rent rates agreed upon by some new tenants. However, slowdown in sales of tenants caused a decline in turnover rent portion to HK\$196 million (2023: HK\$224 million). As such, the growth in base rent portion was not sufficient to compensate for the decrease. Overall, rental income of the mall dropped slightly by 1.6% to HK\$728 million (2023: HK\$740 million). Passing rent lowered to HK\$157.5 per sq. ft. (based on lettable area) as at 31 December 2024 (31 December 2023: HK\$185.3 per sq. ft.). This reflected the fluctuations in tenants' sales observed in December.

4. DISTRIBUTION INCOME FROM LHI



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

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

LHI declared a distribution per Share Stapled Unit of HK1.6 cents for the year 2024 (2023: NIL). As previously announced by LHI, the issue of part of the manager fees units will be deferred and will be settled on or before February 2028 either in cash or in scrip subject to the fulfillment of its public float requirement under the Listing Rules.

	Year ended 31 December		
	2024	2023	Change
	HK\$ million	HK\$ million	
Attributable distribution income	39.1	–	n/a

Performances of the Hong Kong hotels below were extracted from the 2024 annual results announcement of LHI relating to the performance of the trust group's properties.

	Average daily rooms available		Occupancy		Average room rate (in HK\$)		RevPAR (in HK\$)	
	2024	2023	2024	2023	2024	2023	2024	2023
The Langham, Hong Kong	498	498	89.3%	86.9%	1,957	2,173	1,748	1,887
Cordis, Hong Kong	667	667	92.6%	89.8%	1,619	1,638	1,500	1,471
Eaton HK	465	465	90.0%	87.0%	1,114	1,110	1,003	966

Throughout the year, the three Hong Kong hotels encountered a challenging operating environment marked by economic uncertainty, shifting traveler demographics, and evolving consumer behaviours. Additionally, there was an increasing trend among locals to explore F&B offerings in cities within the GBA outside Hong Kong. These factors necessitated strategic adjustments in our service offerings and marketing strategies to effectively address the changing demands of our clientele.

Due to the intense competition among upscale and luxury hotels in Hong Kong, LHI's hotel portfolio, particularly The Langham Hong Kong, has been significantly impacted by the ongoing price war. Notably, The Langham Hong Kong had a reduction

in its average room rate of nearly 10% brought about by fierce competition in the Tsim Sha Tsui district. Meanwhile, Cordis, Hong Kong and Eaton HK managed to keep their average room rates stable.

The three Hong Kong hotels in LHI's portfolio are leased to the Group according to the Master Lease Agreements. The Group pays rent that includes a fixed rental income of HK\$225 million and a variable rent. Based on an independent valuer's assessment and in accordance with the Master Lease Agreements, the profit-sharing percentage of the variable rent for the hotels to be paid to LHI decreased from 70% to 50%, effective 1 January 2024.

5. RENTAL INCOME FROM INVESTMENT PROPERTIES



	Year ended 31 December		
	2024	2023	Change
	HK\$ million	HK\$ million	
Gross rental income			
Great Eagle Centre	76.2	75.1	+1.5%
Serviced Apartments	56.6	54.1	+4.6%
Others	40.1	39.0	+2.8%
	172.9	168.2	+2.8%
Net rental income			
Great Eagle Centre	64.4	60.7	+6.1%
Serviced Apartments	30.8	30.6	+0.7%
Others	15.7	16.8	-6.5%
	110.9	108.1	+2.6%

Great Eagle Centre

	As at the end of		Change
	December 2024	December 2023	
Office (on lettable area)*			
Occupancy	78.5%	61.3%	+17.2ppt
Average passing rent	HK\$49.0	HK\$53.6	-8.6%
Retail (on lettable area)*			
Occupancy	92.6%	64.7%	+27.9ppt
Average passing rent	HK\$95.9	HK\$96.4	-0.5%

* Lettable area excludes in-house occupied space. Should these areas be counted, the office and retail occupancy would report at 85.8% and 97.3% respectively.

The office market of Hong Kong remained competitive and continued to face with challenges as a result of increased vacancies and abundant new supply.

HK\$53.6 per sq. ft.), nevertheless, this had been offset by the pickup in occupancy recorded at 78.5% as of end December 2024 (2023: 61.3%).

The average passing rent for the leased office space at Great Eagle Centre decreased 8.6% to HK\$49.0 per sq. ft. (2023:

Overall gross rental income for Great Eagle Centre rose by 1.5% year-on-year to HK\$76.2 million in 2024. Net rental income rose by 6.1% to HK\$64.4 million.

Serviced Apartments

	Year ended 31 December		Change
	2024	2023	
(on GFA)			
Occupancy	83.0%	76.5%	+6.5ppt
Average net passing rent	HK\$25.7	HK\$28.8	-10.8%

The Group's overall rental income from serviced apartments located at Blue Pool Road, Village Road and Wan Chai Gap Road recorded an improvement with 4.6% growth to HK\$56.6 million (2023: HK\$54.1 million). Blue Pool Road and Village Road were sustained by improved demand in the local market. However, the portfolio had experienced rate pressure from nearby competition.

The average net passing rent for the serviced apartments dropped by 10.8% to HK\$25.7 per sq. ft. on GFA in 2024, as compared with HK\$28.8 per sq. ft. in 2023.

Gross rental income rose 4.6% year-on-year to HK\$56.6 million whereas net rental income increased by 0.7% year-on-year to HK\$30.8 million in 2024.

6. OPERATING INCOME FROM OTHER OPERATIONS

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

For the reporting period, operating income from other business segments slightly dropped 0.3% to HK\$125.0 million (2023: HK\$125.4 million).

DEVELOPMENT PROJECTS



Hong Kong and Mainland China

ONMANTIN, Ho Man Tin Residential Development Project

This project comprises a GFA of approximately 742,000 sq. ft., or a saleable area of approximately 664,000 sq. ft., for the development of 990 apartments above Ho Man Tin MTR station under a Development Agreement with MTR Corporation Limited. Occupation Permit has been obtained in February 2025. The project is expected to be completed and be ready for handover in mid-2025.

Presale was first launched in late April 2024 where market had responded positively with continued sales recorded throughout the reporting period. As of end

2024, accumulated sales had reached 62.5% of total saleable area, or 71.6% of total number of units with sales proceeds amounted to approximately HK\$9.3 billion.

As the sales of units will be recognised to the Group's income statement only upon handover to buyers, therefore, our income statements for the reporting period had not reflected the result from these presale units. It is anticipated that other income, in the form of finance charges associated with the development, will be recorded upon the handover of the units.

NKIL 6590 at Kai Tak, Kowloon Joint Venture Development Project

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

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

During the year, site investigation works were completed. The first general building plan ("GBP") approval was obtained for the western parcel in August 2024. Planning approval was obtained in Q3 2024 and the first GBP submission was made in Q4 2024 for the eastern parcel. Foundation works also commenced for both parcels in 2H 2024.

Occupation Permits for both parcels are expected to obtain in 1H 2029.

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

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

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

Site possession was obtained in April 2024 and ground investigation works were completed. The first GBP approval was obtained in Q3 2024.

The issuance of Occupation Permit is expected in Q4 2028.

Japan

Tokyo Hotel Redevelopment Project

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

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

In view of such, the Group had continued to explore further development options including but not limited to schemes with mix of hotel and luxury condominiums. Alternative investment strategy had been considered to partnering with a potential investor with local development experience and negotiation was in progress.

CHAIRMAN'S STATEMENT

United States

San Francisco Hotel Development Project, 1125 Market Street

San Francisco Hotel Redevelopment Project, 555 Howard Street

The above two projects were under review for their profitability due to uncertain market conditions and the severe escalation of construction costs in San Francisco. The projects have been put on hold and plans for alternative exit strategies were also being considered.

Seattle Development Project, 1931 Second Avenue

The Group acquired a site in downtown Seattle for US\$18 million in December 2016. The site is located at one of the highest points of downtown Seattle and near the famous Pike Place market. Master Use Permit for this 553,000 sq. ft. mixed-use hotel condominium project had been obtained in Q4 2024, whilst the Building Permit application was still in progress. Alongside with these works and in view of the escalated development cost and market uncertainties, alternative development schemes were also being explored.

Canada

Chelsea Hotel Redevelopment

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

Meanwhile, notwithstanding the abovementioned redevelopment plan for the longer term, the Chelsea Hotel operation continues with appropriate limited renovation in enhancing performance results.

Europe

Venice Hotel Development Project, Island of Murano

The Group acquired a site on the island of Murano in Venice. The project is a combination of restoration of historic structures and new build construction that will consist of 133 keys with a total construction floor area of approximately 170,000 sq. ft. World-renowned architect Matteo Thun is designing the hotel. Building Permit approval was granted in April 2022. Shell and core works had been commenced in Q2 2024, whilst contract procurement for fit-out works of rooms and common areas were in progress.

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

FINANCIAL REVIEW

DEBT

Based on statutory reporting principles and after consolidating the results of Champion REIT, LHI and the U.S. Fund, the consolidated net debts of the Group as of 31 December 2024 was HK\$25,097 million, a decrease of HK\$3,314 million compared to that of HK\$28,411 million as of 31 December 2023. The decrease in net borrowings was mainly due to continuous sales proceeds from ONMANTIN pre-sale launched since April 2024 and positive cashflow from operations during the year.

Equity Attributable to Shareholders, based on a professional valuation of the Group's investment properties as of 31 December 2024 and the depreciated costs of the Group's hotel properties (including Hong Kong hotel properties held by LHI), amounted to HK\$54,089 million, representing a decrease of HK\$2,690 million compared to the value of HK\$56,779 million as of 31 December 2023. The decrease was mainly attributable to the valuation loss of investment properties and financial instruments.

Under statutory accounting principles, the entire debts of Champion REIT, LHI and the U.S. Fund were consolidated in aggregate. Based on the consolidated net debts attributable to the Group (i.e. only 70.30%, 71.22% and 49.97% of the net debts of Champion REIT, LHI and the U.S. Fund respectively) and equity attributable to shareholders, the gearing ratio of the Group as at 31 December 2024 was 36.1% (31

December 2023: 39.5%). Since the debts of these three subsidiary groups had no recourse to the Group, we considered it was more meaningful to account for the Group's own net debts instead of attributable consolidated net debts against the Group's sharing of net assets of those subsidiaries, and the resulting net position is illustrated below.

Net debts at 31 December 2024	On consolidated basis HK\$ million	On core balance sheet basis HK\$ million
Great Eagle	5,881	5,881
Champion REIT	13,717	–
LHI	5,912	–
U.S. Fund	(413)	–
Net debts	25,097	5,881
Net debts attributable to Shareholders of the Group	19,527	5,881
Equity attributable to Shareholders of the Group	54,089	63,026
Net gearing ratio [^]	36.1%	9.3%

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

Net gearing ratio only took into account cash or cash equivalents. In order to enhance return to shareholders, the Group has been prudently investing in quality short-term bonds that are intended to be held to maturity, principal protected notes with reputable banks and financial institutions as counter-parties and selected quality equities. As at 31 December 2024, the market value of these bonds and notes amounted to HK\$97 million and invested securities amounted to HK\$1,023 million which included LCID.US shares worth HK\$316 million. Should these amounts be taken into account, the consolidated net borrowings and gearing ratio would be reduced to HK\$18,407 million and 34.0% respectively. The net debt based on sharing of net assets of Champion REIT, LHI and U.S. Fund would correspondingly decrease to HK\$4,761 million and 7.6%.

As mentioned in the above second paragraph of this "Debt" section, applicable statutory accounting standards require the Group's consolidated accounts to book its operating hotels at depreciated cost basis instead of by reference to their market value. Since most of Group's owned hotels were acquired years ago, their market value well exceeds their depreciated cost. Consequently, should the estimated market value instead of depreciated cost be recognized in the consolidated financial statements for these relevant hotels, the net gearing ratio on consolidated basis would be reduced from 36.1% to 26.4%.

The Group's net gearing ratio would be further improved when outstanding sales proceeds from ONMANTIN units are available for repayment of project loan.

CHAIRMAN'S STATEMENT

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

INDEBTEDNESS

Our gross debts (including medium term notes and other borrowings) after consolidating Champion REIT, LHI and the U.S. Fund as of 31 December 2024 amounted to HK\$31,978 million (31 December 2023: HK\$34,378 million). Bank borrowings amounting to HK\$12,098 million (31 December 2023: HK\$14,788 million) were secured by way of legal charges over a number of the Group's assets and business undertakings.

Outstanding gross debts ⁽¹⁾⁽²⁾⁽⁵⁾	Floating rate debts HK\$ million	Fixed rate debts HK\$ million	Utilised facilities HK\$ million
Bank borrowings	23,816	4,116 ⁽⁴⁾	27,932 ⁽³⁾
Medium term notes	–	3,829 ⁽⁴⁾	3,829 ⁽³⁾
Other borrowings	–	217	217 ⁽³⁾
Total	23,816	8,162	31,978
%	74.5%	25.5%	100%

(1) All amounts are stated at face value.

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

(3) Equivalence of HK\$4,906 million bank borrowings, HK\$2,345 million medium term notes and HK\$217 million other borrowings were originally denominated in other currencies.

(4) Included floating rate debts which had been swapped to fixed rate debts. As at 31 December 2024, the Group had outstanding interest rate swap contracts of a notional amount of HK\$3,500 million to manage interest rate exposure. The Group also entered into cross currency swaps of a notional amount equivalent to HK\$600 million to mitigate exposure to fluctuations in exchange rate and interest rates in Japanese YEN.

(5) Outstanding gross debts on core balance sheet basis as of 31 December 2024 amounted to HK\$11,113 million, of which 20.7% will be due within one year.

DEBT MATURITY PROFILE

The following is a profile of the maturity of our outstanding gross debts (including medium term notes and other borrowings) as of 31 December 2024:

Within 1 year	12.4%
More than 1 year but not exceeding 2 years	15.7%
More than 2 years but not exceeding 5 years	64.6%
More than 5 years	7.3%

LIQUIDITY POSITION

As of 31 December 2024, our cash, bank deposits and undrawn loan facilities amounted to a total of HK\$16,013 million (31 December 2023: HK\$16,026 million).

FINANCE COST

The net consolidated finance cost during the year was HK\$1,543 million of which HK\$258 million was capitalised to property development projects. Overall net interest cover at the reporting date was 2.5 times.

PLEDGE OF ASSETS

At 31 December 2024, properties of the Group with a total book carrying value of approximately HK\$21,485 million (31 December 2023: HK\$20,411 million) were mortgaged or pledged to secure credit facilities granted to its subsidiaries.

COMMITMENTS AND CONTINGENT LIABILITIES

At 31 December 2024, the Group had authorised capital expenditure for investment properties and property, plant and equipment which was not provided for in these consolidated financial statements amounting to HK\$7,563 million (31 December 2023: HK\$7,813 million) of which HK\$808 million (31 December 2023: HK\$622 million) has been contracted for.

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

OUTLOOK

Looking forward in 2025, the world economy tends to be increasingly constrained by the uncertainties arisen from the lingering geopolitical tensions, higher interest rates and the potential escalation of trade conflicts, particularly between the US and Mainland China which could significantly interrupt the global trade and investment flows. This would hinder the economic growth of both Mainland China and Hong Kong. However, target policies have been put in place by the Chinese Government including fiscal stimulus, monetary easing and support for strategic sectors like digital economy with the view of boosting domestic demand and hence stabilising economic growth. The strengthened local demand of Mainland China shall bring spillover effect where Hong Kong would be benefitted.

On the other hand, the role of Hong Kong as a global financial hub is to be reinforced with strategic policies in place to help attracting talent and capital. The growing demand derived from the quality migrants from Mainland China would continue to provide support to the rental and sales market of residential properties in Hong Kong and this shall help lessening the pressure resulted from the prevailing high inventory level. In view of such, the Group will remain cautious in response to the dynamic market when formulating the sales strategy for the remainder stock of ONTOLO and ONMANTIN. In addition, we are devoted to continuing working closely with our joint venture partners for the two sites at Kai Tak and Ma Tau Chung areas. The Group is optimistic of the medium-term prospect of the Hong Kong residential market.

The outlook for our Hotels Division remains stable amid prevailing challenges. Despite signs of recovery, the industry continues to face operating obstacles including staffing shortages, increase of operation costs and economic uncertainties. In this regard, we will continue to adopt a stringent expenses control approach, stay abreast of the market and be innovative on hotel operations in order to maintain a competitive edge.

High inventory level still weighs on the performance of Hong Kong office market in spite of growing demand from financial services, family offices and expansion of Mainland Chinese corporations and businesses. It is expected that pressure would remain for the rentals of Three Garden Road and Langham Place Office Tower, whilst the performance of Langham Place Mall would stay relatively resilient. The market has lowered the expectation for further rate cuts in 2025 and the higher interest rate would continue impacting the overall profitability of Champion REIT. Nevertheless, amenity upgrade will continue to be rolled out in stages with a view to raise the wellbeing of tenants, to maximise the energy efficiency and hence to make the properties more attractive to its tenants and users.

Headwinds remain and cloud the performance of LHI as the hotel sector of Hong Kong is still impacted by the rise in more cost-conscious tourists from Mainland China. As compared to 2018, in 2024 the number of overnight visitors from Mainland China dropped 26%, from international short haul dropped 18%, and long haul dropped 34%. Furthermore, the rising operating costs would further erode its profit margin. The uncertainties of interest rate trend continue and the lingering high rate would impact the financing cost and the overall profitability of LHI, as well as its distribution.

However, we are very optimistic of the longer term prospects of tourism globally.

In sum, the economy of Hong Kong continues to encounter with challenges, with persistent headwinds limiting the pace of its recovery. The Group will embrace a cautious approach in its operations while staying vigilant to potential risks. We will keep a close watch on market trends and actively seek out high-quality investment opportunities to drive future growth. Simultaneously, we will timely monitor market movements for our businesses at home and abroad. Supported by strong liquidity and financial capability, we are well-positioned to navigate market volatility and aim for sustained, steady growth in the long term.

Lo Ka Shui
Chairman and Managing Director

Hong Kong, 3 March 2025



SUSTAINABILITY

In 2024, the Great Eagle Group continued to advance our shared vision of sustainable growth. This executive summary discusses the significant progress we made towards our sustainability goals this year by presenting the key points from our 2024 Sustainability Report.

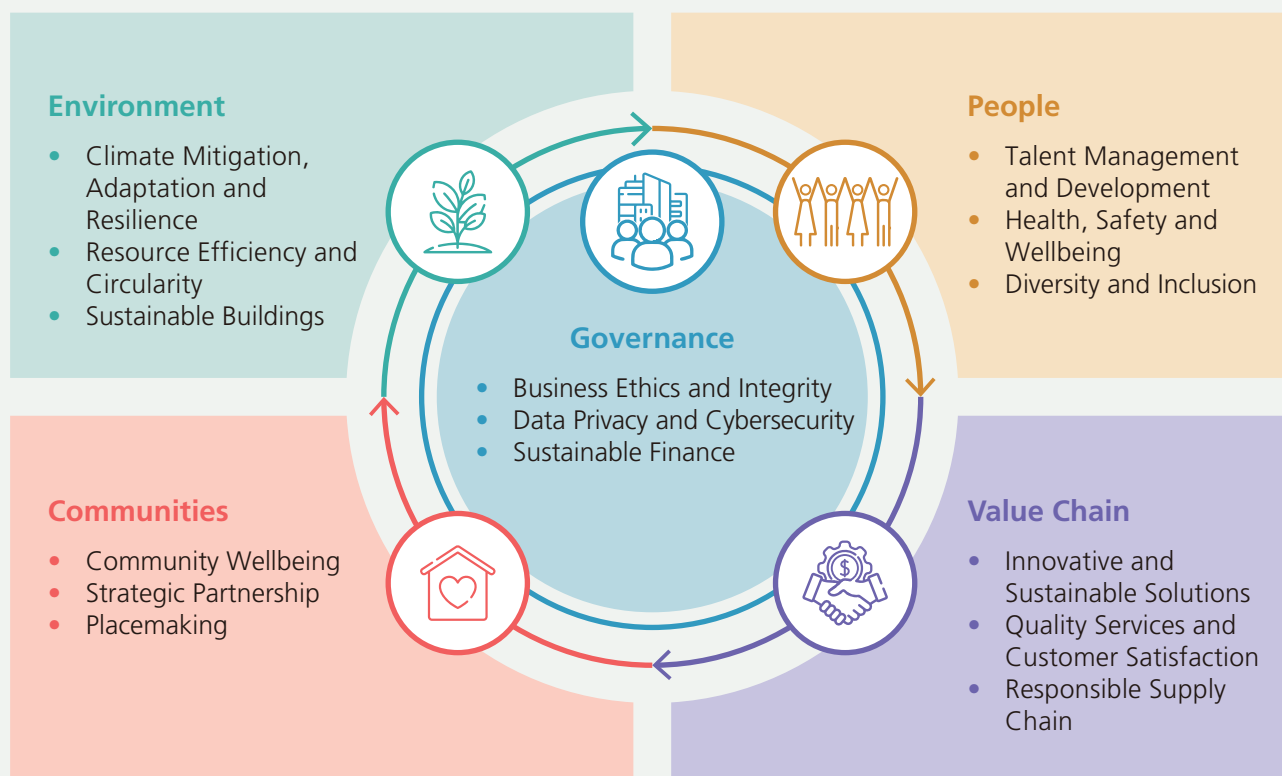
INTRODUCTION

Recognising that sustainable business practices create value for long-term shareholders, customers, and wider society, the Group pursues sustainability in businesses by embracing opportunities and managing the risks of economic, environmental and social developments, and engaging with our stakeholders to make informed decisions.

In 2024, we updated our Sustainability Framework. The new Framework consists of five pillars: Governance, Environment, People, Communities, and Value Chain. These pillars cover various focus areas that are broadly aligned with our sustainability strategies and evolving business markets, as well as nine United Nations Sustainable Development Goals.

We also established goals and targets associated with these pillars. Since this was the first year of these targets being set, they will be reviewed throughout 2025 and updated or adjusted as necessary.

Sustainability Framework



SUSTAINABILITY

GOVERNANCE

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

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

In 2024, we added a new Climate Change Policy, and enhanced our Environmental Policy, the Anti-Fraud, Bribery and Corruption Policy and the Terms of Reference of the Sustainability Steering Committee.

To meet upcoming investor demand for more transparent and credible climate-related disclosures from companies, the Group continued to develop our inventory of greenhouse gas (“GHG”) emissions from Scope 3 activities and prioritise their significance to our business operations, while enhancing our climate disclosures according to the latest regulatory requirements. We also initiated a review and update of

ENVIRONMENT

We continued working to reduce our environmental impacts and build climate resiliency across our properties during the year. We have now conducted physical climate risk screenings and analyses of 20 major assets, examining the climate-related physical risks and opportunities at these properties under two climate scenarios, as well as any potential impacts and mitigation measures to be implemented. We identified three primary climate risks: typhoons, flooding from extreme rainfall and extreme heat. We also began a “deep dive” climate impact study of Langham Place which will be completed in 2025.



Receiving the Organisation Award – Bronze at the Green Council UNSDG Achievement Awards 2024

our material sustainability topics, taking into account the views of the Group’s business divisions and external stakeholders, and reviewing and analysing global sustainability risks and megatrends over different time horizons. In 2025, we will continue to develop our new materiality assessment and conduct in-depth engagements with our stakeholders.



Colleagues and family members joined our kNOW Carbon House Visit to better understand climate change

The Group's most significant environmental impacts come from energy consumption. We have set targets to reduce our energy consumption by 30% and our carbon emissions by 46% against a 2019 baseline by 2030, and worked towards them through projects involving retrofitting, retro-commissioning and optimisation through technology at our key Hong Kong portfolio¹. Our overall energy consumption and carbon emissions have been respectively reduced by 12.2% and 25.9% since 2019.

We continued to investigate the water performance of key assets in our Hong Kong portfolio, and participated in the University of Hong Kong's WaterWise Initiative for Commercial Buildings. Smart water meters installed at The Langham, Hong Kong, Cordis, Hong Kong and Langham Place Mall did not detect any leaks. The Group's overall water consumption has decreased by 1.4% compared to 2019.

PEOPLE

We believe in providing a safe, healthy, people-centric, and equal opportunity-based working environment. We also believe in rewarding our committed colleagues.

Throughout the year, we held engagement activities to improve the employee experience and provide growth and development opportunities, including various mental health workshops, group bonding activities and wellness-related activities. We grew our staff communication channels, holding staff townhall meetings, sharing information on key business focuses, new initiatives and other topics. Our summer interns and graduate trainees also organised our inaugural Vision Mission and Values ("VMV") Carnival, with a VMV Forum and fun and engaging activities attended by over 400 colleagues.

Our annual Colleague Wellness Month, Celebrate Diversity Month and Loving Earth Month featured activities across our hotels that nurtured the physical and mental wellness of colleagues, fostered respect and open-mindedness and inspired our people to participate in and celebrate our many leading environmental initiatives.

With most of our waste generated by our tenants, guests and the general public, we are committed to addressing the sources of waste across our operations and engaging our stakeholders in collaborative initiatives to reduce waste and recycle waste. During the year, we focused on establishing waste data quality parameters, reviewing our hotels' waste streams and beginning waste audits of our properties. We also continued food waste reduction programmes and introduced a Waste Electrical and Electronic Equipment ("WEEE") recycling campaign.

We held a results sharing session for the ground-breaking Oyster Shell Upcycling Programme in August 2024. In addition to promoting sustainable dining experiences, over 12 tonnes of oyster shells were converted into sustainable cement products, marking a significant milestone in waste reduction, circularity and resource efficiency.



The VMV Forum

Meanwhile, our training offerings expanded, covering workplace safety, emergency response drills, wellness initiatives, and more; while our Lunch and Learn Employee Wellness Series inspired colleagues to learn more about physical and mental wellness. Fun activities like Ice Cream Day, Fruit Day and "Deskercise" sessions provided time to relax and bond. Our unique summer internship programmes and leadership training programmes also expanded, helping people develop their careers while growing our talent pipeline.

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

SUSTAINABILITY

COMMUNITIES

We continued to offer a wide variety of development and engagement initiatives that emphasise building welcoming, understanding and successful communities and that support individuals and groups in need. Both large and small scale, these initiatives fell into our three community investment focus areas: art, youth education and environmental protection.

For the sixth year in a row, we supported the Great Eagle Music Children Ensemble in partnership with Music Children Foundation, a charitable organisation which provides free-of-charge music education to underprivileged children. We expanded our commitment through a five-month Student Conductor Training Programme. We also created numerous opportunities for students with special education needs and offered many job shadowing initiatives across our properties.

Our collaboration with Hong Kong universities also deepened. We hosted the first-ever Great Eagle Group Scholarship Presentation Ceremony, and further expanded our partnerships in the areas of sustainability, environmental management and energy science by supporting research projects and student internships.

We continued to embrace urban beekeeping, hosting beehives in Auckland, Boston and Toronto; celebrated Earth Hour across our properties; and put up alternative Christmas decorations in many of our hotels, made from recycled, upcycled and repurposed materials.



Student Conductor Training Programme participants showcase their skills at the 2024 Annual Concert

Socially, we gave back to our communities in a multitude of ways. We celebrated Pride Month and diversity at our Eaton Workshop hotels in Hong Kong and Washington DC, welcoming new ideas and embracing people of all nationalities, races and orientations. Our volunteers supported sick children, breast cancer survivors, the elderly, the hungry and homeless, and other marginalised and needy groups around the world by donating their time and effort over and over again throughout the year.

VALUE CHAIN

Part of the Group's vision of sustainable growth is that operations and business practices across our value chain should be efficient and effective, and create positive, memorable experiences for our customers, guests, tenants, occupants, and other stakeholders. In 2024, we continued our commitment to providing superior quality services to our tenants, retail customers and hotel guests.

Langham Place Mall continued to go above and beyond in terms of inclusivity and accessibility, ensuring that disabled persons, breastfeeding mothers and pet lovers could all enjoy the mall to the fullest. We engaged our hotel colleagues in creating a guest-centric environment by gathering feedback through several "voice of the customer" systems including guest satisfaction surveys, online reviews, QR code surveys, and robust complaint handling procedures.

We also deepened our tenant engagement offerings during the year, introducing the EcoChampion Pledge, a one-year tenant engagement programme for tenants in retail and office spaces in Hong Kong. The pledge is empowering over 30 tenants to embrace climate adaptation and mitigation measures, while recognising their contributions to advancing sustainable operations and environmental best practices.



The EcoChampion Pledge engages tenants in our efforts to advance towards net-zero carbon emissions

We also became one of the signatories to the Collaboration Statement on Low Carbon Emissions Steel for Real Estate in China, an initiative to accelerate emissions reduction in the steel used in real estate projects across the country; and shared the many successes of our Oyster Shell Upcycling Pilot Programme with our peers at forums, meetings and other high-profile events.

Sustainability is made up of many discrete parts and requires concerted, collective efforts to come to fruition. Every action, no matter how small, contributes to the larger whole. We are proud of our achievements in 2024 and look forward to building upon our successes in the years to come as we uplift our communities and our environments.



Please scan or click to learn more about our sustainability efforts.



CORPORATE GOVERNANCE REPORT

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

CORPORATE CULTURE FRAMEWORK

As a well-established multinational corporation with a rich history, Great Eagle always makes strategic efforts to continuously create value for our stakeholders. Against the backdrop of rising challenges and technological advancement, the Group progresses with the times and strives to achieve our vision.



Our Vision

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

Sustainable Growth

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

Our “GREAT” Mission

We are actualising our vision through the following “GREAT” approach.

Globalisation

We are constantly expanding our business in terms of geographical location, service scope, and size of target audience, creating value for individuals and local community across diverse regions and levels.

Reliability

The Group maintains its financial strength in a prudent and steadfast manner. Our team consistently demonstrates trustworthiness and delivers high-quality services.

Excellence

We never stop improving, we pursue perfection and achieve excellence.

Adaptability

While the business environment and customer needs evolve frequently, we embrace the change and rise to challenges by innovating our business practices.

Teamwork

People in Great Eagle connect with each other with their heart, working in unity at every level within the Group and with external stakeholders.

Our Values

While being “GREAT”, the actions of the Group reflect its core values – Integrity and Social Good.

Integrity

We prioritises honesty and truthfulness throughout all of the Group’s dealings and communications.

Social Good

We strive to excel in our business operations while making a positive contribution to society and the world.

CORPORATE GOVERNANCE POLICIES AND PRACTICES

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

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

Major activities during the year 2024 and up to the date of this report include:

MAJOR ACTIVITIES	
Corporate Governance Policies	<p>Strengthening Governance Framework</p> <p>The Board regularly updates and assesses the corporate governance practices, aiming to achieve exemplary standards. During the year 2024, the Company updated the Anti-Fraud, Bribery and Corruption Policy, Employee Code of Conduct, and Privacy Policy, and established a written policy of director independence.</p>
Share Schemes	<p>Grant of Share Options and Adoption of 2024 Share Schemes</p> <p>During the year 2024, the Company granted 6,155,000 share options under the 2019 Share Option Scheme to eligible employees of the Group (including Executive Directors), with a formal announcement made on 20 March 2024.</p> <p>At the Special General Meeting of the Company held on 29 May 2024, Shareholders approved the adoption of 2024 Share Award Scheme and 2024 Share Option Scheme, effective for a period of 10 years commencing on the adoption date. The principal terms of the 2024 Share Schemes were set out in a circular to the Shareholders dated 19 April 2024.</p>
Principal Share Registrar and Transfer Office in Bermuda	<p>Change of Principal Share Registrar and Transfer Office in Bermuda</p> <p>The principal share registrar and transfer office of the Company in Bermuda has been changed to Appleby Global Corporate Services (Bermuda) Limited of Canon's Court, 22 Victoria Street, PO Box HM 1179, Hamilton HM EX, Bermuda with effect from 1 January 2025. The branch share registrar of the Company in Hong Kong remains unchanged. A formal announcement was made on 30 December 2024.</p>
General Mandates	<p>General Mandates to Buy-back and Issue Shares of the Company</p> <p>After careful consideration and evaluation, the Company considered that seeking flexibility in granting a general mandate to issue 20% of shares (the maximum allowed under the Listing Rules) rather than a lower percentage is appropriate, as it allows the Company to capitalise on favourable market conditions and make timely decisions, and could positively influence the perception of Great Eagle's equity financing capability, which would ultimately maximise value for our Shareholders.</p> <p>At the Annual General Meeting of the Company held on 29 May 2024, general mandates to buy-back no more than 10% of the issued shares and issue no more than 20% of the issued shares of the Company were granted by Shareholders with 99.99% and 83.46% shares voted in favour of the respective resolutions. The Company will use the mandates sparingly and in the interest of the Shareholders. The Company did not buy back or issue any shares in 2024.</p>

Compliance with Corporate Governance Code

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

CODE PROVISION	COMPLY OR EXPLAIN
B.2.2	<p>Every Director should be subject to retirement by rotation at least once every three years</p> <p>Under the existing Bye-laws, the Executive Chairman and Managing Director of the Company are not subject to retirement by rotation. The same provision is contained in The Great Eagle Holdings Limited Company Act, 1990 of Bermuda. As such, Directors who hold the offices of either the Executive Chairman or the Managing Director of the Company are by statute not required to retire by rotation. After due consideration, in particular of the legal costs and procedures involved, the Board considers that it is not desirable to propose any amendment to The Great Eagle Holdings Limited Company Act, 1990 for the sole purpose of subjecting the Executive Chairman and Managing Director of the Company to retirement by rotation. Dr. Lo Ka Shui is the Executive Chairman and Managing Director of the Company. His interests in shares and underlying shares in the Company and its associated corporations are set out in the "Report of the Directors" contained in this Annual Report. There is no service contract between the Company and Dr. Lo, and he is not appointed for any specified length, or proposed length, of services with the Company. Notwithstanding that Dr. Lo is not subject to retirement by rotation, we have disclosed his biographical details in accordance with Rule 13.74 of the Listing Rules in the circular to the Shareholders in relation to, among other things, the re-election of retiring Directors, for Shareholders' information. A biography of Dr. Lo and details of his emoluments are also set out on page 71 of this Annual Report and in note 11 to the consolidated financial statements respectively.</p>
C.1.4	<p>All Directors should participate in continuous professional development to develop and refresh their knowledge and skills</p> <p>Madam Lo To Lee Kwan, a Non-executive Director of the Company, is the co-founder of the Group. She was involved in the early stages of development of the Group. Since she has become a centenarian, she is relatively inactive in the Group's business in recent years and has not participated in the 2024 Director Development Program provided by the Company. However, as a co-founder of the Group, Madam Lo has an irreplaceable status in the Company, and in view of her valuable experience and contribution can offer a valuable long-term view of the business and industry. The Board considers that it is fit and proper for Madam Lo to remain on the Board and she will be removed by natural attrition from departures and retirements. Except for Madam Lo, all of the Directors have participated in continuous professional development during the year 2024.</p>
C.2.1	<p>The roles of Chairman and chief executive should be separate and should not be performed by the same individual</p> <p>Dr. Lo Ka Shui is the Chairman of the Board and holds the office of Managing Director of the Company. While this is a deviation from CG Code Provision C.2.1, dual role leadership has been in practice by the Company for decades and has withstood the test of time. The Board considers this arrangement to be appropriate for the Company as it preserves the consistent leadership culture of the Company and allows efficient discharge of the executive functions of the chief executive. The Board believes that a balance of power and authority is adequately ensured by the operations of the Board, which comprises experienced and high caliber individuals including five Independent Non-executive Directors and three Non-executive Directors who offer advice and views from different perspectives. Meanwhile, the day-to-day management and operation of the Group are delegated to divisional management under the leadership and supervision of Dr. Lo in the role of Managing Director, who is supported by the Executive Directors and senior management.</p>

Corporate Governance Policies and Procedures



Great Eagle has put in place a comprehensive set of governance policies and procedures which form the core of the Group's governance framework. They include:

- **Anti-Fraud, Bribery and Corruption Policy**
The Group's employees must abide by the standards of conduct in this policy, which also provides guidance on accepting and offering business courtesies.
- **Board Diversity Policy**
This policy sets out the approach to achieve diversity on the Board with an aim to have a Board that comprises a diversity of perspectives that are relevant to the business and organisation needs of the Group.
- **Code of Conduct regarding Securities Transactions by Directors and Relevant Employees**
Directors and relevant employees must abide by our Code of Conduct regarding transactions in the Company's securities or any listed entities in which the Company has 20% or above interest in share capital. The Code also applies to anyone possessing unpublished inside information about these entities.
- **Director Independence Policy**
This policy aims to ensure independent views are available to the Board, which strengthens its integrity and effectiveness.
- **Employee Code of Conduct**
Great Eagle's Employee Code of Conduct sets out the basic standards of behaviour expected of all our employees (including Executive Directors), as well as our policies on accepting advantages, declaring conflicts of interest and other matters.
- **Policy on the Preservation and Prevention of Misuse of Inside Information**
Our internal control systems and monitoring procedures are set out in this policy, which aims to protect inside information and prevent its misuse, and to ensure all persons to whom the policy applies understand their obligations to preserve the confidentiality of unpublished inside information.
- **Privacy Policy**
This policy sets out how the Group collect, use, retain, disclose, protect and process the information gathered from our websites, social media platforms and mobile applications, and any products and services provided by us during a contractual or investment relationship.
- **Reporting and Monitoring Policy on Connected Transactions**
This policy sets out Great Eagle's internal control systems and monitoring procedures in respect of executing, recording and reporting of all connected transactions and continuing connected transactions.
- **Schedule of Matters Reserved for the Board**
A list of major issues that must be decided upon by the full Board, except when an appropriate board committee has been set up to address the matter pursuant to a resolution passed by the full Board.
- **Shareholder Communication Policy**
It reflects the current practice of the Company in communications with Shareholders with an aim to promote effective engagement with Shareholders, both individual and institutional investors, and other stakeholders.

- Social Media Policy**
 It sets out the basic standards of behaviour expected of the Group’s employees and the procedures they must follow regarding the use of social media, both personally as well as in their capacity as representatives of the Group.
- Whistleblowing Policy**
 This policy sets out guidelines regarding reporting channels and protection for whistleblowers, and details how reports of improprieties will be handled.

The Board regularly reviews these policies and procedures, and enhancements will be made from time to time in light of the latest statutory and regulatory regimes and applicable international best practices. Copies of the principal governance policies are available on the Group’s website (www.GreatEagle.com.hk).

BOARD OF DIRECTORS

Board Composition

The composition of the Board during the year and up to the date of this report is set out below:

Executive Directors

Dr. LO Ka Shui (<i>Chairman and Managing Director</i>)	35 years
Mr. LO Hong Sui, Antony	35 years
Madam LAW Wai Duen	35 years
Mr. LO Chun Him, Alexander	9 years
Mr. KAN Tak Kwong (<i>General Manager</i>)	35 years
Mr. CHU Shik Pui	9 years
Professor POON Ka Yeung, Larry	9 years

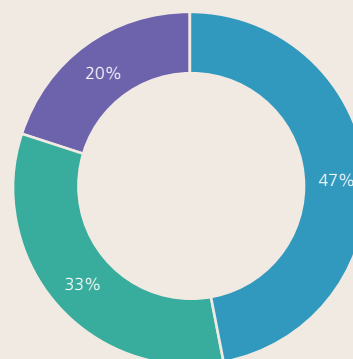
Non-executive Directors

Madam LO TO Lee Kwan	35 years
Mr. LO Hong Sui, Vincent	35 years
Dr. LO Ying Sui	31 years

Independent Non-executive Directors

Professor WONG Yue Chim, Richard	29 years
Mrs. LEE Pui Ling, Angelina	22 years
Mr. ZHU Qi	3 years
Mr. HO Shut Kan	2 years
Ms. Diana Ferreira CESAR	1 year

LENGTH OF TENURE (Note)



- Executive Director ("ED")
- Non-executive Director ("NED")
- Independent Non-executive Director ("INED")

Note: Length of tenure of all the Directors since re-organisation of the Group

Madam Lo To Lee Kwan is the mother of Dr. Lo Ka Shui, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui; and the grandmother of Mr. Lo Chun Him, Alexander. Aside from the disclosed relationships above, there are no family or other material relationships amongst members of the Board. Biographical details of the Directors are set out on pages 70 to 75 of this Annual Report, and maintained on the Group’s website (www.GreatEagle.com.hk).

Appointment, Re-election and Rotation of Directors

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

Mr. Lo Hong Sui, Antony, Mr. Kan Tak Kwong and Mr. Zhu Qi, being the longest in office, along with Mr. Lo Hong Sui, Vincent and Mrs. Lee Pui Ling, Angelina, being determined by lot, will retire as the Directors at the forthcoming annual general meeting and are eligible for re-election. The Nomination Committee has assessed the independence of Mrs. Lee, an Independent Non-executive Director who has served on the Board for more than nine years, and considered that she remains independent. Further details on the independence assessment of Mrs. Lee are set out in the sub-section headed "Independence Assessment" of this report.

Board Responsibilities

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

SUMMARY OF KEY MATTERS RESERVED FOR THE BOARD	
Strategy	<ul style="list-style-type: none"> • Approval of the Group's long-term objectives and corporate strategy • Extension of the Group's activities into new business of material nature • Any decision to cease to operate all or any material part of the Group's business • Any change in the Company's domicile or listing status
Structure and Capital	<ul style="list-style-type: none"> • Recommendations to Shareholders regarding proposals relating to general mandates to buy-back existing shares and issue new shares • Changes relating to the Group's capital structure • Major changes to the Group's corporate structure, management and control structure
Financial and Corporate Governance	<ul style="list-style-type: none"> • Approval of the annual report, interim report and results announcements • Declaration of interim dividend and recommendation of final dividend • Approval of any significant changes in accounting policies or practices • Approval of substantial acquisition or disposal • Approval of material connected transactions • Approval of major capital projects • Approval of terms of reference of Board Committees • Review of the Group's overall corporate governance arrangements • Approval of the Group's governance policies • Approval of the sustainability report
Board Membership and Other Appointments	<ul style="list-style-type: none"> • Appointment of Director • Appointment of membership of Board Committees • Appointment or removal of the Company Secretary • Appointment, re-appointment or removal of the external auditor to be put to Shareholders for approval, if required

Director’s Responsibilities for the Financial Statements

The Board, supported by the Accounts and Finance Department, is responsible for the preparation of the Group’s accounts for the year ended 31 December 2024.

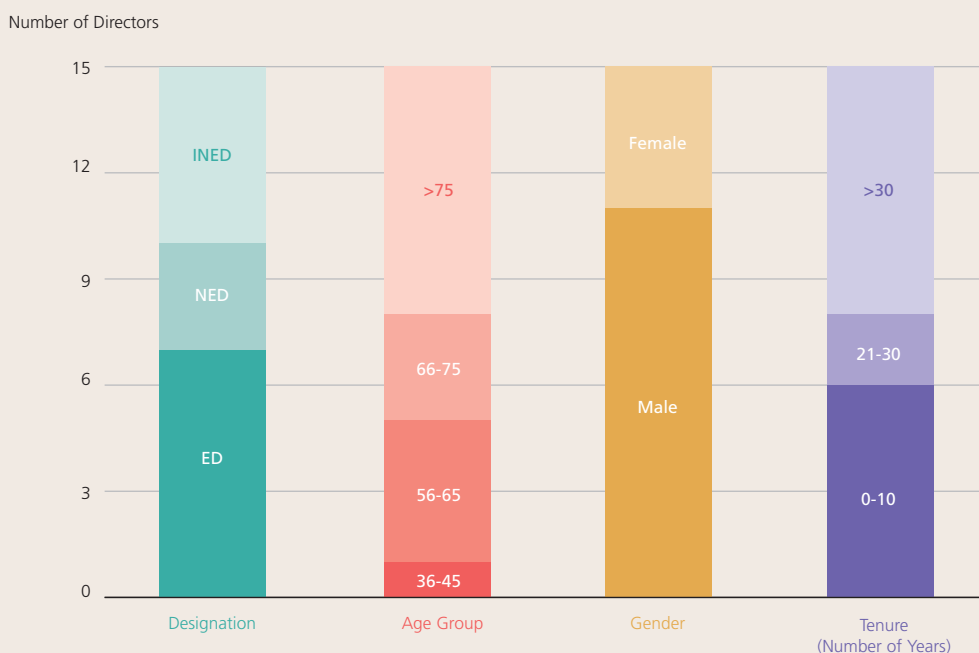
Board Diversity

Board Diversity Policy

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

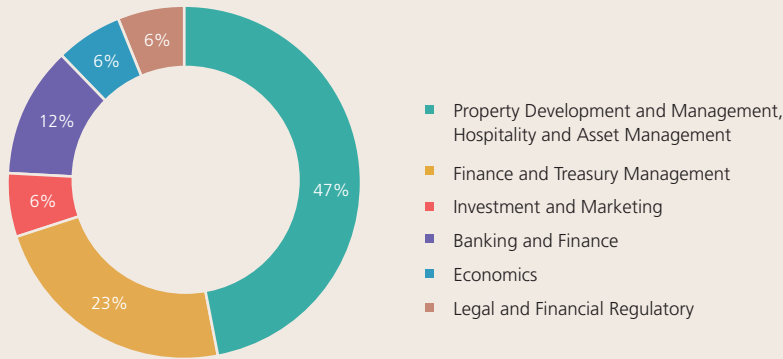
Diversity Mix

The Board currently comprises members from various age groups and both genders. The Board believes that the current board composition is diverse, with a well-balanced mix of professional backgrounds, skills, experience, gender and age. The Nomination Committee will regularly review the Board’s composition and ensure the diversity of the Board. The following charts shows the diversity profile of the Board as at 31 December 2024:



Board Skills Matrix

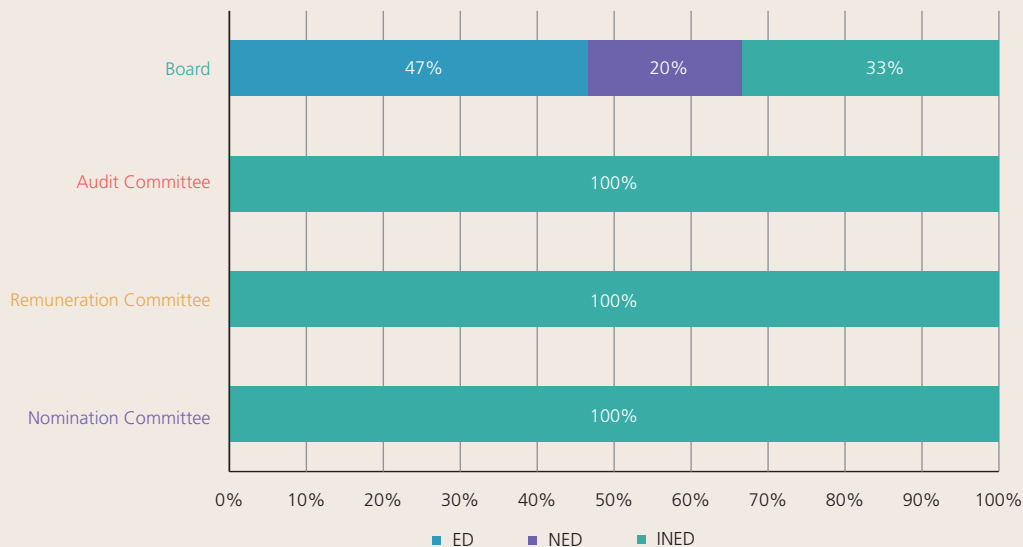
The Board possesses a balance of skills, experience and diversity of perspectives among the Board members that are appropriate to Great Eagle’s business nature, corporate strategy and structure, contributing to the Board’s effectiveness. The Board comprises a range of expertise including property development and management, hospitality and asset management, finance and treasury management, investment and marketing, banking and finance, economics, and legal and financial regulatory as shown in the following chart.



Board Independence

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

Independence Weighting



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

MEASURES	MECHANISMS TO ENSURE INDEPENDENCE
<p>Independence Assessment</p>	<p>Confirmation of Independence All Independent Non-executive Directors have provided a written annual confirmation of independence to the Company on their fulfilment of the independence guidelines set out in Rule 3.13 of the Listing Rules. The Nomination Committee shall assess the independence of Independent Non-executive Directors upon appointment and annually to ensure they can continually exercise independent judgement. Interlocking directorships of the Board members shall be reviewed by the Nomination Committee annually.</p> <p>Time Commitments All Directors should attend all regular meetings of the Board and Board Committees on which they serve, as well as general meetings. Non-executive Directors are required to provide written annual confirmations regarding their time spent on the affairs of the Company.</p> <p>Disclosure of Interest All Directors have to disclose their interest and/or any actual or potential conflict of interests in the matters to be considered at the Board or Board Committee meetings. Directors shall abstain from voting in respect of any transaction, contract or arrangement in which he/she has material interests. Directors are required to provide confirmation of any material interests in businesses that compete with the Group.</p> <p>Appointment Process The Nomination Committee is delegated by the Board to shortlist any and all candidates nominated to be appointed as Directors. The Nomination Committee shall follow the selection criteria and evaluation procedures set out in the Nomination Policy when nominating candidates to be appointed as Directors.</p>
<p>Proceedings of the Board</p>	<p>The dates of the regular Board and Board Committee meetings for the year are determined in the fourth quarter of the previous year. At least 14 days' formal notice of regular Board and Board Committee meetings will be given to all Directors, and all Directors are invited to include any matters for discussion in the agenda. By at least 3 business days in advance of every regular Board and Board Committee meeting, Directors are provided with the meeting agenda and relevant board papers containing complete, adequate and timely information, which enables full deliberation on the issues to be considered at the respective meetings.</p>
<p>Board Decision Making</p>	<p>During the Board and Board Committee meetings, Non-executive Directors are encouraged to freely express their independent views and input in an open and candid manner, provide open and objective challenges and informed insights and responses to the management, and contribute their knowledge of the businesses and markets in which the Group operates. Comments and concerns raised by the Directors are closely followed up by the management.</p> <p>The Company Secretary is required to prepare minutes that record not only the decisions reached, but any concerns raised or dissenting views expressed by Directors. A draft version of the minutes is circulated to all Directors for their comment and confirmation. The final version is also provided to the Directors for records. Minutes of all Board and Board Committee meetings are available for Directors' inspection.</p>

MEASURES	MECHANISMS TO ENSURE INDEPENDENCE
<p>Supply and Access to Information</p>	<p>Directors are provided with monthly reports covering highlights of the Group’s major businesses, keeping them abreast of the Group’s business performance and enabling them to reach informed decisions in the best interests of the Company and the Shareholders. More thorough and comprehensive management and financial updates are provided to all Board members on a quarterly basis to ensure each member is aware of the financial performance and position of the Company. Discussion sessions between the Board and senior management are held twice a year and business performance of the Group, risk management and internal control, information security matters and legal and compliance issues will be reported to the Board. Directors have full access to the senior management of the Company.</p> <p>Directors also have access to the advice and services of the Company Secretary who supports the Board, ensures proper information flow within the Board and Board policies and procedures are followed, advises the Board on governance matters, facilitates induction and monitors the training and continuous professional development of Directors. The Company Secretary is a fellow of The Hong Kong Chartered Governance Institute and undergoes not less than 15 hours of professional training each year to continuously update relevant knowledge and skills. The Company Secretary’s biography is set out in the “Biographical Details of Directors and Senior Management” section of this Annual Report.</p> <p>To facilitate proper discharge of Directors’ duties and responsibilities, all Directors (including Independent Non-executive Directors) are entitled to seek advice from the Company Secretary or in-house legal team, as well as from independent professional advisors at the expense of the Company, in which the Company Secretary is responsible for making all necessary arrangements.</p>
<p>Induction and Continuing Development</p>	<p>The Company Secretary provides an induction pack and orientation program for all new directors to familiarise them with the business and operations of the Group, the legal framework under which the Company is governed and the internal control and policies of the Company. Subsequent information packages are regularly provided to the Directors to keep them abreast of the latest developments in the industry and legal framework that are relevant to the affairs of the Group.</p>
<p>Remuneration of Independent Non-executive Directors</p>	<p>Independent Non-executive Directors receive only fixed fees for their roles as members of the Board and Board Committees. No profit-related pay is granted, as this may lead to bias in their decision-making and compromise their objectivity and independence.</p>

The Board believes the above measures facilitate the Directors in making effective contributions, and ensure that independent views and input are available to the Board and Board Committees. The Board has reviewed the implementation and effectiveness of above mechanisms for the year 2024.

Board Meetings

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

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

Four full physical Board meetings were held during the year ended 31 December 2024. Board meetings during the year were held either by means of telephone conference and/or video conference. Proposed dates of the regular Board and Board Committee meetings for each new calendar year are set out in a schedule and notified to all Board members before the beginning of the year concerned with a view to facilitating their attendance.

The attendance of individual Directors at such Board meetings, Board Committee meetings and general meetings held during the year ended 31 December 2024 is as follows:

Name of Directors	Number of Meeting(s) Attended/Eligible to Attend for the year ended 31 December 2024					
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Annual General Meeting	Special General Meeting
Executive Directors						
LO Ka Shui ^(Note 1)	4/4	–	–	–	1/1	1/1
LO Hong Sui, Antony	3/4	–	–	–	1/1	1/1
LAW Wai Duen	4/4	–	–	–	1/1	1/1
LO Chun Him, Alexander	4/4	–	–	–	1/1	1/1
KAN Tak Kwong ^(Note 2)	4/4	–	–	–	1/1	1/1
CHU Shik Pui	4/4	–	–	–	1/1	1/1
POON Ka Yeung, Larry	4/4	–	–	–	1/1	1/1
Non-executive Directors						
LO TO Lee Kwan	(Note 3)	–	–	–	(Note 3)	(Note 3)
LO Hong Sui, Vincent	3/4	–	–	–	1/1	1/1
LO Ying Sui	4/4	–	–	–	1/1	1/1
Independent Non-executive Directors						
WONG Yue Chim, Richard	4/4	2/2	1/1	1/1	1/1	1/1
LEE Pui Ling, Angelina	4/4	2/2	0/1	0/1	1/1	1/1
ZHU Qi	4/4	2/2	1/1	1/1	1/1	1/1
HO Shut Kan	4/4	2/2	1/1	1/1	1/1	1/1
Diana Ferreira CESAR	4/4	–	–	–	1/1	1/1

Notes:

- (1) Chairman and Managing Director
- (2) General Manager
- (3) Madam Lo To Lee Kwan did not attend the Board meetings and general meetings in the year 2024. Madam Lo has long been in office and has been relatively inactive in the Group's business in recent years. However, as a co-founder of the Group, Madam Lo has an irreplaceable status in the Company. In view of her valuable experience and contributions, the Board considers that it is fit and proper for Madam Lo to remain on the Board.

Directors' Orientation and Continuous Professional Development

The Company Secretary shall assist the Board to manage and oversee the induction process for new directors and continuous professional development of all Directors. The Company has established a Director Development Program that fosters the continuous development of the Board members. The program has two components, namely (1) New Director Orientation and (2) Ongoing Director Development. An induction pack and orientation program will be provided to the new Director by the Company Secretary to familiarise them with the business and operations of the Group, the legal framework under which the Company is governed and the internal control and policies of the Company. To keep Directors abreast of their responsibilities and infuse them with new knowledge relevant to the Group's business and operating environment, information packages comprising the latest developments focusing on legal and regulatory, corporate governance, financial reporting, macroeconomy developments, industry news and materials relevant to the roles, functions and duties as a director will be periodically provided to each Director by the Company Secretary to keep them abreast of the latest industry developments and legal frameworks that are relevant to the affairs of the Group.

During the year ended 31 December 2024, self-reading materials with specific focus topics on industry trends and updates pertaining to the Group's business, legal and regulatory, corporate governance and ESG, taxation and financial reporting, and directors' roles and duties were provided to the Directors. All Directors (except Madam Lo To Lee Kwan) have participated in the Director Development Program and/or other continuous professional development, and have provided their training records to the Company and confirmed that they had participated in not less than 10 training hours during the year ended 31 December 2024. The table below summarises the participation of Directors in training and continuous professional development during the year.

Training Record

Name of Directors	Anti-Corruption	Corporate Governance and ESG	Directors' Roles and Duties	Industry Trends and Updates	Legal and Regulatory	Taxation and Financial Reporting	Total Training Hours
Executive Directors							
LO Ka Shui	✓	✓	✓	✓	✓	✓	15.25
LO Hong Sui, Antony	✓	✓	✓	✓	✓	✓	14.50
LAW Wai Duen	✓	✓	✓	✓	✓	✓	15.25
LO Chun Him, Alexander	✓	✓	✓	✓	✓	✓	14.50
KAN Tak Kwong	✓	✓	✓	✓	✓	✓	15.25
CHU Shik Pui	✓	✓	✓	✓	✓	✓	15.25
POON Ka Yeung, Larry	✓	✓	✓	✓	✓	✓	15.25
Non-executive Directors							
LO TO Lee Kwan	–	–	–	–	–	–	(Note 2)
LO Hong Sui, Vincent	✓	✓	✓	✓	✓	✓	15.25
LO Ying Sui	✓	✓	✓	✓	✓		10.00
Independent Non-executive Directors							
WONG Yue Chim, Richard	✓	✓	✓	✓	✓	✓	15.25
LEE Pui Ling, Angelina	✓	✓	✓	✓	✓	✓	15.25
ZHU Qi	✓	✓	✓	✓	✓	✓	15.25
HO Shut Kan	✓	✓	✓	✓	✓	✓	10.50
Diana Ferreira CESAR	✓	✓	✓	✓	✓	✓	15.25

CORPORATE GOVERNANCE REPORT

Notes:

- (1) The training hours counted are those provided by the Company, excluding any other training attended by the Director, if any.
- (2) Madam Lo To Lee Kwan did not participated in the 2024 Director Development Program provided by the Company and other continuous professional development during the year 2024. Since she has become a centenarian, she is relatively inactive in the Group's business in recent years. However, as a co-founder of the Group, Madam Lo has an irreplaceable status in the Company, and in view of her valuable experience and contribution can offer a valuable long-term view of the business and industry. The Board considers that it is fit and proper for Madam Lo to remain on the Board.

Securities Transactions by Directors and Relevant Employees

Great Eagle has adopted its own Code of Conduct regarding Securities Transactions on terms no less exacting than the standard set out in the Model Code and it is updated from time to time in accordance with the Listing Rules requirements. The Directors' interests in the securities of the Company and its associated corporations (within the meaning of Part XV of the SFO) as at 31 December 2024, are set out on pages 90 to 93 of this Annual Report.

Having made specific enquiries, all Directors and relevant employees of the Group confirmed that they have fully complied with the Code of Conduct for Securities Transactions throughout the year ended 31 December 2024.

Directors' and Officers' Liability Insurance

During the year ended 31 December 2024, the Company has arranged appropriate Directors' and Officers' liabilities insurance coverage in respect of legal action against its Directors and officers.

DELEGATION BY THE BOARD

Management Functions

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

Board Committees

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



Audit Committee



The Company established the Audit Committee in 1999, its terms of reference are posted on the Group's website (www.GreatEagle.com.hk) and the HKEXnews' website (www.hkexnews.hk).

Roles and Authorities

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

- (a) to review Great Eagle's half-year report, annual report and financial statements, and provide relevant comments and advice to the Board;
- (b) to discuss the statement on the risk management and internal control systems with management of the Company to ensure that management has performed its duty to maintain effective systems including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
- (c) to review and monitor the internal audit function, programmes and reports, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to monitor its effectiveness;
- (d) to recommend the Board on the appointment, re-appointment and removal of the external auditor, to approve their remuneration and terms of engagement, and handle any questions of its resignation or dismissal;
- (e) to review the external auditor's management letter, and convey management's response to points raised on accounting records, financial accounts or internal control systems and to ensure that the Board provides a timely response to the issues raised in the management letter;
- (f) to review the arrangements that employees of the Group can use to confidentially raise concerns about possible improprieties in financial reporting, internal control or other matters, and ensure that proper arrangements are in place for fair and independent investigation along with appropriate follow-up action; and
- (g) to review the implementation and compliance of the Deed of Right of First Refusal dated 10 May 2013 entered into between the Group and LHI regarding the grant of a right of first refusal by the Group to LHI in relation to certain investment and disposal of hotel properties by the Group as more particularly described in the prospectus of LHI in order to maintain a clear delineation of the respective businesses of LHI and that of the Group.

Summary of Work

During the year ended 31 December 2024, the Audit Committee held two physical meetings. Highlights of their work include:

AREAS OF DUTIES	SUMMARY OF MAJOR WORK DONE BY THE AUDIT COMMITTEE IN 2024
Disclosure of Financial Information	<ul style="list-style-type: none"> • reviewed the audited financial statements for the year ended 31 December 2023 and the unaudited financial statements for the six months ended 30 June 2024, with particular regard to significant audit risks and other audit issues including: <ol style="list-style-type: none"> (1) significant risk on the review on fair value of the Group's investment properties; (2) review on the impairment of hotel buildings; (3) review on the consideration payable for a development project; (4) review on the fair value of derivative financial instruments – cross currency swaps and interest rate swaps; (5) review on the effectiveness of cash flow hedge; (6) review on the net current liabilities of the Group; (7) review on the revenue recognition; and (8) review on the potential oversight by management in the financial reporting process. • reviewed the draft 2023 Annual Report and annual results announcement • reviewed the draft 2024 Interim Report and interim results announcement
Risk Management and Internal Control	<ul style="list-style-type: none"> • reviewed various internal audit reports and effectiveness of risk management and internal control systems for the year ended 31 December 2023 • approved the annual audit plan for the year 2024 • reviewed the significant findings and recommendations from the internal auditor and monitored subsequent implementations
Reports of External Auditor	<ul style="list-style-type: none"> • reviewed the external auditor's reports for the year ended 31 December 2023 and for the six months ended 30 June 2024, which summarise governance-related matters arising from their audit
Re-appointment of External Auditor	<ul style="list-style-type: none"> • reviewed and recommended the re-appointment of Messrs. Deloitte Touche Tohmatsu as the external auditor, the provision of audit and non-audit services and approved their remuneration
Legal and Regulatory Compliance	<ul style="list-style-type: none"> • reviewed the legal and regulatory, and governance and compliance issues of the Group including but not limited to the compliance with the provisions of the Listing Rules, Securities and Futures Ordinance, Companies Ordinance and the Bye-laws for the year ended 31 December 2023 and for the six months ended 30 June 2024, and the disclosure in the Corporate Governance Report

Remuneration Committee



The Company established the Remuneration Committee in 2004, its terms of reference are posted on the Group’s website (www.GreatEagle.com.hk) and the HKEXnews’ website (www.hkexnews.hk).

Roles and Authorities

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

- (a) to determine the remuneration packages of the Group’s employees including Executive Directors and senior management;
- (b) to recommend the remuneration of Non-executive Directors and Independent Non-executive Directors; and
- (c) to decide on the granting of share awards and/or share options under the share incentive schemes as may from time to time be adopted by the Company.

Summary of Work

During the year ended 31 December 2024, the Remuneration Committee held two meetings either in the form of physical meeting or by way of written resolution signed by all committee members. Highlights of their work include:

AREAS OF DUTIES	SUMMARY OF MAJOR WORK DONE BY THE REMUNERATION COMMITTEE IN 2024
Remuneration Packages	<ul style="list-style-type: none"> • reviewed and approved the proposals for 2024 general salary revision and discretionary bonus distribution to the Group’s employees (including Executive Directors and senior management) • reviewed and recommended the Directors’ fee and remuneration for Non-executive Directors and Independent Non-executive Directors for the year 2024
Share Incentive Schemes	<ul style="list-style-type: none"> • reviewed and approved the annual grant of share options of the Company • reviewed and approved the proposal for adoption of 2024 Share Award Scheme • reviewed and approved the proposal for adoption of 2024 Share Option Scheme

Share Schemes

Following the amendments to the Listing Rules which took effect on 1 January 2023, and at the recommendation of the Remuneration Committee, as approved by the Board and the Shareholders, the Company terminated the 2019 Share Option Scheme and adopted the 2024 Share Option Scheme on 29 May 2024. In addition, the Company also adopted the 2024 Share Award Scheme.

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

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

The share awards and share options granted under the 2024 Share Schemes would be subject to certain vesting conditions, if any, and a clawback mechanism.

As approved by the Remuneration Committee, the vesting period of the share awards to be granted under the 2024 Share Award Scheme is 36 months. The share options to be granted under 2024 Share Award Scheme are exercisable for a period of 36 months commencing on the expiry of 24 months after the date upon which the share option is deemed to be granted and accepted, and expiring on the last day of the 36-month period.

In order to qualify for the vesting of the share awards under the 2024 Share Award Scheme, participants must meet goals and targets satisfactorily with reference to the Group's business development and goals throughout the 36-month vesting period. Participants must consistently meet essential job expectations and demonstrate proficiency in their duties associated with their roles and responsibilities within the Group. Participants are also expected to uphold the standards set forth in the Employee Code of Conduct of the Company, which includes maintaining professionalism and integrity, throughout the vesting period. The journey to vesting is shaped not only by performance but also by a commitment to uphold high standards. This thorough assessment is designed to ensure alignment of interests between the participants and the Company.

The Group has a long-standing practice of offering share options to employees of the Group (including Executive Directors) as a form of bonus payment for the relevant financial period. Considering the fact that the value of the share options is linked to the future price of the shares of the Company, it serves to motivate grantees to contribute to the Company's development. Therefore, the Remuneration Committee considered that the grant of share options as a form of bonus payment for the grantees' past contribution is in alignment with the purpose of the Share Option Schemes of the Company, serving as a tool to motivate grantees and allow them to benefit from the improvement of the share performance of the Company. Accordingly, no additional performance target shall be required. During the year 2024, 6,155,000 share options were granted under the 2019 Share Option Scheme, further details of the grant are set out in the "Report of the Directors" contained in this Annual Report.

As at 31 December 2024, no share award and share option was granted under the 2024 Share Schemes since its adoption.

Remuneration Policy for Directors and Senior Management

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

No Director should be involved in deciding his/her own remuneration. The remuneration packages of individual Executive Directors and senior management are determined by the Remuneration Committee, which comprises only Independent Non-executive Directors. The remuneration package offered to Executive Directors and senior management comprises core fixed elements (including basic salary, retirement benefits scheme contributions and other benefits) as well as discretionary variable elements (including discretionary bonuses). The Director's fee of Non-executive Directors and Independent Non-executive Directors are determined by the Board based on general duties and responsibilities as a Director, they do not participate in performance-based compensation. Details of Directors' emoluments can be found in note 11 to the consolidated financial statements. The emoluments of senior management for the year 2024 were disclosed by bands as follows:

Emoluments	2024 Number of members of senior management
Below HK\$5,000,000	13
HK\$5,000,000 – HK\$7,500,000	1
Above HK\$7,500,000	1
Total	15

Director's Fee and Board Committee Remuneration

A Director is entitled to receive a Director's fee of HK\$220,000 for the year ended 31 December 2024. The Director's fee was proposed by the Board on the recommendation of the Remuneration Committee, based on the general duties and responsibilities as a Director of the Company and approved by Shareholders at the 2024 Annual General Meeting, and payable to each Director as ordinary remuneration.

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

	2024 HK\$	2023 HK\$
Audit Committee		
• Chairman	220,000	220,000
• Committee Member	170,000	170,000
Remuneration Committee		
• Chairman	70,000	70,000
• Committee Member	60,000	60,000
Nomination Committee		
• Chairman	60,000	60,000
• Committee Member	50,000	50,000

Nomination Committee



The Company established the Nomination Committee in 2005, its terms of reference are posted on the Group's website (www.GreatEagle.com.hk) and the HKEXnews' website (www.hkexnews.hk).

Roles and Authorities

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

- (a) to establish a policy concerning diversity of the Board, taking into account the Group's business model and specific needs;
- (b) to establish a policy for the nomination of Directors;
- (c) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (d) to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorships;
- (e) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors; and
- (f) to assess the independence of Independent Non-executive Directors.

Summary of Work

During the year ended 31 December 2024, the Nomination Committee held one physical meeting. Highlights of their work include:

AREAS OF DUTIES	SUMMARY OF MAJOR WORK DONE BY THE NOMINATION COMMITTEE IN 2024
Board Composition	<ul style="list-style-type: none"> reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board, and the contributions required from the Board members reviewed the Directors' time commitment to the affairs of the Company through, inter alia, meeting attendance and interlocking directorship
Independence of Independent Non-executive Directors	<ul style="list-style-type: none"> assessed the independence of all Independent Non-executive Directors, including those who served on the Board for more than 9 years
Board Independence Mechanism	<ul style="list-style-type: none"> reviewed the implementation and effectiveness of the board independence mechanisms set out in the Director Independence Policy to ensure independent views are available to the Board
Re-appointment of Directors	<ul style="list-style-type: none"> reviewed and recommended the re-election of retiring Directors, namely Madam Law Wai Duen, Mr. Lo Chun Him, Alexander, Professor Wong Yue Chim, Richard, Dr. Lo Ying Sui and Professor Poon Ka Yeung, Larry, at the 2024 Annual General Meeting

Nomination Policy

The Nomination Committee adopted the Nomination Policy in 2019 which sets out the selection criteria and the evaluation procedures in nominating candidates to be appointed or re-appointed as Directors of the Company. The objective of the Nomination Policy is to assist the Nomination Committee in fulfilling its duties and responsibilities as provided in its terms of reference. The Nomination Committee recommends candidates for nomination to the Board, which approves the final choice of candidates.

The Nomination Committee shall consider any and all candidates recommended as nominees for Directors to the Nomination Committee by any Directors or Shareholders in accordance with the Bye-laws. The Nomination Committee may also undertake its own search process for candidates and may retain the services of professional search firms or other third parties to assist in identifying and evaluating potential nominees. The Nomination Committee shall endeavour to find individuals of high integrity who possess the qualifications, qualities, skills, experience and independence (in case of Independent Non-executive Directors) to effectively represent the best interests of all Shareholders. Candidates will be selected for their ability to exercise good judgment, and to provide practical insights and diverse perspectives. The Nomination Committee may use any process it deems appropriate for the purpose of evaluating candidates including personal interviews, background checks, written submission by the candidates and third party references. As far as practicable, nominees for each election or appointment of Directors shall be evaluated using a substantially similar process. The Nomination Committee shall review the Nomination Policy from time to time.

Independence Assessment

The Nomination Committee believes that independence is an important part of fulfilling the Directors' duty to supervise the management of the business and affairs of the Group. The Nomination Committee is accountable for assessing whether any relationships or circumstances would likely interfere with the exercise of objective and unfettered judgement by relevant Directors. It reviews annually all relevant facts and circumstances such as interlocking directorship, competing businesses and other significant commitment that might potentially impose an impact on Directors' judgement. To be considered independent, an Independent Non-executive Director must also meet the independence guidelines set out in Rule 3.13 of the Listing Rules.

The Nomination Committee also considered the tenure of the Independent Non-executive Directors and noted that there are two Independent Non-executive Directors who have served on the Board for more than nine years ("Long Serving INEDs"), namely Professor Wong Yue Chim, Richard and Mrs. Lee Pui Ling, Angelina and their re-appointments are subject to a separate resolution to be approved by the Shareholders at the annual general meeting.

Professor Wong is Provost and Deputy Vice-Chancellor and Chair of Economics at The University of Hong Kong. He is a leading figure in advancing economic research on policy issues in Hong Kong. He has a strong grasp of policy dynamics and regulatory frameworks and can provide valuable insights into economic trends, market conditions, and potential risks or opportunities, and offer a deep understanding of macroeconomic factors that may impact the Company's operations. With due regard to a range of diversified perspectives in particular Professor Wong's background and expertise in economic and social affairs in Hong Kong and Mainland China, he could help to evaluate opportunities to expand and diversify our Group's property and hotel portfolio in Hong Kong and Mainland China and it is believed that Professor Wong with his specialised skill set can enhance the Board's decision-making process and contribute to the long-term success of the Company.

Mrs. Lee is a solicitor and a Fellow of the Institute of Chartered Accountants in England and Wales. She holds a Bachelor of Laws degree from and was awarded an Honorary Fellowship by University College London, University of London. Mrs. Lee's impressive career history and expertise bring exceptional knowledge to and enhance the diversity of the Board of the Company. Amongst her public appointments in the past, including membership in the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority and as a Non-executive Director of the Securities and Futures Commission, showcase her significant contributions to financial regulation. These experiences underline her strong connections within the financial market, making her an invaluable asset in navigating complex legal and regulatory challenges. We consider that her extensive experience in legal and financial regulatory sectors could bring a wealth of legal and regulatory compliance experience to the Board and upholds the Company's governance standards, fostering long-term growth.

In consideration of the background, specific knowledge and experience of both Long Serving INEDs as mentioned above, we believed that their in-depth knowledge of the Group's business and their extensive experience and expertise continue to provide invaluable contribution to the Board. We also believed that the length of tenure of Professor Wong and Mrs. Lee had not affected their independence having regard to their actual contributions, their impartiality and effective oversight of management.

Both Long Serving INEDs did not have any relationships with any other Directors, senior management, substantial or controlling Shareholders of the Company. They have confirmed that they did not have any material interest, either directly or indirectly, in any business that competes with the Group's business. They were not involved in the daily management of the Company and have never taken part in any executive role that would interfere with their exercise of independent judgement. Additionally, they have submitted written annual confirmation to the Company on their fulfillment of the independence guidelines set out in Rule 3.13 of the Listing Rules which assesses the independence of Independent Non-executive Directors. In view of the above, the Nomination Committee believed that both of the Long Serving INEDs are able to provide impartial advice and exercise independent judgement, ensuring the Board's objectivity and integrity in decision making will not be weakened.

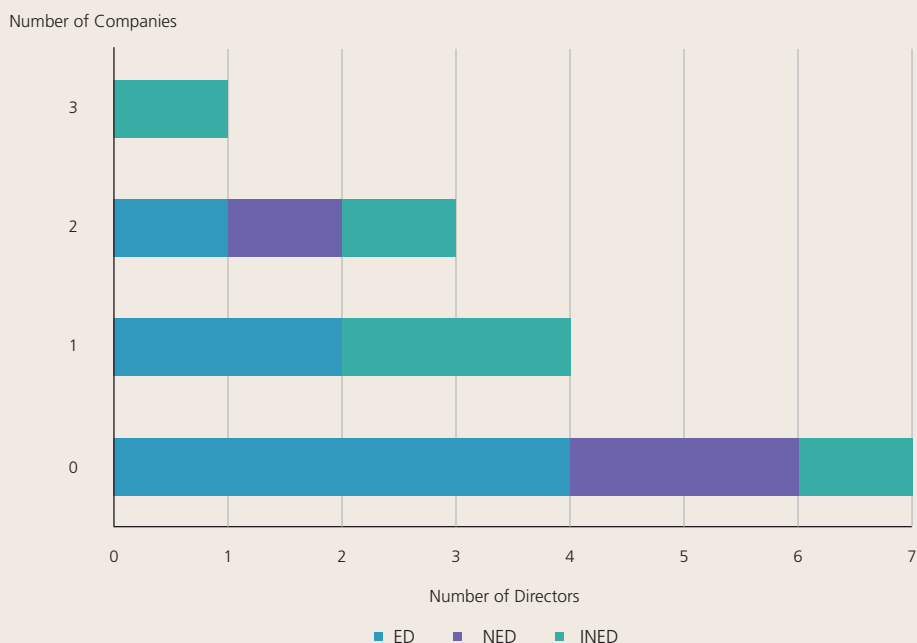
CORPORATE GOVERNANCE REPORT

The Nomination Committee formed the view that there is no evidence showing that Long Serving INEDs would lose their independence or are at an increased risk of complacency given their familiarity with management. The Nomination Committee considered that independence of mind is far more important than the appearance of independence and was fully satisfied that both Long Serving INEDs demonstrate complete independence in character and judgment, both in their designated roles as members of the Board and Board Committees and was of the opinion that they will continue to bring independent views of the Group's affairs to the Board notwithstanding their length of tenure.

Time Commitment Assessment

The Nomination Committee recognises the importance of Directors being able to contribute sufficient time to the Company to effectively discharge their responsibilities. As at 31 December 2024, none of our Directors concurrently holds more than six listed company directorships. All Directors attended 75% or more of the Board meetings, Board Committees meetings and general meetings held during the year 2024, except Madam Lo To Lee Kwan, the co-founder of the Group, who is relatively inactive in the Group's business in recent years and did not participate in any meetings held by the Company in 2024. All Directors have provided written confirmation to the Company that they had given sufficient time and attention to the affairs of the Company during the year 2024. The Directors have also disclosed to the Company annually their other directorships held in Hong Kong or overseas listed companies and other significant commitments. In view of the above, the Nomination Committee believed that the Directors are able to devote sufficient time to the affairs of the Company without being over-occupied in the business of other listed companies.

Directorship with other listed companies



Finance Committee

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

Roles and Authorities

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

- (a) to review the financial position of the Company, including present or future borrowings and/or other financial obligations and/or liabilities, actual, contingent or otherwise;
- (b) to review, consider and approve the submission of bids on a sole basis by the Group or on joint basis with other party(ies) for all Qualified Property Acquisition (as defined under the Listing Rules) in particular the acquisition of land or property development project in Hong Kong from Government or Government-controlled entities through a public auction or tender, or the acquisition of governmental land in the Mainland China from a PRC Governmental Body (as defined under the Listing Rules) through a tender, auction, or listing-for-sale governed by the PRC laws;
- (c) to review, consider and approve the execution (whether under seal) of any guarantee, indemnity or other security given or to be given by the Company and/or other obligations and/or liabilities, actual, contingent or otherwise in respect of present or future borrowings, development project(s), joint venture(s), investment(s), fund raising activity(ies), tender exercise(s) of whatever nature in the ordinary and usual course of business of the Group; and
- (d) to approve and authorise the opening and closing of and update the list of authorised signatories or signing arrangement in relation to any accounts maintained with any financial intermediates including banks and financial institutions in the name of the Company.

Connected Transactions and Related Party Transactions

During the year ended 31 December 2024, the Group engaged in transactions with parties regarded as related parties under the applicable accounting standards. Some of these related party transactions also constituted connected transactions as defined under the Listing Rules. Details of related party transactions are disclosed in note 39 to the consolidated financial statements.

External Auditor

Auditor's responsibilities for the Financial Statements

The auditor's statement regarding their reporting responsibilities for the Company is set out in the "Independent Auditor's Report" on pages 104 to 108 of this Annual Report.

Auditor's Remuneration

During the year ended 31 December 2024, the total fees in respect of audit and non-audit services provided to the Group by the external auditor, Messrs. Deloitte Touche Tohmatsu, are set out as follows:

Services Rendered	2024 HK\$'000	2023 HK\$'000
Audit services	12,465	14,497
Non-audit services		
Taxation services	3,992	4,553
Interim review fee	1,740	1,602
Other services	365	326
Total	18,562	20,978

Note: The total amount of auditor's remuneration as disclosed in note 10 to the consolidated financial statements is HK\$12,956,000 which comprises audit services provided by other auditors in the total amount of HK\$491,000, but does not include the fees in respect of non-audit services.

Risk Management and Internal Control

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

- (a) a good control environment including a well-defined organisational structure, limit of authority, reporting lines and responsibilities;
- (b) a risk management self-assessment and internal control self-assessment conducted at least annually by the Group's major business entities;
- (c) appropriate risk mitigating activities including clear and written company policies and procedures that can manage risks to an acceptable level;
- (d) effective platforms to facilitate internal and external information flow;
- (e) a structural internal audit function to independently appraise major operations on an ongoing basis; and
- (f) information security awareness training regularly organised by the Internal Audit Department under the stewardship of the Information Technology Steering Committee.

Through the Audit Committee and the Internal Audit Department, the Board has conducted an annual review on the effectiveness of risk management and internal control systems for the year ended 31 December 2024.

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

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

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

Based on the results of the internal audit reviews for the year ended 31 December 2024 and the subsequent assessment of the Audit Committee, no significant irregularity or deficiency in the risk management and internal control systems has drawn the attention of the Audit Committee.

The Board is satisfied that the Group has maintained adequate and effective risk management and internal control systems for the year ended 31 December 2024.

SHAREHOLDERS ENGAGEMENT

Constitutional Documents

During the financial year 2024, there was no change in the Company's constitutional documents. A consolidated version of the Company's constitutional documents is available on the Group's website (www.GreatEagle.com.hk) and the HKEXnews' website (www.hkexnews.hk).

Communication with Shareholders

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

Group's Website	<ul style="list-style-type: none"> • Our Group's website includes all corporate communications of the Company including but not limited to annual and interim reports, announcements, circulars, key corporate governance policies, terms of reference of the Board Committees, press releases and important corporate information, enabling the Shareholders to access the timely and updated information. Information released by the Company to the Stock Exchange was also posted on the Group's website as soon as reasonably practicable thereafter. • Presentation materials on annual and interim results analyst briefings are posted on our Group's website. • Shareholders who prefer to read offline, corporate communications in printed form, free of charge, will be sent to them upon receipt of their written request.
Corporate Communication	<ul style="list-style-type: none"> • The Company regularly meets institutional investors, financial analysts and media at analyst briefings, investor meetings, one-on-one meetings, group meetings, local and overseas conferences and roadshows. A financial calendar setting out the important dates is contained in this Annual Report on page 4.
General Meetings	<ul style="list-style-type: none"> • General meetings are an important forum to engage with the Shareholders, providing an opportunity for them to raise comments and express their views on the performance of the Group with the Board. For details of the general meetings held in 2024 and proceedings of general meetings, please refer to the sub-section "General Meetings" below. • Shareholders may directly communicate with Directors and senior management at general meetings, and enquiries from Shareholders were responded to within a specific timeframe.
Enquiries from Shareholders	<ul style="list-style-type: none"> • Shareholders, stakeholders and members of the public are welcome to direct their enquiries to the Company either by writing to the Company's principal place of business in Hong Kong or by email to info@greateagle.com.hk.

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

General Meetings

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

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

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

Proceedings of General Meetings

Notice of general meetings together with other relevant corporate communications in printed form (or the notification letters for receiving the said corporate communications by electronic means through the Group's website, as the case may be) will be despatched to Shareholders (i) not less than 21 days prior to the annual general meeting and general meeting where a special resolution is proposed for consideration, or (ii) not less than 14 days for all other general meetings.



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



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



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



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



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



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



Poll results will be published on the Group's website (www.GreatEagle.com.hk) and the HKEXnews' website (www.hkexnews.hk) on the same day after the general meetings.

General Meetings held in 2024

The Company held two general meetings in 2024. Details are as follows:

- **2024 Annual General Meeting**

The 2024 Annual General Meeting was held on 29 May 2024 at 32nd Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong. The matters resolved thereat are listed below:

Ordinary Resolutions	Percentage* of Votes in favour of the Resolution
1. Received and adopted the audited consolidated financial statements of the Group for the year ended 31 December 2023 together with the Reports of the Directors and the Independent Auditor.	99.99%
2. Approved the payment of a final dividend of HK50 cents per share for the year ended 31 December 2023.	99.99%
3. Re-elected Madam Law Wai Duen as an Executive Director.	97.68%
4. Re-elected Dr. Lo Ying Sui as a Non-executive Director.	96.92%
5. Re-elected Mr. Lo Chun Him, Alexander as an Executive Director.	97.68%
6. Re-elected Professor Wong Yue Chim, Richard as an Independent Non-executive Director.	97.93%
7. Re-elected Professor Poon Ka Yeung, Larry as an Executive Director.	97.68%
8. Fixed the Director's fee for each of the Directors at HK\$220,000 for the year 2024.	99.99%
9. Re-appointed Messrs. Deloitte Touche Tohmatsu as Auditor of the Company and authorised the Board to fix their remuneration.	98.69%
10. Approved the grant of a general mandate to the Directors to buy-back shares not exceeding 10% of the total number of issued shares.	99.99%
11. Approved the grant of a general mandate to the Directors to allot, issue and deal with additional shares not exceeding 20% of the total number of issued shares.	83.46%

* truncated to two decimal places

Each of the general mandates to buy-back and to issue shares of the Company shall remain in effect until the conclusion of the next annual general meeting, or the expiration of the period within which such annual general meeting is required by laws or Bye-laws to be held or until revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first. Although the general mandates granted may not be utilised during the valid period as mentioned above, this gives the Company the flexibility when needed without proposing second and subsequent refreshments of the general mandates in any one year. The Company will use the mandates sparingly and in the interest of the Shareholders. The Company did not buy back or issue any shares under the general mandates granted by the Shareholders in the 2024 Annual General Meeting.

Total voting rights of Shareholders present at the 2024 Annual General Meeting in person or by proxy are as follows:

Total Voting Rights Present at 2024 Annual General Meeting	
Number of shares represented	573,864,079
Percentage of shares represented	76.75%
<hr/>	
Number of issued shares as at the date of the 2024 Annual General Meeting	747,723,345

- **2024 Special General Meeting**

A Special General Meeting was held on 29 May 2024 at 32nd Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong. The matters resolved thereat are listed below:

Ordinary Resolutions	Percentage* of Votes in favour of the Resolution
1. Approved the adoption of the 2024 Share Award Scheme.	85.17%
2. Approved the adoption of the 2024 Share Option Scheme.	85.17%

* truncated to two decimal places

Shareholders' Right

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

Right to Convene Special General Meeting

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

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

The written requisition will be verified with the Company's branch share registrar and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to include the relevant resolution in the agenda for such general meeting provided that the Shareholder(s) concerned have deposited a sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement submitted by the Shareholder(s) concerned in accordance with the statutory requirements to all registered Shareholders. Such general meeting shall be held within 6 weeks after deposit of such requisition.

If, within 21 days from such deposit of the requisition, the Board do not proceed to convene such general meeting, the Shareholder(s) concerned, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of 3 months from the date of the deposit of the requisition.

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

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

Right to Put Forward Proposals at General Meetings

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

- (i) put forward proposals at general meetings; or
- (ii) circulate to other Shareholders' written statement of not more than 1,000 words with respect to the matter to be dealt with at general meeting.

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

Shareholder may propose a person other than a retiring Director of the Company for election as a Director of the Company at any general meeting, by lodging a written notice of nomination together with the consent of the nominated person at the Company's principal place of business in Hong Kong at least 7 days before the date of such general meeting.

Right to Put Enquiries to the Board

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

DIVIDEND POLICY

The Board adopted the Dividend Policy in 2019 and was updated in 2023. Any declaration and payment of dividends shall be determined at the sole discretion of the Board, with the long-term objective of maximising value for the Shareholders. Great Eagle aims to provide Shareholders with a target annual dividend payout of not less than 25% of the core profit after tax attributable to equity holders in any financial year, subject to the following factors:

1. the Company's actual and expected cash flow positions and financial performance;
2. projected capital expenditure, future expansion plans and growth opportunities;
3. the Group's debt to equity ratio, return on equity and other relevant financial covenants;
4. general economic conditions, business cycles of the Group's core business;
5. general expectation of Shareholders and investors of the Company; and
6. any other factors that the Board deems appropriate.

The Board declares dividends semi-annually. The Board may at its sole discretion declare the payment of special dividend to Shareholders and provide scrip dividend distribution option for the election of the Shareholders in relation to the payment of any dividend in any financial year as it deems appropriate. The payment of final dividend is subject to the approval of Shareholders.

The Dividend Policy and the declaration and/or payment of dividends under this policy are subject to the Board's continuing determination that this Dividend Policy and the declaration and/or payment of dividends would be in the best interests of the Group and the Shareholders, and are in compliance with all applicable laws and regulations.

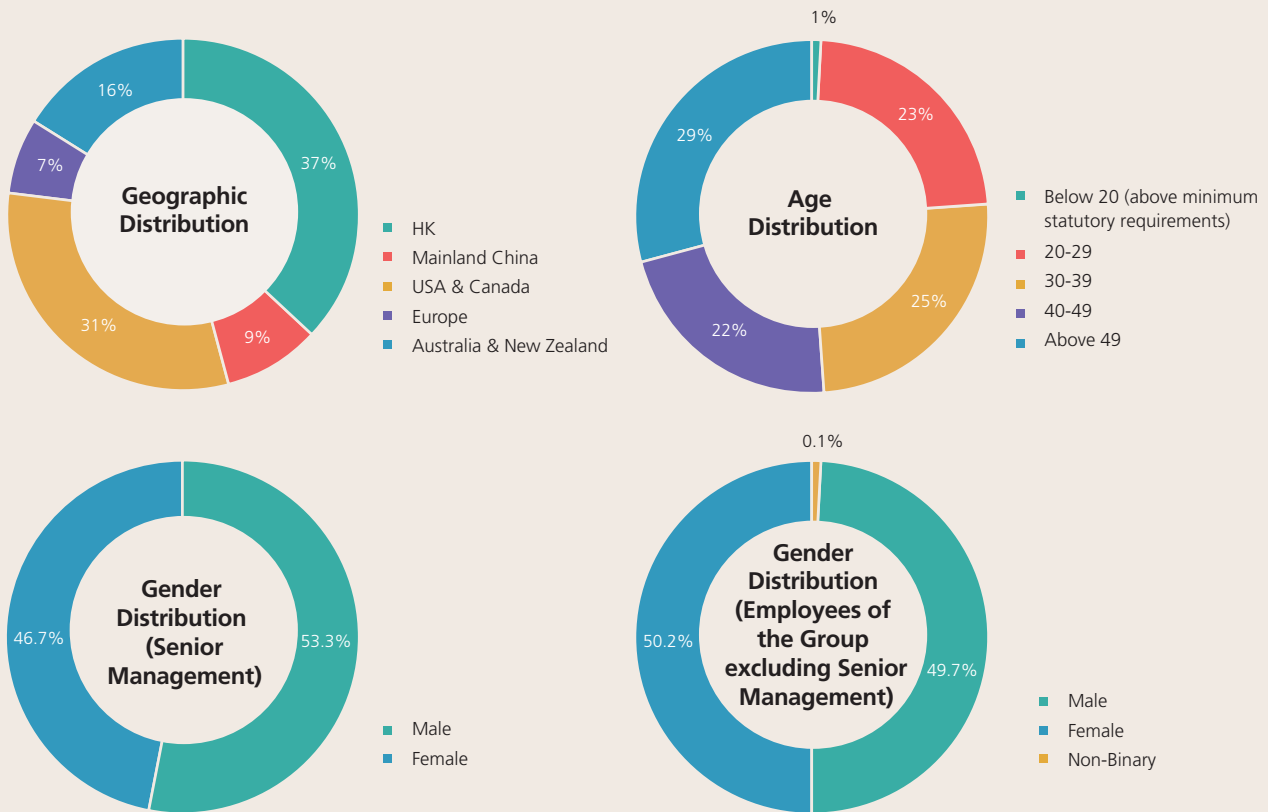
The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or the obligation of the Company to declare a dividend at any time or from time to time.

HUMAN RESOURCES

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

Employee Statistics

As at 31 December 2024, the number of employees of the Group, including our head office management team, frontline hotel, property management and operation colleagues, decreased approximately 0.69% to 6,219 (2023: 6,262). The following charts show the composition and functional grouping of employees, including senior management, of the Group as at 31 December 2024:



Employee Engagement

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

- Staff meetings hosted by the Chairman, focusing on the Group's recent business developments;
- Regularly-organised staff recreational activities that promote communication and cohesion across departments, business units and levels of seniority; and
- Executive luncheons hosted by the Chairman and/or Executive Directors which provide opportunities for the Group's top management to gather and exchange ideas.

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

Supporting the sustainable growth of our people, we organise staff recreational activities, a staff wellness programme which includes a wellness festival, green workshops and mindfulness classes, as well as community volunteering projects for employees. The Group also conducted a number of development and training programmes during the year, detailed in the "Development and Training" section of Great Eagle's Sustainability Report 2024.

CORPORATE GOVERNANCE ENHANCEMENT

Good corporate governance practice is key to the Group's long-term success in a constantly evolving business landscape. Believing that effective integration of corporate governance with environmental and social responsibilities could potentially release even greater value, the Board regularly evaluates our governance approach and identifies areas for improvement – ensuring our approach remains relevant and aligned with best practices. For details of Great Eagle's sustainability performance, please refer to our Sustainability Report 2024.

BIOGRAPHICAL
DETAILS OF
DIRECTORS AND
SENIOR
MANAGEMENT



DIRECTORS

Dr. LO Ka Shui

Chairman and Managing Director

Dr. LO Ka Shui, aged 78, has been a Director of the Group since 1980. He is a substantial Shareholder, Chairman and Managing Director of the Company, Chairman of the Company's Finance Committee, and holds directorship in various subsidiaries of the Company. He is Chairman and Non-executive Director of the Manager of the publicly-listed trusts, Champion Real Estate Investment Trust and Langham Hospitality Investments. He is also Vice President of The Real Estate Developers Association of Hong Kong and a member of The Hong Kong Centre for Economic Research's Board of Trustees. Dr. Lo was formerly Director of Hong Kong Exchanges and Clearing Limited; Chairman of the Listing Committee for the Main Board and Growth Enterprise Market; a Member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority; Chairman of The Chamber of Hong Kong Listed Companies; Chairman of the Hospital Authority of Hong Kong; a Board Member of the Airport Authority Hong Kong; and a Member of the University Grants Committee of Hong Kong.

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

Madam LO TO Lee Kwan

Non-executive Director

Madam LO TO Lee Kwan, aged 105, has been a Director of the Group since 1963. She was an Executive Director of the Company prior to her re-designation as a Non-executive Director of the Company in 2008. She is the wife of Mr. Lo Ying Shek, the late former chairman of the Company, and is the co-founder of the Group. She was involved in the early stage of development of the Group. She is the mother of Dr. Lo Ka Shui, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, and the grandma of Mr. Lo Chun Him, Alexander, all being Directors of the Company.

Professor WONG Yue Chim, Richard

Independent Non-executive Director

Professor WONG Yue Chim, Richard, aged 72, is an Independent Non-executive Director of the Company. He has been a Director of the Company since 1995 and is the Chairman of the Nomination Committee and a member of both the Audit Committee and the Remuneration Committee of the Company. Professor Wong is Provost and Deputy Vice-Chancellor and Chair of Economics at The University of Hong Kong. He is a leading figure in advancing economic research on policy issues in Hong Kong through his work as Founding Director of The Hong Kong Centre for Economic Research and the Hong Kong Institute of Economics and Business Strategy. He was awarded the Silver Bauhinia Star in 1999 in recognition of his contributions in education, housing, industry and technology development and was appointed a Justice of the Peace in 2000 by the Government of the Hong Kong Special Administrative Region. He is a member of Research Council of Our Hong Kong Foundation. Professor Wong is an Independent Non-executive Director of Pacific Century Premium Developments Limited and Sun Hung Kai Properties Limited, both of which are companies whose shares are listed on the Stock Exchange.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mrs. LEE Pui Ling, Angelina

Independent Non-executive Director

Mrs. LEE Pui Ling, Angelina, aged 76, was appointed an Independent Non-executive Director of the Company in 2002 and is the Chairman of the Remuneration Committee and a member of both the Audit Committee and the Nomination Committee of the Company. Mrs. Lee is a solicitor and a Fellow of the Institute of Chartered Accountants in England and Wales. She holds a Bachelor of Laws degree from and was awarded an Honorary Fellowship by University College London, University of London. Amongst her public appointments, Mrs. Lee was a member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority and a Non-executive Director of the Securities and Futures Commission. Mrs. Lee is a Non-executive Director of CK Infrastructure Holdings Limited, Henderson Land Development Company Limited and TOM Group Limited, all of which are listed companies.

Mr. ZHU Qi

Independent Non-executive Director

Mr. ZHU Qi, aged 64, was appointed as an Independent Non-executive Director of the Company in 2022 and is the Chairman of the Audit Committee and a member of both the Remuneration Committee and Nomination Committee of the Company. He had been the Chairman and Executive Director of CMB Wing Lung Bank Limited from 2019 to 2022 and the Chief Executive Officer and Executive Director from 2008 to 2019. Mr. Zhu had also been the Executive Vice President of China Merchants Bank Co., Ltd. from 2008 to 2019 and a former Director of CMB International Capital Corporation Limited. He joined the Industrial and Commercial Bank of China in 1986 and had been the Deputy General Manager and General Manager of Industrial and Commercial Bank of China, Hong Kong Branch and the Director, Managing Director and Chief Executive Officer of Industrial and Commercial Bank of China (Asia) Limited respectively from 1995 to 2008. Mr. Zhu is an Independent Non-executive Director of China Merchants China Direct Investments Limited (listed in Hong Kong) and ZA Bank Limited. He graduated with a Bachelor's Degree in Economics from Dongbei University of Finance and Economics, and obtained a Master's Degree in Economics from Zhongnan University of Finance and Economics.

Mr. HO Shut Kan

Independent Non-executive Director

Mr. HO Shut Kan, aged 76, was appointed as an Independent Non-executive Director of the Company in 2022 and is a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. He has over 40 years of experience in the property operations and real estate sector including leasing and managing residential, commercial and investment properties. Mr. Ho was Executive Director and Chief Executive Officer of Kerry Properties Limited (listed in Hong Kong) before his retirement in 2018. Mr. Ho currently is the Senior Advisor of Kerry Properties Limited. During the past three years, Mr. Ho was an Independent Non-executive Director of Eagle Asset Management (CP) Limited, being the Manager of Champion Real Estate Investment Trust (listed in Hong Kong). Mr. Ho holds a Master of Business Administration Degree from the University of East Asia.

Ms. Diana Ferreira CESAR*Independent Non-executive Director*

Ms. Diana Ferreira CESAR, aged 56, was appointed as an Independent Non-executive Director of the Company in 2023. Ms. Cesar is an Executive Director and Chief Executive of Hang Seng Bank Limited and the Managing Director of HSBC Holdings plc (both listed in Hong Kong). Ms. Cesar was the Chief Executive Officer, Hong Kong of The Hongkong and Shanghai Banking Corporation Limited from 2015 to 2021. She is the chairman of the board of directors of Hang Seng School of Commerce, a member of the board of trustees of Ho Leung Ho Lee Foundation, a member of The Financial Infrastructure and Market Development Subcommittee of Hong Kong Monetary Authority, a board member, a member of executive committee, the second vice president and campaign committee chairman of The Community Chest of Hong Kong, the chairman of the board of governors of The Hang Seng University of Hong Kong, a vice president of The Hong Kong Institute of Bankers, a council member of Treasury Markets Association, a member of the University Grants Committee and a non-official member and a member of Working Group on Public Education and Promotion of Women's Commission. Ms. Cesar is a Honorary Certified Banker of The Hong Kong Institute of Bankers and was appointed a Justice of Peace in 2022 by the Government of the Hong Kong Special Administrative Region. She holds a Bachelor of Arts in Commerce and Social Sciences from the University of Toronto.

Mr. LO Hong Sui, Antony*Executive Director*

Mr. LO Hong Sui, Antony, aged 83, is an Executive Director and a director of various subsidiaries of the Company. He has been a Director of the Group since 1967. Mr. Lo has been actively involved in property development, construction and investment for decades. He graduated from the University of New South Wales with a Bachelor's Degree in Commerce. Mr. Lo is a son of Madam Lo To Lee Kwan, an elder brother of Dr. Lo Ka Shui, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, a younger brother of Madam Law Wai Duen, and an uncle of Mr. Lo Chun Him, Alexander, all being Directors of the Company.

Madam LAW Wai Duen*Executive Director*

Madam LAW Wai Duen, aged 88, is an Executive Director and a director of various subsidiaries of the Company. She has been a Director of the Group since 1963. Madam Law graduated from The University of Hong Kong with a Bachelor's Degree in Arts and has been actively involved in the Group's property development and investment in Hong Kong for decades. Madam Law is a daughter of Madam Lo To Lee Kwan, an elder sister of Dr. Lo Ka Shui, Mr. Lo Hong Sui, Antony, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, and an aunt of Mr. Lo Chun Him, Alexander, all being Directors of the Company.

Mr. LO Hong Sui, Vincent*Non-executive Director*

Mr. LO Hong Sui, Vincent, aged 76, has been a Director of the Group since 1970. He was an Executive Director of the Company prior to his re-designation as a Non-executive Director of the Company in 2008. He is also the Chairman of the Shui On Group which he founded in 1971. The Shui On Group is principally engaged in property development, premium commercial properties' investment and management, construction business with interests in Hong Kong and Mainland China. He is the Chairman of SOCAM Development Limited and Shui On Land Limited, both are listed on the Stock Exchange. He is also a former Non-executive Director of Hang Seng Bank Limited. Mr. Lo is the Honorary President of the Council for the Promotion & Development of Yangtze, an Economic Adviser of the Chongqing Municipal Government and an Honorary Court Chairman of The Hong Kong University of Science and Technology. He was awarded the Grand Bauhinia Medal (GBM) in 2017, the Gold Bauhinia Star in 1998 and was appointed a Justice of the Peace in 1999 by the Government of the Hong Kong Special Administrative Region. Mr. Lo is a son of Madam Lo To Lee Kwan, an elder brother of Dr. Lo Ying Sui, a younger brother of Dr. Lo Ka Shui, Mr. Lo Hong Sui, Antony and Madam Law Wai Duen, and an uncle of Mr. Lo Chun Him, Alexander, all being Directors of the Company.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Dr. LO Ying Sui

Non-executive Director

Dr. LO Ying Sui, aged 72, has been a Director of the Group since 1993. He was an Executive Director of the Company prior to his re-designation as a Non-executive Director of the Company in 2008. With a Doctor of Medicine Degree from The University of Chicago, he is a specialist in Cardiology and a Clinical Associate Professor (honorary) at The Chinese University of Hong Kong Faculty of Medicine. He is a son of Madam Lo To Lee Kwan, a younger brother of Dr. Lo Ka Shui, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen and Mr. Lo Hong Sui, Vincent, and an uncle of Mr. Lo Chun Him, Alexander, all being Directors of the Company.

Mr. LO Chun Him, Alexander

Executive Director

Mr. LO Chun Him, Alexander, aged 39, joined the Group in 2010 and was appointed as an Executive Director of the Company in 2015. He is also a member of the Finance Committee of the Company. Mr. Lo holds directorships in various subsidiaries of the Company, including The Great Eagle Company, Limited, The Great Eagle Development and Project Management Limited, Langham Hospitality Group Limited, Langham Hotels International Limited, Eagle Property Management (CP) Limited, Rio dei Vetrai S.r.l., Pacific Eagle Holdings Corporation and Great Eagle (China) Investment Limited. He is also a Non-executive Director of Langham Hospitality Investments Limited and LHIL Manager Limited (Manager of the publicly-listed Langham Hospitality Investments). Prior to joining the Group, he had worked at Citibank's investment banking division with a focus on Hong Kong's market. Mr. Lo is also a member of the Executive Committee of The Real Estate Developers Association of Hong Kong and a member of the Management Committee of The Federation of Hong Kong Hotel Owners Limited. He graduated from Washington University in St. Louis with a Bachelor of Arts in Psychology. Mr. Lo is a son of Dr. Lo Ka Shui, being a substantial Shareholder, the Chairman and Managing Director of the Company. Also, he is a grandson of Madam Lo To Lee Kwan, a nephew of Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, all being Directors of the Company.

Mr. KAN Tak Kwong

Executive Director and General Manager

Mr. KAN Tak Kwong, aged 73, has been a Director of the Group since 1988. He is an Executive Director, the General Manager and a member of the Finance Committee of the Company. Mr. Kan also holds directorships in various subsidiaries of the Company, including The Great Eagle Company, Limited, Langham Hospitality Group Limited, Langham Hotels International Limited, Eagle Property Management (CP) Limited, Keysen Property Management Services Limited, Great Eagle Tokyo TMK, Rio dei Vetrai S.r.l., Pacific Eagle Holdings Corporation and Great Eagle (China) Investment Limited. He graduated from The Chinese University of Hong Kong with a Master's Degree in Business Administration and is a member of various professional bodies including the HKICPA. Mr. Kan has decades of experience in finance, accounting, strategic development and corporate administration in the real estate, finance and construction industries.

Mr. CHU Shik Pui*Executive Director*

Mr. CHU Shik Pui, aged 63, joined the Group in 1989 and was appointed as an Executive Director of the Company in 2015. He is a member of the Finance Committee of the Company and also the Head of Tax and Investment primarily responsible for the Group's taxation, finance and investment matters. Mr. Chu also holds directorships in various subsidiaries of the Company. Mr. Chu is a fellow of The Association of Chartered Certified Accountants and an associate of the HKICPA. He is also a full member of the Society of Registered Financial Planners. Mr. Chu has over 30 years' aggregated experience in taxation, finance, accounting, legal, and acquisition and investment.

Professor POON Ka Yeung, Larry*Executive Director*

Professor POON Ka Yeung, Larry, aged 57, has been a Director of the Company since 2016. He was an Independent Non-executive Director of the Company prior to his re-designation as an Executive Director of the Company in 2021. He is responsible for overseeing the professional investment team of the Group for shortlisting and appraising investment projects. Professor Poon has been teaching marketing-related subjects for different Master Degree programs. He is an Adjunct Associate Professor in the Department of Marketing of The Chinese University of Hong Kong and an Honorary Institute Fellow of The Asia-Pacific Institute of Business of the University. Professor Poon is an Independent Non-executive Director of Shenzhen Neptunus Interlong Bio-Technique Company Limited whose H shares are listed on the Stock Exchange. He also plays a role in public services including Consultant of the Chinese Gold and Silver Exchange Society and independent committee member of the Registration Committee of Hong Kong Gold Exchange, and Council Member of Hong Kong Red Cross. He obtained his Bachelor's Degree in Mathematics with Minor in Economics and Marketing from The Chinese University of Hong Kong and was further admitted to the MBA Degree by the University of Hull, United Kingdom.

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

SENIOR MANAGEMENT

HOTEL OPERATION

Mr. Bob VAN DEN OORD, aged 57, is the Chief Executive Officer of Langham Hospitality Group. He joined the Group in 2004 and managed several of its hotels in succession before taking up a series of corporate roles. These included his previous posts of Chief Operating Officer and Vice President – Sales and Marketing. Prior to this, Mr. van den Oord held various hotel management roles in the United States and the United Kingdom. As CEO, Mr. van den Oord spearheads the Group's overarching vision, steering strategic initiatives, and ensuring operational excellence across its global portfolio. With a dedicated focus on international expansion, efficiency, and the implementation of cutting-edge guest experiences through digital innovations and strategic partnerships, he is a seasoned leader at the forefront of the hospitality industry. Mr. van den Oord holds a hotel management degree in higher economic education from C.O.O.V.I.

Ms. ZHANG Xiaoqing, Emily, aged 39, is the Chief Executive Officer of Ying'nFlo, a new hotel brand under the Langham Hospitality Group, and also serves as the Director of Treasury and Investment for the Group. She joined the Group in 2016. With over 17 years of experience in the real estate industry, Ms. Zhang specialises in property investments, mergers and acquisitions, and corporate finance, with a focus on Mainland China and supplementary by global exposures. She holds a Master's degree in Applied Economics from the City University of Hong Kong and is a Chartered Financial Analyst (CFA).

ASSET MANAGEMENT

Champion REIT (Stock Code: 2778)

Ms. HAU Shun, Christina, aged 50, joined the Group in 2022. She is the Chief Executive Officer and Executive Director of Eagle Asset Management (CP) Limited, which is wholly-owned by the Group and is the Manager of the publicly-listed Champion REIT of which the Group has a 70.30% interest as at 31 December 2024. Ms. Hau is a Registered Architect in Hong Kong with over 20 years of experience in the real estate industry, covering design, planning, project management and asset management of renowned world-class commercial complexes. Prior to joining the Group, Ms. Hau worked at Hong Kong's leading real estate listed companies, responsible for overseeing the asset management of the group's key Mainland China investment properties. Ms. Hau graduated from The Chinese University of Hong Kong with degrees in Master of Architecture and Bachelor of Social Sciences (Hons). She is a member of The Hong Kong Institute of Architects and Hong Kong Chapter Board Member of Asia Pacific Real Assets Association (APREA).

Langham Hospitality Investments (Stock Code: 1270)

Mr. Brett Stephen BUTCHER, aged 65, is the Chief Executive Officer and Executive Director of Langham Hospitality Investments Limited and LHIL Manager Limited (Manager of the publicly-listed Langham Hospitality Investments of which the Group has a 71.22% interest as at 31 December 2024). Mr. Butcher is also the Executive Advisor of the hotel asset management arm of the Group. He re-joined the Group in 2017 and has previously held senior executive positions in Langham Hospitality Group between 2002 and 2014. Mr. Butcher has over 40 years' extensive hotel business experience in both hotel operations and sales and marketing in Asia, the Pacific and North America. Mr. Butcher holds a Bachelor's Degree in Business (Hospitality Management) from University of Queensland Lawes Campus.

PROJECT INVESTMENT AND DEVELOPMENT

Ms. CHUNG Wing Ki, Vicky, aged 59, is the Head of Development and Project Management, joined the Group in 2021. As a Registered Architect with over 30 years' experience in real estate development and project management, she oversees the project portfolio of the Group. Prior to joining the Group, she was the Director (Project Management) of a private equity investor group and has been with one of the largest listed property development companies in Hong Kong for over 16 years. She has extensive experience on development planning, land exchange, town planning and project management. She has led multi-disciplinary teams of professionals to execute projects from inception to handover, and has completed a wide spectrum of development and refurbishment projects. Ms. Chung is a member of The Hong Kong Institute of Architects and an Authorized Person under the Buildings Ordinance. She holds a Master's Degree of Science in Real Estate Development and has attained the APMP qualification of the Association for Project Management.

Mr. FAN Chi Sun, James, aged 52, is the Director of Development, joined the Group in 2022. Mr. Fan is responsible for the Group's property acquisition and development in Hong Kong. He has worked in the real estate industry for over 30 years and is a member of Royal Institution of Chartered Surveyors, The Hong Kong Institute of Surveyors and Hong Kong Institute of Arbitrators. He holds a Bachelor of Science Degree with Honours in Surveying and a PhD Degree in Real Estate and Construction both from The University of Hong Kong. Before joining the Group, he was the Head of Business Development (Greater Bay Area) of Swire Properties Limited.

MAINLAND CHINA

Mr. LU Ning, Michael, aged 51, Managing Director of the Group's China and Trading Divisions, joined the Group in 2008. He holds dual Master's Degrees in Business Administration and Management Information Systems from Boston University, and a Bachelor's Degree from Tsinghua University in Beijing. Before joining the Group, Mr. Lu worked at premier global business consulting firms with extensive experience in North America, Europe and Asia, emerging markets such as Mainland China and India, and a wide range of industries including consumer goods, food & beverage, hi-tech and telecommunications.

Mr. AU Ngai Ho, aged 66, is the General Manager of Great Eagle (China) Investment Limited. He is responsible for the Group's real estate investment in the Mainland China. Mr. Au joined the Group in 1977 and has about 40 years' experience in property development and marketing in Hong Kong and Mainland China. Mr. Au holds a Higher Diploma in Valuation and Property Management.

OTHER OPERATIONS

Mr. CHU Chik Kei, Timothy, aged 52, Director and General Manager of Keysen Property Management Services Limited, joined the Group in 2011. Mr. Chu is responsible for the management and technical services of the Group's property portfolio. He holds a Master's Degree of Science in Building Services Engineering and a Bachelor's Degree of Engineering (Honors) in Building Services Engineering. Mr. Chu is a corporate member of The Hong Kong Institution of Engineers and a member of the Chartered Institution of Building Services Engineers. He is also a Registered Professional Engineer in energy and building services disciplines of the Hong Kong Engineers Registration Board, a Chartered Engineer of the U.K. Engineering Council, a Registered Energy Assessor under the Buildings Energy Efficiency Ordinance, and a fellow member of both the Energy Institute and Building Services Operation and Maintenance Executives Society. Mr. Chu is a property management practitioner (Tier 1) registered under the Property Management Services Authority. Mr. Chu has over 29 years' experience in property management and engineering industries.

COMPLIANCE AND ADMINISTRATION

Ms. WONG Mei Ling, Marina, aged 58, the Group Company Secretary and Head of Administration, joined the Group in 2008. Ms. Wong is the Company Secretary of LHIL Manager Limited (Trustee-Manager of the publicly-listed Langham Hospitality Investments) and Langham Hospitality Investments Limited. She is also a Non-executive Director and the officer in charge of the corporate secretary of Eagle Asset Management (CP) Limited (Manager of the publicly-listed Champion Real Estate Investment Trust) principally responsible for the governance, compliance and corporate secretarial matters. With over 30 years solid working experience, her expertise lies in the development of governance and compliance policies and corporate secretarial and administration. Ms. Wong is a Fellow of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute. She holds a Master Degree in Laws, a Master Degree in Business Administration and a Bachelor Degree in Accountancy.

HUMAN RESOURCES

Ms. LAW Yuk Ling, Elaine, aged 56, joined the Group in 2022 as the Head of Human Resources. Her primary focus is on developing a talent development strategy to support the Group's ongoing business growth. With extensive experience and expertise in the strategic human resources management, Ms. Law excels in implementing organizational changes that align with market demands, designing talent development programs, and attracting top talent that contributes to the organization's success. Prior to joining the Group, Ms. Law held senior global and regional human resources roles for over two decades in reputable multinational companies, including a FTSE 100 listed company. This diverse background has equipped her with a profound understanding of the intricacies of human resources operations across various business environments. Ms. Law holds Bachelor's and Master's degrees in Business Management, and has obtained a Doctor of Business Administration (DBA).

INFORMATION TECHNOLOGY

Ms. WONG Pui Yee, Grace, aged 58, is the Head of Information Technology, joined the Group in 2024. She oversees the Group's IT management and strategic direction, drives digital transformation initiatives and ensures that the Group's information technology is continuously improving to align with business objectives, fostering growth and innovation. Before joining the Group, Ms. Wong managed the IT team to continuously advance in information technology adoption and also focused on digital transformation for over 20 years in the information and communication technology subsidiary under one of the largest property developers in Hong Kong. Ms. Wong holds a Master of Business Administration and a Master of Project Management from the University of Sydney. She is also a fellow member of the Certified Practising Accountant Australia.

INTERNAL AUDIT

Mr. HO Hon Ching, Barry, aged 62, Group Chief Internal Auditor, joined the Group in 2004. He holds a Bachelor's Degree in Economics from the University of Hull, United Kingdom, a Master's Degree in Business Administration from The University of Hong Kong and a Postgraduate Diploma in IT Forensics. He is an Associate of The Institute of Chartered Accountants in England and Wales, a Certified Public Accountant in Hong Kong, a Certified Internal Auditor, a Certified Fraud Examiner and a Certified Information Systems Auditor. In addition, Mr. Ho has also earned the Certification in Risk Management Assurance (CRMA) from The Institute of Internal Auditors (IIA), and the qualification of Certified in Risk and Information Systems Control (CRISC) from the Information Systems Audit and Control Association (ISACA). Mr. Ho was also the Chairman of the Advisory Board for Master of Arts in China and Regional Studies of the Lingnan University Hong Kong from September 2021 to August 2024. He has extensive experience in accounting, statutory auditing, IT auditing, internal auditing, risk management and corporate governance.

LEGAL

Mr. HUNG Ka Wai, aged 60, the Head of Legal of the Group, joined the Group in 2011. Mr. Hung holds a Bachelor of Laws degree, a Postgraduate Certificate in Laws and a Master of Laws degree. Besides, he is also a graduate of the Law School of the University of New South Wales with a Master Degree in the Australian law. He is also a holder of the Master Degree in Laws specializing in compliance work from the Faculty of Law of the University of Hong Kong, the Master of Science Degree in real estate from the University College of Estate Management in Reading, United Kingdom, the advanced diploma in data protection law from King's Inns of Ireland and the diploma in arbitration awarded by the Royal Institution of Chartered Surveyors. He was admitted as a Solicitor in Hong Kong in 1996 with more than 28 years of experience in corporate finance and compliance work in listed companies. He is a member of the Land Use, Planning & Environmental Law Committee of the Law Society of Hong Kong. He is a Certified NEC Professional as included in the NEC register of Chartered Institution of the Civil Engineering Surveyors. He is also a member of the Australian Property Institute, the Chartered Institute of Arbitrators in the United Kingdom, the Hong Kong Institute of Construction Adjudicators, Chartered Accountants Australia and New Zealand and the Hong Kong Institute of Certified Public Accountants. He is also a fellow member of Institute of Chartered Accountants in England and Wales and a holder of its corporate finance qualification.

SALES AND MARKETING

Ms. LEUNG Shuk Yee, Janet, aged 52, is the Head of Sales & Marketing, Residential, joined the Group in 2016. Her primary focus is to define the market positioning and drive the strategic direction and execution of all sales and marketing activities for the Group's residential projects. With a profound understanding and extensive expertise in the residential sector, coupled with over 20 years of experience in the real estate market, Ms. Leung excels in navigating market dynamics and delivering exceptional results. Prior to joining the Group, she worked at various leading real estate companies in Hong Kong overseeing residential projects. Ms. Leung holds a Bachelor's degree in economics and administrative studies, as well as a Master's degree in business administration.



REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

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

The Group's operations are mainly located in Hong Kong, the Mainland China, the United States, Canada, the United Kingdom, Australia, New Zealand, Japan, Italy and others. An analysis of the Group's segment results for the year ended 31 December 2024 is set out in note 6 to the consolidated financial statements of this Annual Report.

Particulars of the Company's principal subsidiaries, interests in joint ventures and interests in associates as at 31 December 2024 are set out in notes 43, 16 and 17 respectively to the consolidated financial statements of this Annual Report.

BUSINESS REVIEW

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

- (a) Review of the Company's business and financial position using financial key performance indicators; and development and future prospects of the Company's business and important events affecting the Company that have occurred since the end of the year ended 31 December 2024 – Chairman's Statement comprising "Overview", "Business Review", "Financial Review" and "Outlook" on pages 8 to 29 of this Annual Report; and
- (b) The principal risks and uncertainties facing the Company – "Risk Profile" set out in the following section of this report.

Discussion on the Company's environmental policies and performance and an account of the Company's key relationships with its employees, customers and suppliers and others that have a significant impact on the Company and on which the Company's success depends are provided in the section headed "Sustainability" in this Annual Report and detailed information on the Group's sustainability performance is provided in the Sustainability Report 2024.

The discussions referred to above form part of this Directors' Report.

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

RISK PROFILE

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

Business Operations

Risk Description and Possible Impacts	Mitigation Measures
<p>Risks pertaining to Property Development</p> <ul style="list-style-type: none"> Exposing to the economic, political and legal developments, social stability, market conditions, environmental issues, outbreak of epidemic diseases as well as changes in the government’s policies and regulations in locations where the Group operates. Delays in the completion of a project and fluctuation in construction cost may result in cost overruns which will affect the Group’s investment strategy and business model as well as the performance in property development. 	<ul style="list-style-type: none"> Actively assesses the overall economic, political, social and legal developments, the latest development of epidemic diseases as well as the property markets in the regions where the Group operates. Quarterly assessments on investment strategy to ensure the Group responds to market changes appropriately. Detailed feasibility studies and stress test for each potential project with regard to all aspects will be carried out before an acquisition to minimise the commercial and legal risks. Obtain suitable reserves of land, reinforce existing assets and actively explore investment opportunities especially to focus on strategic locations which will bring synergy with the existing portfolios and prime locations with strong growth prospect.

Risk Description and Possible Impacts	Mitigation Measures
<p>Risks pertaining to Hotel Operations</p> <ul style="list-style-type: none"> Hotel's occupancy rate and room rate are subject to a high degree of fluctuations due to both predictable and unpredictable factors including seasonality, social stability, political, natural hazards, epidemic diseases and economic conditions as well as the nature of hotel business. Increased competition and cyclical over-supply of luxury hotels in some markets could harm our business. Despite the steady return of tourists following the reopening of the Mainland border and a raft of mega events in Hong Kong, the hotel sector has not enjoyed a similar boost due to changing tourists' behaviour and locals spending habits. This change of tourists' behaviour and spending pattern may disrupt the hotels' performance. 	<ul style="list-style-type: none"> Regularly assesses the impact of the geopolitical outlook and economic development of different countries and keeps alert to market needs and competitors' responses. Closely monitors hotels' performance and booking pace, and promptly reviews and develop different marketing strategies in response to sudden events or unexpected situations. Continue to improve its hotel services and facilities to ensure the provision of unforgettable experience for our customers. Proactively repositioned the hospitality service operating modes in order to attract and retain guests to stay in the hotels, stabilise the hotels' occupancy and average room rate and to cope with any challenges.
<p>Risks pertaining to Investment Properties</p> <ul style="list-style-type: none"> Exposing to the general economic climate, regulatory changes, government policies, and political and social conditions in Hong Kong may have a significant impact on the Group's overall financial results and positions. Fluctuations in fair value of investment properties could have an adverse impact on our ability to comply with the financial covenants under the loan facility as well as any external borrowings that may incur in the future, and may also lead to an adverse market perception of the performance of our business, even though such losses are not realised. 	<ul style="list-style-type: none"> Regularly assesses changes in economic, political and social environment and keeps alert to market needs and competitors' reaction in order to maintain our competitiveness. Continuously upkeeping the quality of the assets and maintaining sufficient diversity in tenant-mix to help growing revenue and resisting sluggish economy. Closely monitor debt and cash position. Cash flow forecasts with sensitivity analysis will be prepared to ensure that all sources of liquidity risk are identified to evaluate the impact of different levels of business activity in relation to the existing loan facilities. Ensure the investment properties meet high standards of quality and are designed to fit up-and-coming market demand and be competitive. Enhance the Group's investment properties with best-in-class green building standards and impactful yet practical sustainability features.

Risk Description and Possible Impacts	Mitigation Measures
<p>Investment Risks</p> <ul style="list-style-type: none"> Market value of the non-core strategic investments of the Group in green technology, venture capital and fund management, biotechnology and consumer sector may be affected by corporate performance of the issuing institutions, economic factors or changes in government policies and regulations in relevant sectors which might impact the portfolio companies' operation and the Company's investment strategies. Macroeconomic and political uncertainties such as geopolitical and trade tensions may have adverse impact to the Group's non-core strategic investments. Prolonged economic downturn and unfavorable market conditions could impact property valuations and affect the Company's borrowing capabilities. 	<ul style="list-style-type: none"> Post-deal monitoring and communication with portfolio companies. Work closely with portfolio companies to understand the potential risks, follow up on the most updated policies and news, and evaluate potential effects. Carefully evaluate new companies that we might potentially invest in. Co-invest with well-known venture capitals and corporate investors to reduce portfolio company specific risks and increase the likelihood of finding and funding successful ventures. Perform gearing ratio projections based on reasonable assumptions, taking future financial commitments into account.
<p>Operational Risks</p> <ul style="list-style-type: none"> Default on the part of our buyers, tenants and strategic business partners, inadequacies or failures of internal processes, people and systems, and inadequate responses to negative events may have adverse impact on the Group's reputation. Failure to maintain brand position and perception may make us less competitive. 	<ul style="list-style-type: none"> Continuously monitors and analyse competitive and market information in order to anticipate unfavourable changes. Focus on brand and communication initiatives to drive revenue growth and strengthen our brands' market position and reinvests into our properties to ensure competitiveness. A business interruption insurance has been acquired to cover the loss of income that a business suffers after a disaster.

Overall Business Environment

Risk Description and Possible Impacts	Mitigation Measures
<p>Financial Risks</p> <ul style="list-style-type: none"> Risks associated with major financial instruments of the Group relates but not limited to interest rate and exchange rate fluctuation and insufficient liquidity which may increase the finance cost and cause financial loss to the Group. 	<ul style="list-style-type: none"> Details of the major financial instruments used by the Group and the mitigating measures are set out in note 41 to the consolidated financial statements of this Annual Report.
<p>Macroeconomic and Political Uncertainties</p> <ul style="list-style-type: none"> Our business is impacted by continued trade tensions and political uncertainties both domestically and abroad which could result in economic downturns such as financial instability, supply chain disruption and energy security. Any trade restrictions and international sanctions, which would negatively affect the revenue and operations of the Group. 	<ul style="list-style-type: none"> Closely monitor market situation and adopt appropriate strategies promptly. Regularly assess changes in economic environment and prepare for countermeasures for any impact from international tensions and geopolitical risk.
<p>Cyber-security Risks</p> <ul style="list-style-type: none"> The Group process significant amount of data including personal information, customer data and other sensitive commercial data which are susceptible to cyber threats. Loss of data and leaks of confidential information from cyber-attacks will cause reputational damage from losses to the brand value and substantial economic losses due to business interruption. The use of artificial intelligence may create new vulnerabilities and ethical concerns regarding data usage and privacy. Flawed data whether biased, incomplete or inaccurate can harmful outcomes, defeating risk mitigation efforts. 	<ul style="list-style-type: none"> The Group's IT infrastructure vulnerabilities are regularly scanned and patched. Risky external IP addresses are blocked. All servers and user computers are equipped with firewall, antivirus or endpoint protection. Emails are filtered for spam and malware. Password control and user access to the systems and network elements are regularly updated and reviewed. System backup and disaster recovery facilities provide additional layers of protections. Staff trainings are conducted annually to enhance cybersecurity knowledge and raise awareness on importance in adhering to information handling best practices and watch out for potential phishing attacks. Discussion sessions between the Board and key members of management were held twice a year during which, inter alia, information security matters were reported to the Board. A cyber insurance has been acquired which would offset costs involved with recovery after a cyber-related security breach or similar event. Continuously build a holistic approach to managing and protecting data and privacy through the implementation of variety of processes, roles and controls

Environmental, Social and Governance

Risk Description and Possible Impacts	Mitigation Measures
<p>Human Resources Risks</p> <ul style="list-style-type: none"> • Strong competition for talented staff, tight labour markets, and the added demands from new projects posted a challenge to the Group. • Sudden loss of key qualified professionals could affect our ability to deliver on our projects and might have a material adverse effect on our business if suitable replacements are not found in a timely manner. 	<ul style="list-style-type: none"> • Efforts are placed to attract and retain talent in the Group and to enhance our employee’s mental well-being and a strong sense of care and belonging in the Company. • Improve working environment and benefits with an emphasis on well-being, to help recruit new employees and retain talented people more effectively. • Enhance staff productivity with technology and process automation. • Constant review on the human resources practices and contingency plans of human resources are in place to help reducing uncertainty and facilitating the Group’s development.
<p>Legal and Regulatory Compliance Risks</p> <ul style="list-style-type: none"> • Failure to cope with the relevant requirements, or obtain additional and keep current permits and licenses on a timely bases in the event of business expansion, or breach of the relevant laws and regulations related to our business operations including environmental protection, occupational health and safety, anti-corruption, anti-money laundering and economic sanctions may lead to non-compliance with relevant laws and regulations, financial loss and reputational damage to the Group. 	<ul style="list-style-type: none"> • Actively assess the effect of relevant developments and engage closely with regulatory authorities and external advisors on new laws and regulations, and also trending legislation. • Internal policies are updated regularly to uphold high standard of corporate governance and to comply with applicable laws and regulations.
<p>Environmental and Climate-related Risks</p> <ul style="list-style-type: none"> • Climate-related change may results in the extreme weather events which could adversely impact the Group’s business operations, supply chains and property values. • Increasing frequency of extreme weather events may impacts the Group’s strategies and investments as society shifts to a low carbon future. 	<ul style="list-style-type: none"> • Expanded our climate-related risk assessment and launched a physical climate risk analysis process for our major assets to evaluate our climate-related risks and opportunities. • Strengthened our decarbonisation efforts and actively engaged our stakeholders to reduce emissions and waste through a range of sustainability initiatives and awareness programmes. • Continue to implement energy reduction strategies focusing on retrofitting, retro-commissioning and optimisation through technology. • Conduct climate risk assessments at all portfolios to manage the risks and to explore the opportunities arising from the transition to a target of net-zero carbon emission. • Regularly review and transitional risks and physical risks in relation to climate change.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2024 are set out in the consolidated income statement of this Annual Report.

The Board has recommended the payment of a final dividend in the form of cash in the amount of HK50 cents per share to the Shareholders whose names appear on the Registers of Members of the Company on Tuesday, 10 June 2025. Subject to the approval of the Shareholders at the forthcoming annual general meeting, the payment of the final dividend will be made on 20 June 2025. Taken together with the interim dividend of HK37 cents per share paid in October 2024, the total dividend for the year 2024 is HK87 cents per share.

MOVEMENTS IN RESERVES

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

FIVE YEARS' FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out in Appendix II to this Annual Report.

INVESTMENT PROPERTIES

Movements in the investment properties of the Group during the year are set out in note 14 to the consolidated financial statements of this Annual Report. All of the Group's investment properties were revalued by independent professional property valuers as at 31 December 2024 by using income capitalisation approach and direct comparison method.

PROPERTY, PLANT AND EQUIPMENT

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

Details of the major properties of the Group as at 31 December 2024 are set out in Appendix I to this Annual Report.

ISSUE OF NEW SHARES

During the year, no new share was issued by the Company. As at 31 December 2024, the authorised capital of the Company was HK\$600,000,000 divided into 1,200,000,000 shares of HK\$0.50 each, 747,723,345 shares of which were issued and credited as fully paid. Details of the movements of the share options during the year are disclosed hereinbelow. Changes in the share capital of the Company during the year are set out in note 32 to the consolidated financial statements of this Annual Report.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S SECURITIES

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

EMOLUMENT POLICY AND LONG-TERM INCENTIVE SCHEMES

As at 31 December 2024, the Group employed 6,219 employees. Details of emolument policy and incentive schemes of the Group are set out in “Corporate Governance Report” on pages 55 and 68 to 69 of this Annual Report.

DIRECTORS

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

Executive Directors

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

Non-executive Directors

Madam LO TO Lee Kwan
Mr. LO Hong Sui, Vincent
Dr. LO Ying Sui

Independent Non-executive Directors

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

In accordance with Bye-law 109(A), Mr. Lo Hong Sui, Vincent, Mr. Lo Hong Sui, Antony, Mr. Kan Tak Kwong, Mrs. Lee Pui Ling, Angelina (“Mrs. Lee”) and Mr. Zhu Qi shall retire by rotation and, being eligible, have offered themselves for re-election at the 2025 Annual General Meeting of the Company.

Mrs. Lee, an Independent Non-executive Director, has served the Board for more than nine years. Mrs. Lee is a solicitor and a Fellow of the Institute of Chartered Accountants in England and Wales. Mrs. Lee’s impressive career history and expertise bring exceptional knowledge to and enhance the diversity of the Board. Amongst her public appointments, Mrs. Lee was a member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority and a Non-executive Director of the Securities and Futures Commission, showcase her significant contributions to financial regulation. These experiences underline her strong connections and influence within the financial market, making her an invaluable asset in navigating complex legal and regulatory challenges. The Board considered that her extensive experience in legal and financial regulatory sectors could bring a wealth of legal and regulatory compliance experience to the Board and upholds the Company’s governance standards, fostering long-term growth. Taking into account her background and expertise, independence and time involvement in the Company, the Nomination Committee of the Company is fully satisfied that Mrs. Lee demonstrates complete independence in character and judgement both in her designated roles and as Board members and is of the opinion that she will continue to bring independent views of the Company’s affairs to the Board notwithstanding her length of tenure. There is no evidence showing that Independent Non-executive Directors who have served on a board for nine years or more would lose their independence nor be at an increased risk of complacency given their familiarity with management. Based on

the recommendation of Nomination Committee of the Company, the Board considered that Mrs. Lee's in-depth knowledge of the Group's business and her extensive experience and expertise continue to provide invaluable contribution to the Board, and the length of tenure of Mrs. Lee had not affected her independence having regard to her actual contributions, her impartiality and effective oversight of management, and recommends that she should be re-elected at the 2025 Annual General Meeting of the Company.

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

There is no change in the information of the Directors, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, since the publication of the Company's last Interim Report.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

The biographical details of the Directors and the senior management of the Company are set out on pages 70 to 79 of this Annual Report.

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' EMOLUMENTS

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

PERMITTED INDEMNITY

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

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

As at 31 December 2024, the interests and short positions of the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, are as follows:

Long positions in shares and underlying shares of the Company

Name of Directors	Capacity	Nature of Interests	Number of Ordinary Shares/ Underlying Shares Held	Percentage of Issued Share Capital ⁽¹²⁾	Total
Lo Ka Shui	Beneficial Owner	Personal Interests	64,884,835 ⁽¹⁾	8.68)	64.38
	Interests of Controlled Corporations	Corporate Interests	95,978,364 ⁽²⁾	12.83)	
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393 ⁽³⁾	34.06)	
	Founder of a Discretionary Trust	Trust Interests	65,866,676	8.81)	
Lo To Lee Kwan	Beneficial Owner	Personal Interests	1,341,561	0.18)	34.97
	Interests of Controlled Corporations	Corporate Interests	5,442,810 ⁽⁴⁾	0.73)	
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393 ⁽³⁾	34.06)	
Wong Yue Chim, Richard	Beneficial Owner	Personal Interests	10,198	0.00	0.00
Lo Hong Sui, Antony	Beneficial Owner	Personal Interests	1,253,973 ⁽⁵⁾	0.17)	34.23
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393 ⁽³⁾	34.06)	
Law Wai Duen	Beneficial Owner	Personal Interests	2,350,858 ⁽⁶⁾	0.31)	34.37
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393 ⁽³⁾	34.06)	
Lo Hong Sui, Vincent	Beneficial Owner	Personal Interests	293	0.00)	34.06
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393 ⁽³⁾	34.06)	

Name of Directors	Capacity	Nature of Interests	Number of Ordinary Shares/ Underlying Shares Held	Percentage of Issued Share Capital ⁽¹²⁾	Total
Lo Ying Sui	Beneficial Owner	Personal Interests	1,540,000	0.21)	39.50
	Interests of Controlled Corporations	Corporate Interests	39,180,903 ⁽⁷⁾	5.24)	
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393 ⁽³⁾	34.06)	
Lo Chun Him, Alexander	Beneficial Owner	Personal Interests	1,145,488 ⁽⁸⁾	0.15	0.15
Kan Tak Kwong	Beneficial Owner	Personal Interests	4,770,193 ⁽⁹⁾	0.64	0.64
Chu Shik Pui	Beneficial Owner	Personal Interests	2,119,554 ⁽¹⁰⁾	0.28	0.28
Poon Ka Yeung, Larry	Beneficial Owner	Personal Interests	200,000 ⁽¹¹⁾	0.03	0.03

Notes:

- (1) Among these interests, 3,392,000 were share options.
- (2) These interests were held by certain companies wholly-owned by Dr. Lo Ka Shui. Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander are directors of these companies.
- (3) These 254,664,393 shares were owned by a discretionary trust of which Dr. Lo Ka Shui, Madam Lo To Lee Kwan, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui are among the discretionary beneficiaries.
- (4) These 5,442,810 shares were held by two companies wholly-owned by Madam Lo To Lee Kwan who is also a director of these companies. Dr. Lo Ka Shui is a director of one of these companies.
- (5) Among these interests, 340,000 were share options.
- (6) Among these interests, 340,000 were share options.
- (7) These 39,180,903 shares were held by a company wholly-owned by Dr. Lo Ying Sui who is also a director of such company.
- (8) Among these interests, 1,017,000 were share options.
- (9) Among these interests, 2,080,000 were share options.
- (10) Among these interests, 1,827,000 were share options.
- (11) These 200,000 interests were share options.
- (12) This percentage has been compiled based on 747,723,345 shares of the Company in issue as at 31 December 2024.

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

Champion Real Estate Investment Trust (“Champion REIT”)

Champion REIT (Stock Code: 2778), a Hong Kong collective investment scheme authorised under Section 104 of the SFO, is accounted for as a subsidiary of the Company. As at 31 December 2024, the Group owned 70.30% interests in Champion REIT. While the definition of “associated corporation” under the SFO caters only to corporations, for the purpose of enhancing the transparency, the interests of the Directors or chief executives of the Company in Champion REIT as at 31 December 2024 are disclosed as follows:

Name of Directors	Total Number of Units/ Underlying Units Held	Percentage of Issued Units ⁽⁴⁾
Lo Ka Shui	15,861,617 ⁽¹⁾	0.26
Lo Ying Sui	239,000 ⁽²⁾	0.00
Chu Shik Pui	8,000 ⁽³⁾	0.00

Notes:

- (1) Among these 15,861,617 units:
 - (i) 3,592,007 units were held by Dr. Lo Ka Shui personally;
 - (ii) 3,258,610 units were held by certain companies wholly-owned by Dr. Lo Ka Shui. Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander are directors of these companies; and
 - (iii) 9,011,000 units were held by a charitable trust of which Dr. Lo Ka Shui is the settlor and a member of the Advisory Committee and Management Committee.
- (2) Dr. Lo Ying Sui had personal interests in 239,000 units of Champion REIT.
- (3) Mr. Chu Shik Pui had personal interests in 8,000 units of Champion REIT.
- (4) This percentage has been compiled based on 6,080,814,685 units of Champion REIT in issue as at 31 December 2024.

Langham Hospitality Investments and Langham Hospitality Investments Limited (“LHI”)

LHI (Stock Code: 1270), the share stapled units (the “SSUs”) of which are listed on the Stock Exchange. As at 31 December 2024, the Group owned 71.22% interests in LHI and is therefore a subsidiary of the Company. The holdings of the Directors or chief executives of the Company in LHI as at 31 December 2024 are disclosed as follows:

Name of Directors	Total Number of SSUs/ Underlying SSUs Held	Percentage of Issued SSUs ⁽⁶⁾
Lo Ka Shui	124,684,250 ⁽¹⁾	3.63
Lo To Lee Kwan	306,177 ⁽²⁾	0.01
Wong Yue Chim, Richard	257,610 ⁽³⁾	0.01
Law Wai Duen	3,888,421 ⁽⁴⁾	0.11
Lo Ying Sui	932,194 ⁽⁵⁾	0.03

Notes:

- (1) Among these 124,684,250 SSUs:
- (i) 31,584,000 SSUs were held by Dr. Lo Ka Shui personally;
 - (ii) 3,090,000 SSUs were held by certain companies wholly-owned by Dr. Lo Ka Shui. Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander are directors of these companies; and
 - (iii) 90,010,250 SSUs were held by a charitable trust of which Dr. Lo Ka Shui is the settlor and a member of the Advisory Committee and Management Committee.
- (2) These SSUs were held by two companies wholly-owned by Madam Lo To Lee Kwan who is also a director of these companies. Dr. Lo Ka Shui is a director of one of these companies.
- (3) Professor Wong Yue Chim, Richard had personal interests in 257,610 SSUs of LHI.
- (4) Madam Law Wai Duen had personal interests in 3,888,421 SSUs of LHI.
- (5) Dr. Lo Ying Sui had personal interests in 932,194 SSUs of LHI.
- (6) This percentage has been compiled based on 3,433,546,645 SSUs of LHI in issue as at 31 December 2024.

Save as disclosed above, as at 31 December 2024, none of the Directors or chief executives of the Company were taken to be interested or deemed to have any other interests or short positions in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

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

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

- Chairman of Shui On Land Limited ("SOL"), the Shui On Group's flagship property development company in the Chinese Mainland. SOL through its subsidiaries and associates engages in the development, sales, leasing, management and long-term ownership of high-quality commercial and residential mixed-use properties.
- Chairman of SOCAM Development Limited ("SOCAM"). SOCAM through its subsidiaries, principally engages in property and construction businesses, and has business operations in the Mainland China, Hong Kong and Macau.

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

CONNECTED TRANSACTIONS

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

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

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

EQUITY-LINKED AGREEMENTS

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

SHARE SCHEMES

Following the amendments to the Listing Rules which took effect on 1 January 2023, and at the recommendation of the Remuneration Committee, as approved by the Board and the Shareholders, the Company terminated the 2019 Share Option Scheme and adopted the 2024 Share Option Scheme on 29 May 2024. In addition, the Company also adopted the 2024 Share Award Scheme.

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

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

The share awards and share options granted under the 2024 Share Schemes would be subject to certain vesting conditions, if any, and a clawback mechanism.

As approved by the Remuneration Committee, the vesting period of the share awards under the 2024 Share Award Scheme is 36 months. The share options are exercisable for a period of 36 months commencing on the expiry of 24 months from the date upon which the share option is deemed to be granted and accepted, and expiring on the last day of the 36 month-period.

REPORT OF THE DIRECTORS

In order to qualify for the vesting of the share awards under the 2024 Share Award Scheme, participants must meet goals and targets satisfactorily with reference to the Group's business development and goals throughout the 36-month vesting period. Participants must consistently meet essential job expectations and demonstrate proficiency in their duties associated with their roles and responsibilities within the Group. Participants are also expected to uphold the standards set forth in the Employee Code of Conduct of the Company, which includes maintaining professionalism and integrity, throughout the vesting period. The journey to vesting is shaped not only by performance but also by a commitment to uphold high standards. This thorough assessment is designed to ensure alignment of interests between the participants and the Company.

The Group has a long-standing practice of offering share options to employees and Executives Directors as a form of bonus payment for the relevant financial period. Considering the fact that the value of the share options is linked to the future price of the shares of the Company, it serves to motivate participants to contribute to the Company's development. Therefore, the Remuneration Committee considered that the grant of share options as a form of bonus payment for the participants' past contribution is in alignment with the purpose of the Share Option Schemes of the Company, serving as a tool to motivate grantees and allow them to benefit from the improvement of the share performance of the Company. Accordingly, no additional performance target shall be required.

As at 31 December 2024, no share award and share option was granted under the 2024 Share Schemes since its adoption.

The 2009 Share Option Scheme and the 2019 Share Option Scheme were terminated on 22 May 2019 and 29 May 2024 respectively. Share options granted during the life of these option schemes and remain unexpired prior to their termination continue to be exercisable in accordance with their respective terms of issue.

Further information of the 2009 Share Option Scheme, the 2019 Share Option Scheme, the 2024 Share Award Scheme and the 2024 Share Option Scheme are set out in note 36 to the consolidated financial statements of this Annual Report.

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

Details of the movements in the share options granted to the Group's employees (including Directors and their Associates) under the 2009 Share Option Scheme and the 2019 Share Option Scheme during the year ended 31 December 2024 are as follows:

Date of Grant	Number of Share Options				Outstanding as at 31/12/2024	Exercisable Period	Exercise Price per Share (HK\$)
	Outstanding as at 01/01/2024	Granted during the Year	Exercised during the Year	Lapsed during the Year			
14/03/2019 ⁽¹⁾	3,717,000	–	–	(3,717,000)	–	15/03/2021–14/03/2024	39.05
18/03/2020 ⁽²⁾	3,954,000	–	–	(184,000)	3,770,000	19/03/2022–18/03/2025	21.65
18/03/2021 ⁽²⁾	3,689,000	–	–	(159,000)	3,530,000	19/03/2023–18/03/2026	28.45
18/03/2022 ⁽²⁾	4,378,000	–	–	(219,000)	4,159,000	19/03/2024–18/03/2027	19.06
20/03/2023 ⁽²⁾	5,233,000	–	–	(382,000)	4,851,000	21/03/2025–20/03/2028	16.52
20/03/2024 ⁽²⁾	–	6,155,000 ⁽³⁾	–	(687,000)	5,468,000	21/03/2026–20/03/2029	11.18
Total	20,971,000	6,155,000	–	(5,348,000)	21,778,000		

Notes:

- (1) Share options were granted under the 2009 Share Option Scheme.
- (2) Share options were granted under the 2019 Share Option Scheme.
- (3) During the year ended 31 December 2024, 2,067,000 share options were granted to the Directors of the Company and their Associates, while 4,088,000 share options were granted to eligible employees of the Group. Please refer to the announcement of the Company dated 20 March 2024 for details.
- (4) Additional information disclosed pursuant to Rule 17.07 of the Listing Rules:
 - (a) During the year ended 31 December 2024, no share option was cancelled.
 - (b) Consideration paid for acceptance of each grant of share options was HK\$1.00.
 - (c) The vesting period for the share options granted is 24 months after the date of grant.
 - (d) The closing price of the shares of the Company immediately before the date of grant of 20 March 2024, i.e. 19 March 2024 was HK\$11.00.
 - (e) As at 1 January 2024, the number of share options available for grant under the 2019 Share Option Scheme was 52,793,303. At the Special General Meeting held on 29 May 2024, the 2024 Share Award Scheme, 2024 Share Option Scheme and a scheme mandate were approved by the Shareholders. Upon adoption of the 2024 Share Option Scheme on 29 May 2024, the 2019 Share Option Scheme was terminated. No further share options may be granted under the 2019 Share Option Scheme. As at 31 December 2024, the number of share awards and share options available for grant under the 2024 Share Award Scheme and 2024 Share Option Scheme was 74,772,334.
 - (f) The number of shares that may be issued in respect of share options granted under all the share schemes of the Company during the year ended 31 December 2024 (i.e. 6,155,000) divided by the weighted average number of shares of the Company in issue for the year ended 31 December 2024 (i.e. 747,723,345) was 0.82%.

Details of Share Options Granted

During the year ended 31 December 2024, the details of the movements in the share options granted to the Group's employees (including Directors (some are also substantial Shareholders) and their Associates) under the 2009 Share Option Scheme and the 2019 Share Option Scheme as required to be disclosed according to Rule 17.07 of the Listing Rules are as follows:

Directors	Date of Grant	Number of Share Options				Outstanding as at 31/12/2024	Exercise Price per Share (HK\$)	Weighted Average Closing Price Immediately Before the Date of Exercise (HK\$)
		Outstanding as at 01/01/2024	Granted during the Year	Exercised during the Year	Lapsed during the Year			
Lo Ka Shui	14/03/2019 ⁽¹⁾	698,000	–	–	(698,000)	–	39.05	–
	18/03/2020 ⁽²⁾	680,000	–	–	–	680,000	21.65	–
	18/03/2021 ⁽²⁾	612,000	–	–	–	612,000	28.45	–
	18/03/2022 ⁽²⁾	700,000	–	–	–	700,000	19.06	–
	20/03/2023 ⁽²⁾	700,000	–	–	–	700,000	16.52	–
	20/03/2024 ⁽²⁾	–	700,000	–	–	700,000	11.18	–
		3,390,000	700,000	–	(698,000)	3,392,000		
Lo Hong Sui, Antony	14/03/2019 ⁽¹⁾	100,000	–	–	(100,000)	–	39.05	–
	18/03/2020 ⁽²⁾	100,000	–	–	–	100,000	21.65	–
	18/03/2021 ⁽²⁾	90,000	–	–	–	90,000	28.45	–
	18/03/2022 ⁽²⁾	50,000	–	–	–	50,000	19.06	–
	20/03/2023 ⁽²⁾	50,000	–	–	–	50,000	16.52	–
	20/03/2024 ⁽²⁾	–	50,000	–	–	50,000	11.18	–
		390,000	50,000	–	(100,000)	340,000		
Law Wai Duen	14/03/2019 ⁽¹⁾	100,000	–	–	(100,000)	–	39.05	–
	18/03/2020 ⁽²⁾	100,000	–	–	–	100,000	21.65	–
	18/03/2021 ⁽²⁾	90,000	–	–	–	90,000	28.45	–
	18/03/2022 ⁽²⁾	50,000	–	–	–	50,000	19.06	–
	20/03/2023 ⁽²⁾	50,000	–	–	–	50,000	16.52	–
	20/03/2024 ⁽²⁾	–	50,000	–	–	50,000	11.18	–
		390,000	50,000	–	(100,000)	340,000		
Lo Chun Him, Alexander	14/03/2019 ⁽¹⁾	238,000	–	–	(238,000)	–	39.05	–
	18/03/2020 ⁽²⁾	230,000	–	–	–	230,000	21.65	–
	18/03/2021 ⁽²⁾	207,000	–	–	–	207,000	28.45	–
	18/03/2022 ⁽²⁾	180,000	–	–	–	180,000	19.06	–
	20/03/2023 ⁽²⁾	180,000	–	–	–	180,000	16.52	–
	20/03/2024 ⁽²⁾	–	220,000	–	–	220,000	11.18	–
		1,035,000	220,000	–	(238,000)	1,017,000		

Directors	Date of Grant	Number of Share Options				Outstanding as at 31/12/2024	Exercise Price per Share (HK\$)	Weighted Average Closing Price Immediately Before the Date of Exercise (HK\$)
		Outstanding as at 01/01/2024	Granted during the Year	Exercised during the Year	Lapsed during the Year			
Kan Tak Kwong	14/03/2019 ⁽¹⁾	450,000	–	–	(450,000)	–	39.05	–
	18/03/2020 ⁽²⁾	400,000	–	–	–	400,000	21.65	–
	18/03/2021 ⁽²⁾	360,000	–	–	–	360,000	28.45	–
	18/03/2022 ⁽²⁾	420,000	–	–	–	420,000	19.06	–
	20/03/2023 ⁽²⁾	420,000	–	–	–	420,000	16.52	–
	20/03/2024 ⁽²⁾	–	480,000	–	–	480,000	11.18	–
		2,050,000	480,000	–	(450,000)	2,080,000		
Chu Shik Pui	14/03/2019 ⁽¹⁾	380,000	–	–	(380,000)	–	39.05	–
	18/03/2020 ⁽²⁾	330,000	–	–	–	330,000	21.65	–
	18/03/2021 ⁽²⁾	297,000	–	–	–	297,000	28.45	–
	18/03/2022 ⁽²⁾	380,000	–	–	–	380,000	19.06	–
	20/03/2023 ⁽²⁾	400,000	–	–	–	400,000	16.52	–
	20/03/2024 ⁽²⁾	–	420,000	–	–	420,000	11.18	–
		1,787,000	420,000	–	(380,000)	1,827,000		
Poon Ka Yeung, Larry	20/03/2023 ⁽²⁾	100,000	–	–	–	100,000	16.52	–
	20/03/2024 ⁽²⁾	–	100,000	–	–	100,000	11.18	–
		100,000	100,000	–	–	200,000		
Associates of Directors of the Company ⁽⁷⁾	14/03/2019 ⁽¹⁾	60,000	–	–	(60,000)	–	39.05	–
	18/03/2020 ⁽²⁾	40,000	–	–	–	40,000	21.65	–
	18/03/2021 ⁽²⁾	36,000	–	–	–	36,000	28.45	–
	18/03/2022 ⁽²⁾	36,000	–	–	–	36,000	19.06	–
	20/03/2023 ⁽²⁾	34,000	–	–	–	34,000	16.52	–
	20/03/2024 ⁽²⁾	–	47,000	–	–	47,000	11.18	–
		206,000	47,000	–	(60,000)	193,000		

REPORT OF THE DIRECTORS

Directors	Date of Grant	Number of Share Options				Outstanding as at 31/12/2024	Exercise Price per Share (HK\$)	Weighted Average Closing Price Immediately Before the Date of Exercise (HK\$)
		Outstanding as at 01/01/2024	Granted during the Year	Exercised during the Year	Lapsed during the Year			
Eligible Employees (other than Directors of the Company and their Associates ⁽⁷⁾)	14/03/2019 ⁽¹⁾	1,691,000	–	–	(1,691,000)	–	39.05	–
	18/03/2020 ⁽²⁾	2,074,000	–	–	(184,000)	1,890,000	21.65	–
	18/03/2021 ⁽²⁾	1,997,000	–	–	(159,000)	1,838,000	28.45	–
	18/03/2022 ⁽²⁾	2,562,000	–	–	(219,000)	2,343,000	19.06	–
	20/03/2023 ⁽²⁾	3,299,000	–	–	(382,000)	2,917,000	16.52	–
	20/03/2024 ⁽²⁾	–	4,088,000	–	(687,000)	3,401,000	11.18	–
		11,623,000	4,088,000	–	(3,322,000)	12,389,000		

Notes:

- (1) Share options were granted under the 2009 Share Option Scheme.
Share options granted on 14/03/2019 are exercisable during the period from 15/03/2021 to 14/03/2024.
- (2) Share options were granted under the 2019 Share Option Scheme.
Share options granted on 18/03/2020 are exercisable during the period from 19/03/2022 to 18/03/2025.
Share options granted on 18/03/2021 are exercisable during the period from 19/03/2023 to 18/03/2026.
Share options granted on 18/03/2022 are exercisable during the period from 19/03/2024 to 18/03/2027.
Share options granted on 20/03/2023 are exercisable during the period from 21/03/2025 to 20/03/2028.
Share options granted on 20/03/2024 are exercisable during the period from 21/03/2026 to 20/03/2029.
- (3) During the year ended 31 December 2024, no share option was cancelled.
- (4) Consideration paid for acceptance of each grant of share options was HK\$1.00.
- (5) The vesting period for the share options granted is 24 months after the date of grant.
- (6) The closing price of the shares of the Company immediately before the date of grant of 20 March 2024, i.e. 19 March 2024 was HK\$11.00.
- (7) Being share options held by Mr. Lo Chun Cheong and Mr. Lo Chun Lai, Andrew.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2024, the interests and short positions of persons (other than the Directors or chief executives of the Company) in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO as having an interest in 5% or more of the issued share capital of the Company are as follows:

Long positions in shares of the Company

Name of Shareholders	Total Number of Ordinary Shares/ Underlying Shares Held	Percentage of Issued Share Capital ⁽⁷⁾
HSBC International Trustee Limited	315,009,622 ⁽¹⁾	42.13
Powermax Agents Limited	246,937,926 ⁽²⁾	33.03
Mind Reader Limited	49,481,019 ⁽³⁾	6.62
Surewit Finance Limited	45,342,008 ⁽⁴⁾	6.06
Eagle Guardian Limited	41,763,361 ⁽⁵⁾	5.59
Adscan Holdings Limited	39,180,903 ⁽⁶⁾	5.24

Notes:

- (1) The number of shares disclosed was based on the latest Disclosure of Interest Form (with the date of relevant event as at 21 June 2021) received from HSBC International Trustee Limited ("HITL"). According to the latest disclosures made by the Directors of the Company, as at 31 December 2024:
 - (i) 254,664,393 shares representing 34.06% of the issued share capital of the Company were held in the name of HITL as a trustee of a discretionary trust, of which Dr. Lo Ka Shui, Madam Lo To Lee Kwan, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, all being Directors of the Company, are among the discretionary beneficiaries.
 - (ii) 65,866,676 shares representing 8.81% of the issued share capital of the Company were held in the name of HITL as a trustee of another discretionary trust, of which Dr. Lo Ka Shui is the founder.
- (2) Powermax Agents Limited is wholly-owned by HITL in the capacity of a trustee of a discretionary trust and the said 246,937,926 shares held by it related to the same parcel of shares referred to in Note (1)(i) above.
- (3) Mind Reader Limited is a company wholly-owned by Dr. Lo Ka Shui. Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander are directors of this company.
- (4) Surewit Finance Limited is wholly-owned by HITL in the capacity of a trustee of a discretionary trust and the said 45,342,008 shares held by it were among the shares referred to in Note (1)(ii) above. Dr. Lo Ka Shui is a director of this company.
- (5) Eagle Guardian Limited is a company wholly-owned by Dr. Lo Ka Shui. Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander are directors of this company.
- (6) Adscan Holdings Limited is a company wholly-owned by Dr. Lo Ying Sui who is also a director of this company.
- (7) This percentage has been compiled based on 747,723,345 shares of the Company in issue as at 31 December 2024.

REPORT OF THE DIRECTORS

Save as disclosed above, as at 31 December 2024, no person (other than the Directors or chief executives of the Company whose interests in shares, underlying shares and debentures of the Company are set out on pages 90 to 93) was interested (or deemed to be interested) or held any short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

PRE-EMPTIVE RIGHTS

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

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

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

MAJOR CUSTOMERS AND SUPPLIERS

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

DONATIONS

The Group's charitable and other donations during the year amounted to HK\$1,429,000 (2023: HK\$1,092,000). Our Group has sponsored two undergraduate scholarship programmes totaling HK\$2,000,000 with The Hong Kong University of Science and Technology and City University of Hong Kong in the fields of sustainable development, environment and energy. Details of our sponsorships are set out in the Company's Sustainability Report 2024.

AUDITOR

The consolidated financial statements for the year ended 31 December 2024 have been audited by Messrs. Deloitte Touche Tohmatsu and a resolution to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company will be proposed at the forthcoming annual general meeting to be held on Wednesday, 14 May 2025.

SUFFICIENCY OF PUBLIC FLOAT

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

CORPORATE GOVERNANCE

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

Details of the Company's corporate governance principles and practices are set out in the "Corporate Governance Report" on pages 36 to 69 of this Annual Report.

SUSTAINABILITY REPORT

The Sustainability Report 2024 of the Company (the "Sustainability Report") is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "Guide") under Appendix C2 of the Listing Rules and satisfies the mandatory disclosure requirements and "comply or explain" provisions. The Sustainability Report follows the four Reporting Principles, namely Materiality, Quantitative, Balance and Consistency as stipulated in the Guide. Discussion on the Company's environmental policies and performance and an account of the Company's key relationships with its employees, customers and suppliers and others that have a significant impact on the Company and on which the Company's success depends are set out in the Sustainability Report.

On behalf of the Board

Lo Ka Shui

Chairman and Managing Director

Hong Kong, 3 March 2025

INDEPENDENT AUDITOR'S REPORT

Deloitte.

德勤

To the Shareholders of Great Eagle Holdings Limited
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Great Eagle Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 109 to 233, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 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 disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") 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.

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of investment properties</p> <p>We identified the valuation of investment properties situated in Hong Kong and the People's Republic of China (the "Mainland China") which are performed by independent professional property valuer using income capitalisation approach as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the significant judgements associated with determining the fair value. As disclosed in note 14 to the consolidated financial statements, the Group's investment properties situated in Hong Kong and the Mainland China whose valuation have been arrived at income capitalisation approach amounted to HK\$64,794,910,000 as at 31 December 2024 representing 59.1% of the Group's total assets.</p> <p>Details of the valuation techniques and key inputs used in the valuations are disclosed in note 14 to the consolidated financial statements. The valuations are dependent on certain key inputs that involve the management's and independent professional property valuers' judgements, including capitalisation rate and market rent per square foot. A table showing the relationship of significant unobservable inputs to fair value is disclosed in note 14.</p>	<p>Our procedures in relation to the valuation of investment properties situated in Hong Kong and the Mainland China included:</p> <ul style="list-style-type: none"> • Evaluating the competence, capabilities and objectivity of the independent professional property valuers; • Obtaining an understanding from the independent professional property valuers about the valuation techniques, the performance of the property markets, significant assumptions adopted, critical judgemental areas, key inputs and data used in the valuations; • Evaluating the reasonableness of the key inputs used in the valuations by comparing the capitalisation rate and market rent per square foot, and make reference with historical data, market trend and comparable data of companies within the same industry; and • Assessing the integrity of information provided by the management to the independent professional property valuers by comparing details of rentals on a sample basis to the respective lease agreements.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

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

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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 skepticism throughout the audit. We also:

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Wong Kuen.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

3 March 2025

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

		2024	2023
	NOTES	HK\$'000	HK\$'000
Revenue	5	10,878,541	10,644,158
Cost of goods and services		(6,672,870)	(5,980,533)
Operating profit before depreciation		4,205,671	4,663,625
Depreciation		(883,778)	(885,032)
Operating profit		3,321,893	3,778,593
Fair value changes on investment properties	14	(3,239,765)	(782,184)
Fair value changes on derivative financial instruments		(210,301)	(208,631)
Fair value changes on financial assets at fair value through profit or loss		74,373	34,027
Other income	7	261,823	295,510
Administrative and other expenses		(540,151)	(506,280)
Allowance for credit losses on notes and interest receivables		–	(11,984)
Finance costs	8	(1,513,182)	(1,311,725)
Share of results of joint ventures		24,918	24,544
Share of results of associates		5,858	14,158
(Loss) profit before tax		(1,814,534)	1,326,028
Income taxes	9	(582,239)	(497,991)
(Loss) profit for the year, before deducting the amounts attributable to non-controlling unitholders of Champion REIT	10	(2,396,773)	828,037
(Loss) profit for the year attributable to:			
Owners of the Company		(1,734,209)	763,511
Non-controlling interests		(36,577)	(3,658)
Non-controlling unitholders of Champion REIT		(1,770,786)	759,853
		(625,987)	68,184
		(2,396,773)	828,037
(Loss) earnings per share:	13		
Basic and diluted		(HK\$2.32)	HK\$1.02

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	NOTE	2024 HK\$'000	2023 HK\$'000
(Loss) profit for the year, before deducting the amounts attributable to non-controlling unitholders of Champion REIT		(2,396,773)	828,037
Other comprehensive (expense) income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value loss on equity instruments at fair value through other comprehensive income		(129,242)	(300,758)
Share of other comprehensive income of an associate		8,835	8,612
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(513,058)	(55,750)
Cash flow hedges:			
Fair value adjustments on cross currency swaps and interest rate swaps designated as cash flow hedges	21	12,159	(64,031)
Reclassification of fair value adjustments to profit or loss	21	(37,100)	(64,609)
Deferred tax related to fair value adjustments recognised in other comprehensive income	21	5,629	10,460
Other comprehensive expense for the year, before deducting amounts attributable to non-controlling unitholders of Champion REIT		(652,777)	(466,076)
Total comprehensive (expense) income for the year, before deducting amounts attributable to non-controlling unitholders of Champion REIT		(3,049,550)	361,961
Total comprehensive (expense) income for the year attributable to:			
Owners of the Company		(2,378,176)	341,335
Non-controlling interests		(38,533)	(3,218)
		(2,416,709)	338,117
Non-controlling unitholders of Champion REIT		(632,841)	23,844
		(3,049,550)	361,961

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	NOTES	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Investment properties	14	64,944,730	68,603,905
Property, plant and equipment	15	19,450,265	20,117,520
Interests in joint ventures	16	1,139,827	1,292,625
Interests in associates	17	222,911	217,967
Equity instruments at fair value through other comprehensive income	18	1,319,381	1,449,017
Notes and loan receivables	19	125,006	354,676
Derivative financial instruments	20, 21	97,219	37,418
		87,299,339	92,073,128
Current assets			
Stock of properties	22	12,661,584	11,463,973
Inventories	23	97,663	84,047
Debtors, deposits and prepayments	24	1,838,853	732,088
Notes and loan receivables	19	219,822	67,149
Financial assets at fair value through profit or loss	25	577,561	671,292
Derivative financial instruments	20, 21	–	96,207
Tax recoverable		11,773	8,531
Restricted cash	26	113,166	117,234
Time deposits with original maturity over three months	26	–	82,196
Bank balances and cash	26	6,769,320	5,767,324
		22,289,742	19,090,041
Current liabilities			
Creditors, deposits and accruals	27	8,827,339	4,145,142
Derivative financial instruments	20	89,372	–
Provision for taxation		133,480	367,641
Distribution payable		110,628	139,821
Borrowings due within one year	28	2,729,179	17,862,291
Medium term notes	29	1,223,585	199,985
Lease liabilities	30	8,777	7,347
		13,122,360	22,722,227
Net current assets (liabilities)		9,167,382	(3,632,186)
Total assets less current liabilities		96,466,721	88,440,942

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2024

	NOTES	2024 HK\$'000	2023 HK\$'000
Non-current liabilities			
Derivative financial instruments	20, 21	103,538	120,209
Borrowings due after one year	28	25,293,919	12,381,465
Medium term notes	29	2,581,876	3,813,632
Deferred taxation	31	1,529,907	1,350,944
Lease liabilities	30	539,880	335,973
		30,049,120	18,002,223
NET ASSETS		66,417,601	70,438,719
Equity attributable to:			
Owners of the Company			
Share capital	32	373,862	373,862
Share premium and reserves		53,714,997	56,404,995
		54,088,859	56,778,857
Non-controlling interests		(606,272)	(622,094)
		53,482,587	56,156,763
Net assets attributable to non-controlling unitholders of Champion REIT		12,935,014	14,281,956
		66,417,601	70,438,719

The consolidated financial statements on pages 109 to 233 were approved and authorised for issue by the Board of Directors on 3 March 2025 and are signed on its behalf by:

Lo Ka Shui
DIRECTOR

Kan Tak Kwong
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to owners of the Company													Amount attributable to non-controlling unitholders of Champion REIT	Total HK\$'000	
	Share capital HK\$'000	Share premium HK\$'000	Investment revaluation reserve HK\$'000	Property revaluation reserve HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000 (note a)	Exchange translation reserve HK\$'000	Share option reserve HK\$'000	Hedging reserve HK\$'000 (note 21)	Other reserves HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000			Total equity HK\$'000
At 1 January 2023	373,862	7,059,099	282,983	23,109	3,054	400,965	(1,058,788)	89,013	36,364	8,463,767	41,146,628	56,820,056	(619,872)	56,200,184	14,980,648	71,180,832
Profit (loss) for the year	-	-	-	-	-	-	-	-	-	-	763,511	763,511	(3,658)	759,853	68,184	828,037
Fair value loss on equity instruments at fair value through other comprehensive income	-	-	(289,816)	-	-	-	-	-	-	-	-	(289,816)	-	(289,816)	(10,942)	(300,758)
Share of other comprehensive income of an associate	-	-	8,612	-	-	-	-	-	-	-	-	8,612	-	8,612	-	8,612
Change in fair value of cash flow hedges, net of related income tax	-	-	-	-	-	-	-	(81,310)	-	-	-	(81,310)	-	(81,310)	(36,870)	(118,180)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	(59,645)	-	-	(17)	-	(59,662)	440	(59,222)	3,472	(55,750)
Total comprehensive (expense) income for the year	-	-	(281,204)	-	-	-	(59,645)	-	(81,310)	(17)	763,511	341,335	(3,218)	338,117	23,844	361,961
Transaction with non-controlling unitholders of Champion REIT:																
Distribution to non-controlling unitholders of Champion REIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(313,224)	(313,224)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(313,224)	(313,224)
Transactions with owners:																
Dividend paid (note 12)	-	-	-	-	-	-	-	-	-	-	(650,520)	(650,520)	-	(650,520)	-	(650,520)
Transfer of gain on disposal of equity instruments at fair value through other comprehensive income	-	-	(37,981)	-	-	-	-	-	-	-	37,981	-	-	-	-	-
Lapse of share options	-	-	-	-	-	-	-	(24,430)	-	-	24,430	-	-	-	-	-
Recognition of equity-settled share-based payments	-	-	-	-	-	-	-	16,552	-	-	-	16,552	-	16,552	-	16,552
Increase of interests in subsidiaries (note b)	-	-	-	-	-	-	-	-	-	251,434	-	251,434	29,654	281,088	(409,312)	(128,224)
Distribution to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(28,658)	(28,658)	-	(28,658)
At 31 December 2023	373,862	7,059,099	(36,202)	23,109	3,054	400,965	(1,118,433)	81,135	(44,946)	8,715,184	41,322,030	56,778,857	(622,094)	56,156,763	14,281,956	70,438,719

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

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

Notes:

- (a) Contributed surplus represents the surplus arising under the Scheme of Arrangement undertaken by the Group (defined in note 2) in 1989/90. Under the Bermuda Companies Act, the contributed surplus of the Group is available for distribution to shareholders.
- (b) It mainly represents the effect from the Group's increase in interests in Champion REIT and Langham (both defined in note 6) upon the settlement of management fees in units and purchase of units of Champion REIT and Langham from the market by the Group.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	2024 HK\$'000	2023 HK\$'000
Operating activities		
(Loss) profit before tax	(1,814,534)	1,326,028
Adjustments for:		
Dividends received from equity securities held for trading	(10,842)	(13,553)
Dividends received from equity instruments at fair value through other comprehensive income	(20,108)	(22,796)
Loss on disposal of property, plant and equipment	461	492
Interest income	(227,811)	(255,450)
Fair value changes on investment properties	3,239,765	782,184
Fair value changes on derivative financial instruments	210,301	208,631
Fair value changes on financial assets at fair value through profit or loss	(74,373)	(34,027)
Allowance for credit losses on notes and interest receivables	–	11,984
Provision for allowance for doubtful debts, net of amounts recovered	15,136	1,838
Depreciation	883,778	885,032
Recognition of share-based payments	9,164	16,552
Interest expense	1,513,182	1,311,725
Share of results of joint ventures	(24,918)	(24,544)
Share of results of associates	(5,858)	(14,158)
Exchange differences	841	(5,234)
Retention money payable written off	–	(13,371)
Operating cash flows before movements in working capital	3,694,184	4,161,333
(Increase) decrease in debtors, deposits and prepayments	(1,124,570)	175,946
(Increase) decrease in inventories	(13,616)	43,806
Increase in creditors, deposits and accruals	4,822,329	509,600
Increase in stock of properties	(1,106,980)	(2,206,940)
Decrease in equity securities held for trading	116,065	17,748
Cash generated from operations	6,387,412	2,701,493
Payments arising from net settlement of derivative financial instruments	(141,193)	(181,703)
Hong Kong Profits Tax paid	(483,596)	(162,751)
Other jurisdictions tax paid	(123,574)	(170,267)
Hong Kong Profits Tax refunded	1,421	8,691
Other jurisdictions tax refunded	626	2,665
Net cash from operating activities	5,641,096	2,198,128

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	2024 HK\$'000	2023 HK\$'000
Investing activities		
Additions of equity instruments at fair value through other comprehensive income	(25,764)	(97,104)
Additions of financial assets at fair value through profit or loss	(318,036)	(264,445)
Additions of investment properties	(139,032)	(45,552)
Additions of property, plant and equipment	(555,939)	(420,326)
Additions of notes receivables	(33,130)	(787,186)
Additions of loan receivables	(344)	–
Dividends received from associates	9,749	8,821
Dividends received from		
– equity instruments at fair value through other comprehensive income	20,108	22,796
– equity securities held for trading	10,842	13,553
Distribution and repayment from joint ventures	237,881	89,152
Interest received	230,199	225,333
Advance to joint ventures	(65,390)	(1,084,932)
Withdrawal of restricted cash	1,282	–
Placement of restricted cash	–	(64,836)
Proceeds on disposal of		
– equity instruments at fair value through other comprehensive income	26,197	306,331
– financial assets at fair value through profit or loss	486,168	166,902
Proceeds on redemption of loan receivables	229	17,205
Proceeds on redemption of notes receivables	104,528	1,141,030
Proceeds on disposal of investment property	547,327	–
Deposits paid for acquisition of investment properties	(24,076)	–
Proceeds on disposal of property, plant and equipment	861	14,944
Placement of time deposits with original maturity over three months	–	(82,196)
Release of time deposits with original maturity over three months	81,688	66,380
Net cash from (used in) investing activities	595,348	(774,130)
Financing activities		
Bank loans origination fees	(85,551)	(42,589)
Change of interests in subsidiaries	(71,396)	(128,224)
Distribution paid to non-controlling unitholders of Champion REIT	(288,086)	(343,066)
Distribution paid to non-controlling interests	–	(28,658)
Dividends paid to shareholders	(650,520)	(650,520)
Interest paid	(1,683,697)	(1,466,059)
New bank loans raised	18,220,004	8,192,792
Repayments of bank loans	(20,178,450)	(4,139,291)
Repayments of lease liabilities	(11,876)	(1,817)
Interest paid for leases	(24,494)	(10,154)
Redemption of medium term notes	(200,000)	(3,017,591)
Net cash used in financing activities	(4,974,066)	(1,635,177)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	2024 HK\$'000	2023 HK\$'000
Net increase (decrease) in cash and cash equivalents	1,262,378	(211,179)
Effect of foreign exchange rates changes	(260,382)	36,776
Cash and cash equivalents at the beginning of the year	5,767,324	5,941,727
Cash and cash equivalents at the end of the year		
Bank balances and cash	6,769,320	5,767,324

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

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

The principal activity of the Company is investment holding.

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

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Company and its subsidiaries (collectively referred to as the “Group”) has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

New and amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRSs	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosures in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2025

³ Effective for annual periods beginning on or after 1 January 2026

⁴ Effective for annual periods beginning on or after 1 January 2027

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

HKFRS 18 “Presentation and Disclosure in Financial Statements” (“HKFRS 18”)

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

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

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

3.1 Basis of preparation of consolidated financial statements

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

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

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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

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

3.2 Material accounting policy information

Basis of consolidation

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

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

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

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

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

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

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

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

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

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

3.2 Material accounting policy information (continued)

Changes in the Group's interests in existing subsidiaries

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

Revenue from contracts with customers

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

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

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

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

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

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

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

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

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

3.2 Material accounting policy information (continued)

Revenue from contracts with customers (continued)

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

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

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

Output method

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

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

Existence of significant financing component

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

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

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

3.2 Material accounting policy information (continued)

Investment properties

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

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

Property, plant and equipment

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

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

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

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

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

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

3.2 Material accounting policy information (continued)

Interests in associates and joint ventures

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

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

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

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

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

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

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

3.2 Material accounting policy information (continued)

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

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

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

Properties under development for sale and properties held for sale

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

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

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

3.2 Material accounting policy information (continued)

Leases

Definition of a lease

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

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

The Group as a lessee

Right-of-use assets

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

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

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

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

Refundable rental deposits

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

Lease liabilities

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

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

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

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

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

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

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

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

The Group as a lessor

Classification and measurement of leases

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

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

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

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessor (continued)

Classification and measurement of leases (continued)

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

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

Allocation of consideration to components of a contract

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

Refundable rental deposits

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

Foreign currencies

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

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

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

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

3.2 Material accounting policy information (continued)

Borrowing costs

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

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

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

Retirement benefit costs

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

Short-term employee benefits

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

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

Taxation

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

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

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

3.2 Material accounting policy information (continued)

Taxation (continued)

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

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

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

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

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

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

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

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

3.2 Material accounting policy information (continued)

Inventories

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

Cash and cash equivalents

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

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

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

Financial instruments

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

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

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

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

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

Financial assets

Classification and subsequent measurement of financial assets

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

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

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

A financial asset is held for trading if:

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

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(i) Amortised cost and interest income

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

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

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

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

(iii) Financial assets at FVTPL

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

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

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

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

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

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

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

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

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

3.2 Material accounting policy information (continued) Financial instruments (continued)

Financial assets (continued)

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

(i) Significant increase in credit risk (continued)

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

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

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

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

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

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

(i) Significant increase in credit risk (continued)

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

(ii) Definition of default

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

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

(iii) Credit-impaired financial assets

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

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

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

3.2 Material accounting policy information (continued) Financial instruments (continued)

Financial assets (continued)

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

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

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

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

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

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

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss as part of the gain/(loss) from changes in fair value of financial assets; and
- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investment revaluation reserve.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to receive the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities (including trade creditors, other payables, rental deposits received, construction fee payable and retention money payable, distribution payable, borrowings and medium term notes) are subsequently measured at amortised cost, using the effective interest method.

Derivative financial instruments and hedging

Derivatives are initially recognised at fair value at the date derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated as an effective hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Embedded derivatives

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of HKFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate.

Hedge accounting

At the inception of the hedging relationship the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Hedge accounting (continued)

Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Cash flow hedges

The Group uses interest rate swaps and cross currency swaps to hedge its exposure against changes in exchange and interest rates. Hedging relationships are classified as cash flow hedges when such relationships are used to hedge against exposure to variability in cash flows that are attributable to a particular risk associated with a recognised asset or liability and such variability could affect profit or loss.

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges are recognised in OCI and accumulated under the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in OCI and accumulated in equity (hedging reserve) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line of the consolidated income statement as the recognised hedged item. If the Group expects that some or all of the loss accumulated in the hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform

For changes in the basis for determining the contractual cash flows of a financial asset or financial liability to which the amortised cost measurement applies as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes by updating the effective interest rate, such change in effective interest rate normally has no significant effect on the carrying amount of the relevant financial asset or financial liability.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if and only if, both these conditions are met:

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

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at fair value of the equity instruments at the grant date.

The fair value determined at the grant date without taking into consideration all non-market vesting condition is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to vest based on assessment of all relevant non-market vesting condition. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

When the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after vesting period or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the Directors have been in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purpose of measuring deferred taxation arising from investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in measuring the Group's deferred taxation on investment properties, the Directors have determined that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale. As a result, the Group has not recognised any deferred taxation on changes in fair value of investment properties situated in Hong Kong as the Group is not subject to any income taxes on disposal of its investment properties. For the investment properties situated in the People's Republic of China ("The Mainland China"), the Group has recognised the deferred taxation on changes in fair value of investment properties as the Group is subject to income taxes and land appreciation tax on disposal of its investment properties as appropriate.

Key sources of estimation uncertainty

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

Investment properties

Investment properties are stated at fair value based on the valuations performed by independent professional property valuers.

In determining the fair value of investment properties situated in Hong Kong and the Mainland China, the valuers have used income capitalisation approach which involves estimates of future cash flow determined by current leases and future leases with reference to current market conditions as of the end of the reporting period or direct comparison method which involves estimates of the fair value of similar properties adjusted to reflect current market conditions as of the end of the reporting period.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Investment properties (continued)

In relying on those valuation reports, the Directors have exercised their judgements and are satisfied that the methods of valuations assumptions and key inputs are reflective of the current market conditions. Note 14 provides detailed information about carrying amounts of the investment properties, the valuation techniques, inputs and key assumptions used in the determination of the fair value of investment properties.

Estimated impairment of hotel properties and hotel properties under development

As explained in note 3, included in property, plant and equipment are the Group's hotel buildings which are stated at cost less subsequent accumulated depreciation and accumulated impairment losses; and hotel buildings under development which are stated at cost less accumulated impairment losses.

At the end of the reporting period, the Group reviews the carrying amounts of its hotel buildings and hotel buildings under development to determine whether there is any impairment indicators/indicators of reversal of impairment to those properties. If any such indication exists, the recoverable amount of the relevant property is estimated in order to determine the extent of the impairment loss/reversal of impairment (if any). The hotel performances on the Group's certain hotels have been considered as an indicator for impairment/reversal of impairment of hotel buildings and hotel buildings under development. In determining whether the impairment loss of hotel buildings and hotel buildings under development would be recognised or reversed, the Group has to exercise judgement and make estimation, in assessing whether the carrying value of these assets can be supported by the recoverable amount.

For the purpose of impairment assessment/reversal of impairment of hotel properties, the Group has considered the relevant freehold land, right-of-use leasehold land, hotel buildings, hotel buildings under development and furniture, fixtures and equipment of each hotel property as one cash-generating unit ("CGU"). In the case of value in use, the recoverable amounts are calculated based on net present value of future cash flows which are estimated based on the continued use of the assets and the appropriate key assumptions.

For the purpose of impairment assessment of hotel properties under development, the Group has considered the relevant hotel buildings under development and freehold land as one CGU. In the case of value in use, the recoverable amounts are calculated based on the forecasted future operating cash flows of the properties and the anticipated costs to completion of the hotel properties under development by reference to the actual development costs incurred, construction contracts committed and relevant market information showing the latest cost trend.

In the impairment assessment, changes in the assumptions and estimates, including the occupancy rates, discount rates or the terminal capitalisation rates in the cash flow projections, could materially affect the recoverable amount. Details are set out in note 15.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

5. REVENUE

Revenue represents the aggregate of income from hotel operation, gross rental income, building management service income, income from sale of properties, proceeds from sale of building materials, dividend income from investments and income from other operations (including property management and maintenance income and property agency commission).

	2024 HK\$'000	2023 HK\$'000
Hotel income	6,610,237	6,488,180
Rental income from investment properties	2,342,286	2,477,189
Building management service income	297,751	285,234
Sale of properties	1,340,497	1,075,118
Sale of goods	105,552	126,054
Dividend income	30,950	36,349
Others	151,268	156,034
	10,878,541	10,644,158

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

2024

	Hotel operation HK\$'000	Property investment HK\$'000	Property development HK\$'000	Other operations HK\$'000	Sub-total HK\$'000	Champion REIT HK\$'000	Langham HK\$'000	US Real Estate Fund HK\$'000	Eliminations/ reclassification HK\$'000	Consolidated HK\$'000
Hotel income	6,670,901	-	-	-	6,670,901	-	481,218	-	(541,882)	6,610,237
Building management service income	-	23,529	-	-	23,529	274,222	-	-	-	297,751
Sale of properties	-	-	1,340,497	-	1,340,497	-	-	-	-	1,340,497
Sale of goods	-	-	-	105,552	105,552	-	-	-	-	105,552
Others	-	-	-	455,726	455,726	-	-	-	(304,458)	151,268
Revenue from contracts with customers	6,670,901	23,529	1,340,497	561,278	8,596,205	274,222	481,218	-	(846,340)	8,505,305
Rental income from investment properties	-	149,336	-	-	149,336	2,184,509	-	25,838	(17,397)	2,342,286
Dividend income	-	-	-	30,950	30,950	-	-	-	-	30,950
	6,670,901	172,865	1,340,497	592,228	8,776,491	2,458,731	481,218	25,838	(863,737)	10,878,541

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

5. REVENUE (continued)

2023

	Hotel operation HK\$'000	Property investment HK\$'000	Property development HK\$'000	Other operations HK\$'000	Sub-total HK\$'000	Champion REIT HK\$'000	Langham HK\$'000	US Real Estate Fund HK\$'000	Eliminations/ reclassification HK\$'000	Consolidated HK\$'000
Hotel income	6,550,383	-	-	-	6,550,383	-	595,167	-	(657,370)	6,488,180
Building management service income	-	21,569	-	-	21,569	263,665	-	-	-	285,234
Sale of properties	-	-	1,075,118	-	1,075,118	-	-	-	-	1,075,118
Sale of goods	-	-	-	126,054	126,054	-	-	-	-	126,054
Others	-	-	-	489,424	489,424	-	-	-	(333,390)	156,034
Revenue from contracts with customers	6,550,383	21,569	1,075,118	615,478	8,262,548	263,665	595,167	-	(990,760)	8,130,620
Rental income from investment properties	-	146,660	-	-	146,660	2,311,989	-	35,289	(16,749)	2,477,189
Dividend income	-	-	-	32,048	32,048	-	-	-	4,301	36,349
	6,550,383	168,229	1,075,118	647,526	8,441,256	2,575,654	595,167	35,289	(1,003,208)	10,644,158

(i) Disaggregation of revenue from contracts with customers:

– by source of revenue:

	2024			2023		
	Revenue recognised at a point in time HK\$'000	Revenue recognised over time HK\$'000	Total HK\$'000	Revenue recognised at a point in time HK\$'000	Revenue recognised over time HK\$'000	Total HK\$'000
Hotel income						
– room revenue	-	4,125,666	4,125,666	-	3,987,391	3,987,391
– food & beverage revenue	2,014,415	-	2,014,415	2,050,358	-	2,050,358
– others	380,421	89,735	470,156	352,673	97,758	450,431
Building management service income	-	297,751	297,751	-	285,234	285,234
Sale of properties	1,340,497	-	1,340,497	1,075,118	-	1,075,118
Sale of goods	97,869	7,683	105,552	119,865	6,189	126,054
Others	-	151,268	151,268	-	156,034	156,034
Revenue from contracts with customers	3,833,202	4,672,103	8,505,305	3,598,014	4,532,606	8,130,620
Rental income from investment properties			2,342,286			2,477,189
Dividend income			30,950			36,349
			10,878,541			10,644,158

5. REVENUE (continued)

(i) Disaggregation of revenue from contracts with customers: (continued)

– by geographical locations:

	2024			2023		
	Revenue recognised at a point in time HK\$'000	Revenue recognised over time HK\$'000	Total HK\$'000	Revenue recognised at a point in time HK\$'000	Revenue recognised over time HK\$'000	Total HK\$'000
Hong Kong	2,238,174	1,408,726	3,646,900	2,006,251	1,364,957	3,371,208
The United States ("USA")	803,806	1,409,144	2,212,950	774,244	1,351,920	2,126,164
The Mainland China	134,958	315,143	450,101	156,678	317,763	474,441
Canada	99,995	505,780	605,775	92,375	511,248	603,623
The United Kingdom	225,809	581,178	806,987	200,764	531,585	732,349
Australia	170,527	262,970	433,497	194,288	257,101	451,389
New Zealand	158,622	182,780	341,402	172,859	196,038	368,897
Others	1,311	6,382	7,693	555	1,994	2,549
Revenue from contracts with customers	3,833,202	4,672,103	8,505,305	3,598,014	4,532,606	8,130,620
Rental income from investment properties			2,342,286			2,477,189
Dividend income			30,950			36,349
			10,878,541			10,644,158

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

Hotel room revenue is recognised over the stay of guests. The Group receives deposits from customers when the hotel room reservation is made. The deposits received from the contracts prior to meeting the above criteria for revenue recognition are recognised as customer deposits and other deferred revenue under the Group's creditors, deposits and accruals. The Group allows an average credit period of 30 – 60 days to certain of its trade customers.

Food & beverage revenue is recognised at a point in time when control of the goods is transferred to customers.

Other hotel income mainly comprises ancillary service income which is recognised at a point in time when control of the services is transferred to customers or over the service period, depending on the terms of the contracts.

Building management service income is recognised over the service period. The Group receives monthly building management service payments from customers one month in advance under the contracts.

5. REVENUE (continued)

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

Sale of properties is recognised at a point in time when control of the completed properties is delivered to buyers. The Group receives deposits from buyers when they sign the sale and purchase agreement. The deposits received from the contracts prior to meeting the above criteria for revenue recognition are recognised as customer deposits and other deferred revenue under the Group's creditors, deposits and accruals.

Sale of goods is mainly recognised at a point in time when control of the goods is transferred to customers. The Group allows an average credit period of 30 – 60 days to certain of its trade customers.

Others represent flexible workspace income, property maintenance and property management service income which are recognised over the service period. The Group receives a portion of service payments from customers in advance under the contracts.

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

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) and the expected timing of recognising revenue are as follows:

	2024				2023			
	Within one year HK\$'000	More than one year but not more than two years HK\$'000	More than two years HK\$'000	Total HK\$'000	Within one year HK\$'000	More than one year but not more than two years HK\$'000	More than two years HK\$'000	Total HK\$'000
Hotel income	502,011	59,541	1,689	563,241	584,128	138,358	21,874	744,360
Sale of properties	9,970,984	407,168	276,110	10,654,262	802,031	557,483	–	1,359,514
Sale of goods	168,408	114,037	–	282,445	84,012	208,553	–	292,565
Others	29,403	–	–	29,403	20,566	–	–	20,566
	10,670,806	580,746	277,799	11,529,351	1,490,737	904,394	21,874	2,417,005

The Group applied the practical expedient in HKFRS 15 by recognising revenue in the amount to which the Group has right to invoice an amount that corresponds directly with the value to customer of the entity's performance completed to date on a time basis. As permitted under HKFRS 15, the aggregate amount of the transaction price allocated to the unsatisfied performance obligation in relation to the building management service as at the end of reporting period is not disclosed.

6. SEGMENT INFORMATION

Operating segments are identified on the basis of organisational structure and internal reports about components of the Group. Such internal reports are regularly reviewed by the chief operating decision maker (“CODM”) (i.e. the chairman and managing director of the Group) in order to allocate resources to segments and to assess their performance. Performance assessment is more specifically focused on the segment results of Pacific Eagle (US) Real Estate Fund, L.P. and its subsidiaries (collectively referred to as the “US Real Estate Fund”) and each listed group, including Great Eagle Holdings Limited, Champion Real Estate Investment Trust (“Champion REIT”) and Langham Hospitality Investments and Langham Hospitality Investments Limited (“Langham”).

The Group’s operating and reportable segments under HKFRS 8 “*Operating Segments*” are as follows:

Hotel operation	–	hotel accommodation, food and banquet operations as well as hotel management.
Property investment	–	gross rental income and building management service income from leasing of furnished apartments and properties held for investment potential.
Property development	–	income from selling of properties held for sale.
Other operations	–	sale of building materials, flexible workspace operation, investment in securities, provision of property management, maintenance and property agency services.
Results from Champion REIT	–	based on published financial information of Champion REIT.
Results from Langham	–	based on financial information of Langham.
US Real Estate Fund	–	based on rental income and related expenses of the property owned by the US Real Estate Fund.

Segment results of Champion REIT represent the published net property income less manager’s fee. Segment results of Langham represent revenue less property related expenses and services fees. Segment results of US Real Estate Fund represent revenue less fund related expenses. Segment results of other operating segments (hereinafter referred to as the “Great Eagle Operations”) represent the results of each segment without including any effect of allocation of interest income from time deposits with original maturity over three months, bank balances and cash centrally managed, central administration costs, Directors’ salaries, share of results of joint ventures, share of results of associates, depreciation, fair value changes on investment properties, derivative financial instruments and financial assets at FVTPL, other income, finance costs and income taxes. The hotel operation segment result has been arrived at after reversing intra-group HKFRS 16 impact for its role as a lessee to the three hotel properties owned by Langham. This is the measurement basis reported to the CODM for the purposes of resource allocation and performance assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

6. SEGMENT INFORMATION (continued)

The following is the analysis of the Group's revenue and results by reportable segment for the year under review:

Segment revenue and results

2024

	Hotel operation HK\$'000	Property investment HK\$'000	Property development HK\$'000	Other operations HK\$'000	Sub-total HK\$'000	Champion REIT HK\$'000	Langham HK\$'000 (note)	US Real Estate Fund HK\$'000	Eliminations/ reclassification HK\$'000	Consolidated HK\$'000
REVENUE										
External revenue	6,608,501	172,329	1,340,497	287,770	8,409,097	2,441,870	1,736	25,838	-	10,878,541
Inter-segment revenue	62,400	536	-	304,458	367,394	16,861	479,482	-	(863,737)	-
Total	6,670,901	172,865	1,340,497	592,228	8,776,491	2,458,731	481,218	25,838	(863,737)	10,878,541

Inter-segment revenue are charged at prevailing market rates or at mutually agreed prices where no market price was available. They are recognised when services are provided.

RESULTS										
Segment results	1,105,155	110,896	599,031	428,283	2,243,365	1,598,414	381,023	176	(17,307)	4,205,671
Depreciation					(670,160)	-	(221,688)	(298)	8,368	(883,778)
Operating profit (loss) after depreciation					1,573,205	1,598,414	159,335	(122)	(8,939)	3,321,893
Fair value changes on investment properties					(340,375)	(2,899,429)	-	39	-	(3,239,765)
Fair value changes on derivative financial instruments					(219,604)	-	9,303	-	-	(210,301)
Fair value changes on financial assets at FVTPL					74,373	-	-	-	-	74,373
Change related to settlement arrangement of hotel management fees and licence fee					-	-	(14,634)	-	14,634	-
Other income					25,229	135	1,365	9,855	(2,572)	34,012
Administrative and other expenses					(507,837)	(17,904)	(15,214)	(3,331)	4,135	(540,151)
Net finance costs					(339,426)	(630,406)	(318,375)	2,155	681	(1,285,371)
Share of results of joint ventures					(147)	25,065	-	-	-	24,918
Share of results of associates					5,858	-	-	-	-	5,858
Profit (loss) before tax					271,276	(1,924,125)	(178,220)	8,596	7,939	(1,814,534)
Income taxes					(457,084)	(162,450)	36,145	-	1,150	(582,239)
(Loss) profit for the year					(185,808)	(2,086,575)	(142,075)	8,596	9,089	(2,396,773)
Less: (Loss) profit attributable to non-controlling interests/non-controlling unitholders of Champion REIT					(446)	625,987	41,323	(4,300)	-	662,564
(Loss) profit attributable to owners of the Company					(186,254)	(1,460,588)	(100,752)	4,296	9,089	(1,734,209)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

6. SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

2023

	Hotel operation HK\$'000	Property investment HK\$'000	Property development HK\$'000	Other operations HK\$'000	Sub-total HK\$'000	Champion REIT HK\$'000	Langham HK\$'000 (note)	US Real Estate Fund HK\$'000	Eliminations/ reclassification HK\$'000	Consolidated HK\$'000
REVENUE										
External revenue	6,486,482	167,693	1,075,118	314,136	8,043,429	2,559,441	1,698	35,289	4,301	10,644,158
Inter-segment revenue	63,901	536	-	333,390	397,827	16,213	593,469	-	(1,007,509)	-
Total	6,550,383	168,229	1,075,118	647,526	8,441,256	2,575,654	595,167	35,289	(1,003,208)	10,644,158

Inter-segment revenue are charged at prevailing market rates or at mutually agreed prices where no market price was available. They are recognised when services are provided.

RESULTS										
Segment results	1,098,163	108,089	798,120	458,308	2,462,680	1,713,717	494,667	8,587	(16,026)	4,663,625
Depreciation					(666,547)	-	(226,900)	(357)	8,772	(885,032)
Operating profit (loss) after depreciation					1,796,133	1,713,717	267,767	8,230	(7,254)	3,778,593
Fair value changes on investment properties					(140,083)	(641,377)	-	(724)	-	(782,184)
Fair value changes on derivative financial instruments					(138,517)	-	(70,114)	-	-	(208,631)
Fair value changes on financial assets at FVTPL					34,027	-	-	-	-	34,027
Allowance for credit losses on notes and interest receivables					(11,984)	-	-	-	-	(11,984)
Other income					24,992	-	600	16,990	(2,522)	40,060
Administrative and other expenses					(469,320)	(21,555)	(13,339)	(4,286)	2,220	(506,280)
Net finance costs					(248,388)	(572,384)	(238,007)	1,747	757	(1,056,275)
Share of results of joint ventures					93,896	(69,352)	-	-	-	24,544
Share of results of associates					14,158	-	-	-	-	14,158
Profit (loss) before tax					954,914	409,049	(53,093)	21,957	(6,799)	1,326,028
Income taxes					(313,277)	(188,433)	2,575	-	1,144	(497,991)
Profit (loss) for the year					641,637	220,616	(50,518)	21,957	(5,655)	828,037
Less: (Loss) profit attributable to non-controlling interests/ non-controlling unitholders of Champion REIT					(460)	(68,184)	15,103	(10,985)	-	(64,526)
Profit (loss) attributable to owners of the Company					641,177	152,432	(35,415)	10,972	(5,655)	763,511

Note: The inter-segment revenue of Langham mainly includes the rental income of three hotel properties receivable from Great Eagle.

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities

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

	31 December 2024			31 December 2023		
	Assets	Liabilities	Net Assets/ (Liabilities)	Assets	Liabilities	Net Assets
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hotel operation (note a)	19,016,415	6,611,796	12,404,619	18,926,308	6,284,465	12,641,843
Property investment (note a)	4,789,029	36,857	4,752,172	4,970,252	45,989	4,924,263
Property development (note a)	14,529,998	6,824,443	7,705,555	12,646,498	4,889,767	7,756,731
Other operations (note a)	554,223	201,171	353,052	545,837	185,304	360,533
Unallocated (note a)	5,377,206	5,503,568	(126,362)	5,500,730	5,052,566	448,164
Great Eagle Operations (note b)	44,266,871	19,177,835	25,089,036	42,589,625	16,458,091	26,131,534
Champion REIT (note c)	43,130,905	12,251,826	30,879,079	44,629,918	12,182,089	32,447,829
Langham (note d)	11,564,913	4,797,296	6,767,617	11,120,944	4,666,344	6,454,600
US Real Estate Fund (note e)	441,682	151,211	290,471	460,266	172,438	287,828

Notes:

- (a) The segment assets include primarily investment properties, property, plant and equipment, right-of-use assets, equity instruments at FVTOCI, stock of properties, inventories, notes and loan receivables, financial assets at FVTPL, time deposits with original maturity over three months, bank balances and cash and debtors, deposits and prepayments attributable to respective operating segments. The segment liabilities include primarily creditors, deposits and accruals, borrowings, lease liabilities, provision for taxation and deferred taxation attributable to respective operating segments.
- (b) Included in the assets and liabilities are bank deposits and restricted cash of HK\$5,232,241,000 (2023: HK\$4,745,942,000) and borrowings of HK\$11,112,981,000 (2023: HK\$13,513,817,000), representing net debt of HK\$5,880,740,000 as at 31 December 2024 (2023: HK\$8,767,875,000).
- (c) Assets and liabilities of Champion REIT are based on published financial information of Champion REIT, at the effective interest held by Great Eagle Holdings Limited, being 70.30% (2023: 69.23%), excluding the effective interest of the distribution payable attributable from Champion REIT of HK\$261,856,000 (2023: HK\$314,587,000).
- (d) Assets and liabilities of Langham are based on published financial information of Langham, at the effective interest held by Great Eagle Holdings Limited, being 71.22% (2023: 70.23%). It includes three hotel properties with appraised value of HK\$15,895,000,000 as at 31 December 2024 (2023: HK\$15,662,000,000). The three hotel properties are self-operated by Great Eagle and accordingly recognised as property, plant and equipment with corresponding carrying amount (at cost less accumulated depreciation) of HK\$3,062,478,000 (2023: HK\$3,241,809,000) in the Group's consolidated statement of financial position.
- (e) Assets and liabilities of the US Real Estate Fund are based on results of the fund at the 49.97% (2023: 49.97%) interest held by Great Eagle Holdings Limited. During the year ended 31 December 2024, the investment properties in the USA was disposed of at its fair value.

6. SEGMENT INFORMATION (continued)

Geographical information

The Group's operations are mainly located in Hong Kong, the Mainland China, the USA, Canada, the United Kingdom, Australia, New Zealand, Japan, Italy and others.

A geographical analysis of the Group's revenue from external customers based on the geographical location of customers, except for property investment and hotel operations which are based on the geographical location of the properties, and information about the carrying amount of non-current assets excluding financial instruments, interests in associates and joint ventures by the geographical location of the assets are detailed as follows:

	Revenue from external customers		Carrying amounts of non-current assets	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	5,989,509	5,844,106	68,980,938	72,225,236
The USA	2,241,410	2,165,437	7,628,974	8,279,753
The Mainland China	450,101	474,441	2,550,223	2,514,940
Canada	605,775	603,623	639,302	635,981
The United Kingdom	806,986	732,349	1,261,426	1,341,995
Australia	433,498	451,389	548,524	644,878
New Zealand	341,402	368,897	977,285	1,140,725
Japan	2,167	–	1,391,065	1,531,000
Italy	–	–	417,258	406,917
Others	7,693	3,916	–	–
	10,878,541	10,644,158	84,394,995	88,721,425

6. SEGMENT INFORMATION (continued)

Additional information

An analysis of the additions to hotel properties and the depreciation charge on the hotel properties by reportable segment are as follows:

	2024			2023		
	Great Eagle Operations HK\$'000	Langham HK\$'000	Total HK\$'000	Great Eagle Operations HK\$'000	Langham HK\$'000	Total HK\$'000
Additions to hotel properties						
Hotel buildings	3,844	–	3,844	9,292	–	9,292
Hotel buildings under development	79,082	–	79,082	147,745	–	147,745
Hotel furniture, fixtures and equipment	356,690	48,897	405,587	183,653	51,377	235,030
Depreciation of hotel properties						
Hotel buildings	318,659	82,946	401,605	328,383	82,946	411,329
Hotel furniture, fixtures and equipment	212,175	99,858	312,033	211,735	105,061	316,796

Information about major customers

There were no customers individually contributing over 10% of the total sale amounts for both years.

7. OTHER INCOME

	2024 HK\$'000	2023 HK\$'000
Interest income on:		
Bank deposits	203,836	208,808
Financial assets at FVTPL	5,867	3,357
Notes and loan receivables	7,187	25,061
Others	10,921	18,224
	227,811	255,450
Sundry income	34,012	39,981
Bad debt recovery	–	79
	261,823	295,510

8. FINANCE COSTS

	2024 HK\$'000	2023 HK\$'000
Interest on bank and other borrowings	1,511,191	1,289,811
Interest on medium term notes	123,770	129,556
Interest on lease liabilities	24,494	10,154
Other borrowing costs	111,235	86,299
	1,770,690	1,515,820
Less: amount capitalised (note)	(257,508)	(204,095)
	1,513,182	1,311,725

Note: Interest were capitalised at an average annual rate of 5.17% (2023: 4.44%) to property development projects.

9. INCOME TAXES

	2024 HK\$'000	2023 HK\$'000
Current tax:		
Current year:		
Hong Kong Profits Tax	282,654	327,357
Other jurisdictions	108,197	115,644
	390,851	443,001
(Overprovision) underprovision in prior years:		
Hong Kong Profits Tax	(19,349)	(11,618)
Other jurisdictions	232	(4,916)
	(19,117)	(16,534)
	371,734	426,467
Deferred tax (note 31):		
Current year	(22,775)	51,190
Overprovision in prior years	(6,947)	(6,062)
Attributable to change in tax rate/tax rule	240,227	26,396
	210,505	71,524
	582,239	497,991

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. Corporate tax rate in the USA is calculated at the effective rate of 29% (2023: 29%) of the estimated assessable profit for current year.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

9. INCOME TAXES (continued)

The tax charge for the year can be reconciled to the (loss) profit before tax per the consolidated income statement as follows:

	2024 HK\$'000	2023 HK\$'000
(Loss) profit before tax	(1,814,534)	1,326,028
Tax at the domestic income tax rate of 16.5% (2023: 16.5%)	(299,398)	218,794
Tax effect of expenses that are not deductible for tax purpose	609,321	199,005
Tax effect of income that is not taxable for tax purpose	(55,250)	(55,939)
Tax effect of deductible temporary difference not recognised	37,207	47,096
Overprovision in prior years	(26,064)	(22,596)
Tax effect of share of results of associates	(967)	(2,336)
Tax effect of share of results of joint ventures	(4,112)	(4,050)
Tax effect of tax losses not recognised	70,610	48,260
Utilisation of tax losses previously not recognised	(18,403)	(15,701)
Increase in opening deferred taxation liability resulting from increase in applicable tax rate/tax rule	240,227	26,396
Effect of different tax rates of subsidiaries operating in other jurisdictions	27,955	51,168
Others	1,113	7,894
Tax charge for the year	582,239	497,991

The Group has applied the temporary exception issued by the HKICPA in 2023 from the accounting requirements for deferred taxes in HKAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

10. (LOSS) PROFIT FOR THE YEAR

	2024 HK\$'000	2023 HK\$'000
(Loss) profit for the year has been arrived at after charging:		
Staff costs (including Directors' emoluments)	3,062,980	2,946,687
Share-based payments (including Directors' emoluments)	9,164	16,552
	3,072,144	2,963,239
Depreciation	883,778	885,032
Auditor's remuneration	12,956	14,950
Trustee's remuneration	8,039	8,267
Cost of inventories recognised as an expense	1,220,768	860,394
Net exchange loss (included in administrative and other expenses)	11,349	9,687
Loss on disposal of property, plant and equipment (included in administrative and other expenses)	461	492
Allowance for doubtful debts, net of reversal (included in cost of goods and services)	15,136	1,838
Share of tax of associates (included in the share of results of associates)	53	46
Share of tax of a joint venture (included in the share of results of joint ventures)	7,663	1,833
and after crediting:		
Dividend income from		
– equity instruments at FVTOCI	20,108	22,796
– financial assets at FVTPL	10,842	13,553
Rental income from investment properties less related outgoings of HK\$346,292,000 (2023: HK\$334,452,000)	1,995,994	2,142,737

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to each of the fifteen (2023: fifteen) Directors were as follows:

	2024					Total HK\$'000
	Fees HK\$'000	Salaries and other benefits HK\$'000	Discretionary bonuses HK\$'000	Share options HK\$'000	Retirement benefits scheme contributions HK\$'000	
EXECUTIVE DIRECTORS						
Dr. LO Ka Shui	220	15,852	2,023	1,380	674	20,149
Mr. LO Hong Sui, Antony	220	1,825	182	99	91	2,417
Madam LAW Wai Duen	220	744	74	99	37	1,174
Mr. KAN Tak Kwong	220	8,116	1,047	851	406	10,640
Mr. CHU Shik Pui	220	5,876	900	789	294	8,079
Mr. LO Alexander Chun Him	220	3,034	358	370	143	4,125
Professor POON Ka Yeung, Larry	220	3,168	396	162	158	4,104
Sub-total	1,540	38,615	4,980	3,750	1,803	50,688
NON-EXECUTIVE DIRECTORS						
Madam LO TO Lee Kwan	220	–	–	–	–	220
Mr. LO Hong Sui, Vincent	220	–	–	–	–	220
Dr. LO Ying Sui	220	–	–	–	–	220
Sub-total	660	–	–	–	–	660
INDEPENDENT NON-EXECUTIVE DIRECTORS						
Professor WONG Yue Chim, Richard	510	–	–	–	–	510
Mrs. LEE Pui Ling, Angelina	510	–	–	–	–	510
Mr. ZHU Qi	550	–	–	–	–	550
Mr. HO Shut Kan	500	–	–	–	–	500
Madam Diana Ferreira CESAR	–	–	–	–	–	–
Sub-total	2,070	–	–	–	–	2,070
Total						53,418

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

	2023					Total HK\$'000
	Fees HK\$'000	Salaries and other benefits HK\$'000	Discretionary bonuses HK\$'000	Share options HK\$'000	Retirement benefits scheme contributions HK\$'000	
EXECUTIVE DIRECTORS						
Dr. LO Ka Shui	220	15,459	1,637	2,484	655	20,455
Mr. LO Hong Sui, Antony	220	1,780	178	204	89	2,471
Madam LAW Wai Duen	220	725	73	204	36	1,258
Mr. KAN Tak Kwong	220	7,530	941	1,486	376	10,553
Mr. CHU Shik Pui	220	5,483	822	1,347	274	8,146
Mr. LO Alexander Chun Him	220	2,964	279	667	140	4,270
Professor POON Ka Yeung, Larry	220	3,090	309	93	155	3,867
Sub-total	1,540	37,031	4,239	6,485	1,725	51,020
NON-EXECUTIVE DIRECTORS						
Madam LO TO Lee Kwan	220	–	–	–	–	220
Mr. LO Hong Sui, Vincent	220	–	–	–	–	220
Dr. LO Ying Sui	220	–	–	–	–	220
Sub-total	660	–	–	–	–	660
INDEPENDENT NON-EXECUTIVE DIRECTORS						
Professor WONG Yue Chim, Richard	510	–	–	–	–	510
Mrs. LEE Pui Ling, Angelina	510	–	–	–	–	510
Mr. ZHU Qi	550	–	–	–	–	550
Mr. HO Shut Kan	500	–	–	–	–	500
Madam Diana Ferreira CESAR (note)	–	–	–	–	–	–
Sub-total	2,070	–	–	–	–	2,070
Total						53,750

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The non-executive directors' and independent non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries.

Note: Madam Diana Ferreira CESAR was appointed as independent non-executive director of the Company on 4 April 2023.

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

Dr. LO Ka Shui performs the function of the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.

Discretionary bonuses are determined by the remuneration committee of the Company from time to time by reference to the prevailing market conditions, the performance of the Company as well as the individual performance.

None of the Directors waived any emoluments in the years ended 31 December 2024 and 31 December 2023.

Employees' emoluments

Of the five individuals with the highest emoluments in the Group, three (2023: three) were Directors whose emoluments are included in the disclosures above. The emoluments of the remaining two (2023: two) individuals were as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries and other benefits	11,069	10,794
Discretionary bonuses	1,661	2,234
Share options	392	843
Retirement benefits scheme contributions	793	926
	13,915	14,797

	2024 Number of employees	2023 Number of employees
Bands:		
HK\$5,000,001 – HK\$5,500,000	1	–
HK\$6,000,001 – HK\$6,500,000	–	1
HK\$7,000,001 – HK\$7,500,000	1	1
	2	2

No emoluments were paid by the Group to any of the five individuals with the highest emoluments as an inducement to join or upon joining the Group or as compensation for loss of office during both years.

12. DIVIDENDS

	2024 HK\$'000	2023 HK\$'000
Dividends paid:		
– Final dividend of HK50 cents in respect of the financial year ended 31 December 2023 (2023: HK50 cents in respect of the financial year ended 31 December 2022) per ordinary share	373,862	373,862
– Interim dividend of HK37 cents in respect of the financial year ended 31 December 2024 (2023: HK37 cents in respect of the financial year ended 31 December 2023) per ordinary share	276,658	276,658
	650,520	650,520

On 20 June 2024 (2023: 13 June 2023), a final dividend of HK50 cents (2023: HK50 cents) per ordinary share was paid to shareholders in cash in respect of the financial year ended 31 December 2023 (2023: 31 December 2022).

	2024 HK\$'000	2023 HK\$'000
Dividends proposed:		
– Proposed final dividend of HK50 cents in respect of the financial year ended 31 December 2024 (2023: HK50 cents in respect of the financial year ended 31 December 2023) per ordinary share	373,862	373,862

The proposed final dividends in respect of the financial year ended 31 December 2024 is subject to approval by the shareholders in the forthcoming annual general meeting.

13. (LOSS) EARNINGS PER SHARE

The calculation of basic and diluted (loss) earnings per share attributable to owners of the Company is based on the following data:

	2024 HK\$'000	2023 HK\$'000
(Loss) earnings		
(Loss) earnings for the purposes of basic and diluted (loss) earnings per share ((Loss) profit for the year attributable to owners of the Company)	(1,734,209)	763,511

13. (LOSS) EARNINGS PER SHARE (continued)

	2024	2023
Number of shares		
Weighted average number of shares for the purposes of basic and diluted (loss) earnings per share	747,723,345	747,723,345

For both of the years, the computation of diluted (loss) earnings per share does not assume the exercise of the Company's outstanding share option because the exercise price of those options was higher than the average market price of the Company's shares.

For the year ended 31 December 2024, the diluted loss per share was the same as the basic loss per share as the computation of diluted loss per share does not assume the exercise of the Company's outstanding share options because it will otherwise result in a decrease in loss per share.

14. INVESTMENT PROPERTIES

	2024 HK\$'000	2023 HK\$'000
FAIR VALUE		
At 1 January	68,603,905	69,349,079
Exchange adjustments	(11,844)	(7,581)
Additions	139,250	44,591
Acquisition of property	(546,816)	–
Decrease in fair value recognised in the consolidated income statement	(3,239,765)	(782,184)
At 31 December	64,944,730	68,603,905

- (a) The Group's property interests situated in Hong Kong of HK\$64,692,220,000 (2023: HK\$67,797,000,000), in the USA of nil (2023: HK\$550,179,000) and in the Mainland China of HK\$252,510,000 (2023: HK\$256,726,000) which are held under leasehold interests to earn rentals or for capital appreciation purposes are measured using the fair value model, and are classified and accounted for as investment properties.
- (b) In determining the fair value of the relevant investment properties, the Group engages in independent professional property valuers and in-house valuation team to perform the valuation. The management works closely with the independent professional property valuers and in-house valuation team to establish the appropriate valuation techniques and inputs to the model. The assumptions and key inputs are reflective of the current market conditions. The management reports the valuation reports and findings to the Board of Directors of the Company half yearly to explain the cause of fluctuations in the fair value of the investment properties.

14. INVESTMENT PROPERTIES (continued)

- (c) Included in the fair value of investment properties as at 31 December 2024 is HK\$64,794,910,000 (2023: HK\$67,785,726,000) which is categorised as Level 3 fair value hierarchy with movement as follows:

	2024 HK\$'000	2023 HK\$'000
FAIR VALUE		
At 1 January	67,785,726	68,525,002
Exchange adjustments	(8,442)	(7,744)
Additions	79,389	43,528
Decrease in fair value recognised in the consolidated income statement	(3,209,763)	(775,060)
Transfers into level 3	148,000	–
At 31 December	64,794,910	67,785,726

Unrealised loss on property revaluation included in profit or loss amounted to HK\$3,209,763,000 (2023: HK\$775,060,000). Investment property of HK\$148,000,000 transfers into level 3 from level 2 during the year ended 31 December 2024.

- (d) The carrying amounts of investment properties includes land and buildings situated in Hong Kong and outside Hong Kong are as follows:

	2024 HK\$'000	2023 HK\$'000
Leases in Hong Kong	64,692,220	67,797,000
Leases outside Hong Kong	252,510	806,905
	64,944,730	68,603,905

- (e) The fair value of the Group's investment properties at 31 December 2024 and 2023 has been arrived at on a basis of valuation performed by independent professional property valuers not connected with the Group and internally by the Group's in-house valuation team, which holds the necessary accreditation and expertise to perform such valuations:

Investment properties in Hong Kong, other than those for residential use – Cushman & Wakefield Limited and Savills Valuation and Professional Services Limited

Investment properties in the Mainland China – Knight Frank Petty Limited

Investment properties for residential use in Hong Kong – In-house valuation team

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

The Group leases out properties under operating leases. Details are set out in note 38.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

14. INVESTMENT PROPERTIES (continued)

Investment properties held by the Group in the consolidated statement of financial position	Fair value HK\$'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value	
As at 31 December 2024						
Commercial property in Wan Chai, Hong Kong	3,319,600	Level 3	Income capitalisation approach	Capitalisation rate, taking into account the capitalisation of net income potential, nature of the property, prevailing market condition, of 2.90% for office and 4.50% for retail.	The higher the capitalisation rate, the lower the fair value.	Note (i)
			The key inputs are: (i) capitalisation rate; and (ii) market rent per square foot	Market rent, taking into account direct market comparables within the property.	The higher the market rent, the higher the fair value.	Note (ii)
Commercial properties in Central, Hong Kong	35,719,800	Level 3	Income capitalisation approach	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, prevailing market condition, of 3.70% for office and 4.35% for retail.	The higher the capitalisation rate, the lower the fair value.	Note (i)
			The key inputs are: (i) capitalisation rate; and (ii) market rent per square foot	Market rent, taking into account direct market comparables within the property.	The higher the market rent, the higher the fair value.	Note (ii)
Office and mall properties in Mongkok, Hong Kong	24,384,000	Level 3	Income capitalisation approach	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, prevailing market condition, of 4.10% for office and 4.00% for retail.	The higher the capitalisation rate, the lower the fair value.	Note (i)
			The key inputs are: (i) capitalisation rate; and (ii) market rent per square foot	Market rent, taking into account direct market comparables within the property.	The higher the market rent, the higher the fair value.	Note (ii)
Furnished apartments in Hong Kong	971,000	Level 3	Income capitalisation approach	Capitalisation rate, taking into account the capitalisation of net income potential, nature of the property, prevailing market condition, of 3.00% to 3.70%.	The higher the capitalisation rate, the lower the fair value.	Note (i)
			The key inputs are: (i) capitalisation rate; and (ii) market rent per square foot	Market rent, taking into account direct market comparables within the property.	The higher the market rent, the higher the fair value.	Note (ii)

14. INVESTMENT PROPERTIES (continued)

Investment properties held by the Group in the consolidated statement of financial position	Fair value HK\$'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value	
As at 31 December 2024 (continued)						
Commercial properties in Shanghai, the Mainland China	252,510	Level 3	Income capitalisation approach	Capitalisation rate, taking into account the capitalisation of net income potential, nature of the property, prevailing market condition, of 8.00% for retail.	The higher the capitalisation rate, the lower the fair value.	Note (i)
			The key inputs are: (i) capitalisation rate; and (ii) market rent per square foot	Market rent, taking into account direct market comparables within the property.	The higher the market rent, the higher the fair value.	Note (ii)
Residential properties in Hong Kong	57,820	Level 2	Direct comparison method based on market observable transactions of similar properties and adjusts to reflect the conditions and locations of the subject property.	N/A	N/A	
Apartments in Hong Kong	92,000	Level 2	Direct comparison method based on market observable transactions of similar properties and adjusts to reflect the conditions and locations of the subject property.	N/A	N/A	
Shops in Central, Hong Kong	148,000	Level 3	Income capitalisation approach	Capitalisation rate, taking into account the capitalisation of net income potential, nature of the property, prevailing market condition, of 2.90% for retail.	The higher the capitalisation rate, the lower the fair value.	Note (i)
			The key inputs are: (i) capitalisation rate; and (ii) market rent per square foot	Market rent, taking into account direct market comparables within the property.	The higher the market rent, the higher the fair value.	Note (ii)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

14. INVESTMENT PROPERTIES (continued)

Investment properties held by the Group in the consolidated statement of financial position	Fair value HK\$'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value	
As at 31 December 2023						
Commercial property in Wan Chai, Hong Kong	3,570,200	Level 3	Income capitalisation approach The key inputs are: (i) capitalisation rate; and (ii) market rent per square foot	Capitalisation rate, taking into account the capitalisation of net income potential, nature of the property, prevailing market condition, of 2.90% for office and 4.50% for retail. Market rent, taking into account direct market comparables within the property.	The higher the capitalisation rate, the lower the fair value. The higher the market rent, the higher the fair value.	Note (i) Note (ii)
Commercial properties in Central, Hong Kong	38,104,800	Level 3	Income capitalisation approach The key inputs are: (i) capitalisation rate; and (ii) market rent per square foot	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, prevailing market condition, of 3.70% for office and 4.35% for retail. Market rent, taking into account direct market comparables within the property.	The higher the capitalisation rate, the lower the fair value. The higher the market rent, the higher the fair value.	Note (i) Note (ii)
Office and mall properties in Mongkok, Hong Kong	24,845,000	Level 3	Income capitalisation approach The key inputs are: (i) capitalisation rate; and (ii) market rent per square foot	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, prevailing market condition, of 4.10% for office and 4.00% for retail. Market rent, taking into account direct market comparables within the property.	The higher the capitalisation rate, the lower the fair value. The higher the market rent, the higher the fair value.	Note (i) Note (ii)
Furnished apartments in Hong Kong	1,009,000	Level 3	Income capitalisation approach The key inputs are: (i) capitalisation rate; and (ii) market rent per square foot	Capitalisation rate, taking into account the capitalisation of net income potential, nature of the property, prevailing market condition, of 3.00% to 3.70%. Market rent, taking into account direct market comparables within the property.	The higher the capitalisation rate, the lower the fair value. The higher the market rent, the higher the fair value.	Note (i) Note (ii)

14. INVESTMENT PROPERTIES (continued)

Investment properties held by the Group in the consolidated statement of financial position	Fair value HK\$'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value	
As at 31 December 2023 (continued)						
Commercial properties in Shanghai, the Mainland China	256,726	Level 3	Income capitalisation approach The key inputs are: (i) capitalisation rate; and (ii) market rent per square foot	Capitalisation rate, taking into account the capitalisation of net income potential, nature of the property, prevailing market condition, of 8.00% for retail. Market rent, taking into account direct market comparables within the property.	The higher the capitalisation rate, the lower the fair value. The higher the market rent, the higher the fair value.	Note (i) Note (ii)
Condominiums in the USA	550,179	Level 2	Market price	N/A	N/A	
Apartments in Hong Kong	98,000	Level 2	Direct comparison method based on market observable transactions of similar properties and adjusts to reflect the conditions and locations of the subject property.	N/A	N/A	
Shops in Central, Hong Kong	170,000	Level 2	Direct comparison method based on market observable transactions of similar properties and adjusts to reflect the conditions and locations of the subject property.	N/A	N/A	

Notes:

- (i) A significant percentage change in the unobservable inputs would result in a significant percentage change in fair value measurement.
- (ii) A significant percentage change in the unobservable inputs would result in a less significant percentage change in fair value measurement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Right-of-use leasehold land	Right-of-use properties	Hotel buildings	Hotel buildings under development	Owner occupied properties situated in Hong Kong	Furniture, fixtures and equipment	Motor vehicles	Plant and machinery	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
COST										
At 1 January 2023	3,801,304	2,349,418	55,139	17,416,311	1,396,365	1,100,409	4,308,773	4,908	87	30,432,714
Exchange adjustments	(71,097)	-	(251)	471	(8,392)	-	38,599	(12)	-	(40,682)
Additions	-	-	333,365	9,292	147,745	-	240,285	-	-	730,687
Transfer in (out)	-	-	-	(10)	-	-	97	-	(87)	-
Disposals/written off	-	-	-	(14,610)	-	-	(9,966)	-	-	(24,576)
At 31 December 2023	3,730,207	2,349,418	388,253	17,411,454	1,535,718	1,100,409	4,577,788	4,896	-	31,098,143
Exchange adjustments	(206,362)	-	(445)	(439,474)	(41,626)	-	(154,930)	(14)	-	(842,851)
Additions	-	-	216,493	3,844	79,082	48,023	437,931	2,475	-	787,848
Transfer in (out)	-	-	-	62,833	-	-	(62,833)	-	-	-
Disposals/written off	-	-	-	-	-	-	(9,302)	(1,107)	-	(10,409)
At 31 December 2024	3,523,845	2,349,418	604,301	17,038,657	1,573,174	1,148,432	4,788,654	6,250	-	31,032,731
DEPRECIATION AND IMPAIRMENT										
At 1 January 2023	113,486	1,225,737	46,558	5,497,865	-	352,070	2,814,094	3,794	54	10,053,658
Exchange adjustments	(8)	-	(245)	22,764	-	-	28,572	(10)	-	51,073
Charge for the year	-	44,764	10,825	411,329	-	66,147	351,558	409	-	885,032
Transfer in (out)	-	-	-	-	-	-	54	-	(54)	-
Eliminated on disposals/written off	-	-	-	-	-	-	(9,140)	-	-	(9,140)
At 31 December 2023	113,478	1,270,501	57,138	5,931,958	-	418,217	3,185,138	4,193	-	10,980,623
Exchange adjustments	(2,928)	-	(558)	(154,804)	-	-	(114,546)	(12)	-	(272,848)
Charge for the year	-	44,764	24,882	401,605	-	67,020	344,994	513	-	883,778
Eliminated on disposals/written off	-	-	-	-	-	-	(8,206)	(881)	-	(9,087)
At 31 December 2024	110,550	1,315,265	81,462	6,178,759	-	485,237	3,407,380	3,813	-	11,582,466
CARRYING AMOUNTS										
At 31 December 2024	3,413,295	1,034,153	522,839	10,859,898	1,573,174	663,195	1,381,274	2,437	-	19,450,265
At 31 December 2023	3,616,729	1,078,917	331,115	11,479,496	1,535,718	682,192	1,392,650	703	-	20,117,520

15. PROPERTY, PLANT AND EQUIPMENT (continued)

Included in the additions of furniture and fixtures of HK\$437,931,000 (2023: HK\$240,285,000) during the year are additions of hotel renovation, hotel machinery and fine art amounting to HK\$206,853,000 (2023: HK\$37,853,000), HK\$3,458,000 (2023: HK\$15,559,000) and HK\$1,551,000 (2023: nil), respectively, of which the Directors estimate useful lives of 10 years, 25 years and 25 years respectively.

At 31 December 2024, the leasehold land with carrying amounts of HK\$1,034,153,000 (2023: HK\$1,078,917,000) are situated in Hong Kong. Freehold land is situated outside Hong Kong. Owner occupied properties situated in Hong Kong are land and buildings.

The management of the Group concluded there was indication for impairment/reversal of impairment and conducted impairment assessment on certain property, plant and equipment with carrying amounts of HK\$2,240,634,000 (2023: HK\$1,379,801,000).

For the purpose of impairment assessment of hotel properties, the relevant freehold land, right-of-use leasehold land, hotel buildings, hotel buildings under development and furniture, fixtures and equipment of each hotel property have been allocated into individual CGU. For the purpose of impairment assessment of hotel properties under development, the relevant hotel buildings under development and freehold land have been allocated into individual CGU. The recoverable amount of each CGU is defined as the higher of the fair value less costs of disposal and its value in use. If the recoverable amount of a CGU is estimated to be less than its carrying amount, the carrying amount of the CGU is reduced to its recoverable amount and an impairment loss is recognised.

As of 31 December 2024, for CGUs of hotel properties in the Mainland China and Australia with carrying amounts of HK\$1,087,102,000 (2023: HK\$1,159,961,000) and HK\$182,337,000 (2023: HK\$219,840,000) respectively, the management adopts fair value less costs of disposal approach for calculating the recoverable amounts of these CGUs individually for the impairment test. The calculation is based on the market comparison method, which is based on a per room basis on actual sales transaction and offering of comparable property during the year that have been made, subject to appropriate adjustments made for variable factors, including location and grading. The carrying amounts of the hotel properties does not exceed the recoverable amount based on fair value less costs of disposal approach and no impairment has been recognised in the current and prior year.

For a CGU of hotel property with carrying amounts of HK\$971,195,000 in New Zealand for the year ended 31 December 2024, given that there is no independent professional property valuer to perform valuation, the management believes that it is more appropriate to adopt value in use approach for calculating the recoverable amounts of the CGU individually for the impairment test. The calculation was based on cash flow projections covering the following 5 years with the assumptions of (i) the occupancy rates; (ii) the use of pre-tax discount rate is 9.25%; and (iii) the use of terminal capitalisation rate is 7% to estimate return of the hotel properties beyond 5 years. The carrying amounts of the hotel property did not exceed the recoverable amount based on value in use and no impairment had been recognised for the year ended 31 December 2024.

There is no impairment recognised for the Group of other CGUs that include allocation of corporate assets for the current and prior year.

16. INTERESTS IN JOINT VENTURES

	2024 HK\$'000	2023 HK\$'000
Cost of investments in joint ventures	518,194	459,545
Share of post-acquisition results and other comprehensive income, net of dividend received	(218,278)	(244,713)
	299,916	214,832
Amounts due from joint ventures (note)	839,911	1,077,793
	1,139,827	1,292,625

Note: Included an amount of HK\$839,619,000 (2023: HK\$1,070,000,000) which is unsecured, repayable on demand and carries interest at a fixed rate of 2% per annum. The amounts are classified as non-current as the management expects to demand repayment of the amount over twelve months after the end of the reporting period.

In determining whether there is any objective evidence of impairment of the Group's interests in joint ventures, the Directors consider any loss events at the end of the reporting period which may have an impact on the estimated future cash flows of its joint ventures. The Directors assessed that no objective evidence was identified. Accordingly, no impairment loss is recognised.

The Group's interests in joint ventures amounting to HK\$299,916,000 as at 31 December 2024 (2023: HK\$214,832,000) are accounted for using the equity method in these consolidated financial statements.

Pursuant to the shareholders' agreement signed between an indirect non-wholly owned subsidiary of the Company and various independent third party investors on 9 April 2021, Athene Investment (BVI) Limited ("Athene Investment") was established as a joint venture for holding the leasehold interests in a property situated in London, the UK.

Pursuant to the memorandum of agreement signed between an indirect wholly owned subsidiary of the Company and various independent third parties on 11 September 2023, Fansway Limited was established as a joint venture to submit the tender for a site situated in Kai Tak, Kowloon (the "KT Site"), which after the successful tender for the KT Site shall develop it into a residential and retail development.

Pursuant to the memorandum of agreement signed between an indirect wholly owned subsidiary of the Company and various independent third parties on 16 November 2023, Excel Hope Limited was established as a joint venture to submit the tender for a site situated in Kowloon City, Kowloon (the "KC Site"), which after the successful tender for the KC Site shall develop it into a residential and commercial development.

Particulars regarding the joint ventures are set out in note 44.

16. INTERESTS IN JOINT VENTURES (continued)

Summarised financial information of material joint venture

The summarised financial information in respect of the Group's material joint venture at 31 December 2024 and 31 December 2023 are set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with International Financial Reporting Standards.

Athene Investment

	2024 HK\$'000	2023 HK\$'000
Current assets	119,830	124,615
Non-current assets	2,064,699	2,070,280
Current liabilities	30,734	1,479,889
Non-current liabilities	1,137,559	14,903
The above amounts of assets and liabilities include the following:		
Investment properties	1,783,394	1,818,403
Cash and cash equivalents	81,533	74,896
Current financial liabilities (excluding trade, other payable and provisions)	–	1,442,388
Non-current financial liabilities (excluding trade, other payable and provisions)	1,137,559	14,903

	2024 HK\$'000	2023 HK\$'000
Net property income	89,998	86,994
Profit (loss) for the year	92,836	(256,858)
Total comprehensive income (expense) for the year	92,836	(256,858)
The above profit (loss) for the year include the following:		
Interest (expense) income, after accounting for interest rate swaps	(11,703)	4,313
Income tax expense	(28,383)	(6,792)

16. INTERESTS IN JOINT VENTURES (continued)

Summarised financial information of material joint venture (continued)

Athene Investment (continued)

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

	2024 HK\$'000	2023 HK\$'000
Net assets of Athene Investment	1,016,236	700,103
Proportion of the Group's ownership interest in Athene Investment	27%	27%
Carrying amount of the Group's interest in Athene Investment	274,384	189,028

Aggregate information of joint ventures that are not individually material

	2024 HK\$'000	2023 HK\$'000
The Group's share of (loss) profit for the year	(147)	93,895
The Group's share of other comprehensive income	–	–
The Group's share of total comprehensive (expense) income	(147)	93,895
Aggregate carrying amount of the Group's interests in the joint venture	25,532	25,804

17. INTERESTS IN ASSOCIATES

	2024 HK\$'000	2023 HK\$'000
Cost of investments in associates	134,336	134,336
Share of post-acquisition profit and other comprehensive income, net of dividend received	88,575	83,631
	222,911	217,967

In determining whether there is any objective evidence of impairment of the Group's interests in associates, the Directors consider any loss events at the end of the reporting period which may have an impact on the estimated future cash flows of its associates. The Directors assessed that no objective evidence was identified. Accordingly, no impairment loss is recognised.

17. INTERESTS IN ASSOCIATES (continued)

Pursuant to the subscription and shareholders' agreement signed between an indirect non-wholly owned subsidiary of the Company and certain independent third party investors in April 2022, IEH Holdings Limited was established as an associate for holding the equity interests in a pastry business in Hong Kong.

Pursuant to the acquisition and shareholders' agreement signed between an indirect wholly owned subsidiary of the Company and an independent third party investor in August 2022, Tonkichi Holdings Limited was established as an associate for holding the equity interests in a business engaging in restaurant chain operations in Hong Kong.

Particulars regarding the associates are set out in note 45.

At 31 December 2024 and 31 December 2023, the Group's interest in associates were not individually material to the Group.

Aggregate information of associates that are not individually material

	2024 HK\$'000	2023 HK\$'000
The Group's share of profit for the year	5,858	14,158
The Group's share of other comprehensive income	8,835	8,612
The Group's share of total comprehensive income	14,693	22,770
Dividends received from associates during the year	9,749	8,821
Aggregate carrying amount of the Group's interests in these associates	222,911	217,967

18. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 HK\$'000	2023 HK\$'000
Listed equity securities in Hong Kong	225,201	175,183
Listed equity securities outside Hong Kong	317,393	444,759
Unlisted equity securities in Hong Kong	109,604	93,609
Unlisted equity securities outside Hong Kong	667,183	735,466
	1,319,381	1,449,017

The Directors have elected to designate these investments as equity instruments at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

19. NOTES AND LOAN RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
Notes receivables (note a)	46,150	121,905
Loan receivables (note b)	217,925	219,511
Mortgage loan receivables (note c)	80,753	80,409
	344,828	421,825
Less: Amounts due within one year shown under current assets	(219,822)	(67,149)
Amounts due after one year	125,006	354,676

Notes:

(a) Notes receivables

At 31 December 2024, the Group held unsecured bonds with principal amounts of HK\$46,150,000 (2023: HK\$121,905,000). Details of the notes receivables are set out below:

2024			2023		
Nominal values	Interest rate (per annum)	Maturity	Nominal values	Interest rate (per annum)	Maturity
United States dollar ("US\$") 1,000,000 to US\$3,000,000	1.500% to 3.625%	January 2026 to May 2026	US\$500,000 to US\$6,860,000 US\$1,000,000 Australian dollar ("AU\$") 2,098,000	1.50% to 8.00% 4.10% 4.54%	May 2024 to May 2026 Perpetual March 2024

Included in the carrying amount of notes receivables as at 31 December 2024 is accumulated allowance for credit losses of HK\$168,249,000 (2023: HK\$174,890,000). During the year ended 31 December 2024, the Group recognised nil (2023: HK\$10,436,000) allowance for credit losses on notes receivables in the consolidated income statement. Details of impairment assessment of notes receivables are set out in note 41.

(b) Loan receivables

At 31 December 2024, the Group held loan receivables with aggregate carrying amount of US\$28,070,000 (equivalent to approximately HK\$217,925,000) (2023: US\$28,100,000 (equivalent to approximately HK\$219,511,000)), which bears interest at 1.69% to 6% per annum and have a maturity dates ranging from 2025 to 2027.

(c) Mortgage loan receivables

Mortgage loan receivables are secured by second mortgages on properties and repayable by monthly instalments with tenors not more than 25 years at the year end date and carry interest at rates with reference to banks' lending rates.

20. DERIVATIVE FINANCIAL INSTRUMENTS

	2024		2023	
	Assets HK\$'000	Liabilities HK\$'000	Assets HK\$'000	Liabilities HK\$'000
Interest rate swaps	–	2,975	–	12,278
Cross currency swaps	95,716	–	34,076	–
Foreign currency derivative contracts	–	86,397	53,654	–
	95,716	89,372	87,730	12,278
Less: Would be matured within one year shown under current assets/liabilities	–	(89,372)	(50,312)	–
Would be matured after one year	95,716	–	37,418	12,278

The Group entered into interest rate swaps with aggregate notional amount of HK\$1,500,000,000 (2023: HK\$1,500,000,000) to manage the exposure to the interest rate risk on the Group's floating-rate borrowings by swapping a proportion of those borrowings from floating rate of Hong Kong Interbank Offered Rate ("HIBOR") to fixed rate ranging from 3.975% to 3.995% (2023: 3.975% to 3.995%). The Group also entered into interest rate swaps and cross currency swaps to manage the exposure to the Group's interest rate risk and currency risk on the floating rate loans denominated in other currencies. In addition, the Group used foreign currency derivative contracts to manage its exposure to foreign exchange rate movements.

The fair values of foreign currency derivative contracts, interest rate swaps and cross currency swaps at the end of the reporting periods are provided by counterparty banks and their maturity dates are detailed as follows:

	2024 Maturity	2023 Maturity
Interest rate swaps	October 2025 to December 2025	October 2025 to December 2025
Cross currency swaps	June 2027	June 2027
Foreign currency derivative contracts	February 2025	January 2024 to February 2025

21. DERIVATIVE FINANCIAL INSTRUMENTS UNDER HEDGE ACCOUNTING

	2024 HK\$'000	2023 HK\$'000
Derivative as assets		
Designated as cash flow hedge – interest rate swaps (note i)	1,503	45,895
Analysed for reporting purpose:		
Shown under current assets	–	45,895
Shown under non-current assets	1,503	–
	1,503	45,895
Derivative as liabilities		
Designated as cash flow hedge		
– interest rate swaps (note i)	12,901	23,183
– cross currency swaps (note ii)	90,637	84,748
	103,538	107,931
Analysed for reporting purpose:		
Shown under non-current liabilities	103,538	107,931

Notes:

- (i) Interest rate swaps

As at 31 December 2024 and 2023, the Group entered into interest rate swap contracts to minimise its exposure to fluctuations in interest rates of its bank borrowings which bear interest at a floating rate of HIBOR plus 0.88% (2023: HIBOR plus 0.88% to 0.95%) per annum. The critical terms of the interest rate swaps and the corresponding bank borrowings are identical and the Directors considered that the interest rate swap contracts were highly effective hedging instruments and qualified as cash flow hedges.

	2024	2023
Carrying amount – (liabilities) assets (HK\$'000)	(11,398)	22,712
Notional amount (HK\$'000)	2,000,000	3,900,000
Maturity date	29 June 2026 to 28 June 2027	28 June 2024 to 29 June 2026
Change in fair value of outstanding instruments during the year (HK\$'000)	18,219	21,503
Change in value of hedged item used to determine hedge effectiveness during the year (HK\$'000)	(18,219)	(21,503)
Weighted average swap rate per annum (before interest margin)	3.89%	2.07%

21. DERIVATIVE FINANCIAL INSTRUMENTS UNDER HEDGE ACCOUNTING (continued)

Notes: (continued)

(ii) Cross currency swaps

As at 31 December 2024 and 2023, the Group entered into cross currency swap contracts to minimise its exposure to fluctuations in foreign currency exchange rates and interest rate of certain of its medium term notes denominated in US\$. The critical terms of the cross currency swaps and the corresponding medium term notes are identical and the Directors considered that the cross currency swaps were highly effective hedging instruments and qualified as cash flow hedges.

	2024	2023
Carrying amount – liabilities (HK\$'000)	(90,638)	(84,748)
Notional amount (US\$'000)	300,000	300,000
Maturity date	15 June 2030	15 June 2030
Change in fair value of hedging instruments during the year (HK\$'000)	(6,060)	(85,534)
Change in value of hedged item used to determine hedge effectiveness during the year (HK\$'000)	6,060	85,534
Weighted average exchange rate (US\$: HK\$)	7.8176	7.8176

(iii) Hedging reserve

	Cross currency swaps HK\$'000	Interest rate swaps HK\$'000	Total hedging reserves HK\$'000
As at 1 January 2023	(12,408)	48,772	36,364
Fair value adjustments on cross currency swaps and interest rate swaps designated as cash flow hedge	(85,534)	21,503	(64,031)
Reclassification of fair value adjustments to profit or loss	20,844	(85,453)	(64,609)
Deferred tax related to fair value adjustments recognised in other comprehensive income	–	10,460	10,460
Reclassification of amount attributable to non-controlling unitholders of Champion REIT	19,733	17,137	36,870
As at 31 December 2023	(57,365)	12,419	(44,946)
Fair value adjustments on cross currency swaps and interest rate swaps designated as cash flow hedge	(6,060)	18,219	12,159
Reclassification of fair value adjustments to profit or loss	14,490	(51,590)	(37,100)
Deferred tax related to fair value adjustments recognised in other comprehensive income	–	5,629	5,629
Reclassification of amount attributable to non-controlling unitholders of Champion REIT	(3,391)	8,432	5,041
As at 31 December 2024	(52,326)	(6,891)	(59,217)

The fair values of the above derivatives are based on the valuations provided by the counterparty financial institutions and details of valuation techniques and key inputs used are disclosed in note 41(f).

22. STOCK OF PROPERTIES

	2024 HK\$'000	2023 HK\$'000
Properties under development for sale (note a)	11,683,536	9,890,623
Properties held for sale (note b)	978,048	1,573,350
	12,661,584	11,463,973

Notes:

- (a) In February 2021, the Group entered into various agreements with MTR Corporation Limited (the original owner of a piece of land in Ho Man Tin, Kowloon, which is subject to development) and other interest parties including the preceding developer for the development of the relevant land (the "HMT Project"). Pursuant to the terms of these agreements, the Group became the succeeding developer of the HMT Project.
- (b) Properties held for sale includes a residential site in Pak Shek Kok, Tai Po at the land premium of HK\$2,412,000,000 acquired in 2014. Occupation permit of the development was obtained in June 2020.

As at the end of the reporting period, the Directors assessed whether there is any objective evidence of impairment of the stock of properties held. No recognition of write-down of stock of properties is required as at 31 December 2024 and 2023.

23. INVENTORIES

	2024 HK\$'000	2023 HK\$'000
Raw materials	17,466	5,741
Trading goods	1,749	2,887
Provisions and beverages	42,559	45,937
Work-in-progress	35,889	29,482
	97,663	84,047

24. DEBTORS, DEPOSITS AND PREPAYMENTS

	2024 HK\$'000	2023 HK\$'000
Trade debtors, net of allowance for doubtful debts	264,154	274,850
Deferred lease receivables	91,415	86,570
Retention money receivables	9,755	10,686
Other receivables, net of credit losses on interest receivables	886,032	131,637
Deposits and prepayments	587,497	228,345
	1,838,853	732,088

24. DEBTORS, DEPOSITS AND PREPAYMENTS (continued)

Included in the balance of debtors, deposits and prepayments are trade debtors (net of allowance for doubtful debts) of HK\$264,154,000 (2023: HK\$274,850,000). For hotel income and sale of goods, the Group allows an average credit period of 30 – 60 days to certain trade customers. Rentals receivable from tenants and service income receivable from customers are payable on presentation of invoices.

The trade receivables from contracts with customers and retention money receivables are as follows:

	2024 HK\$'000	2023 HK\$'000
Trade receivables from contracts with customers	235,380	243,663
Retention money receivables	9,755	10,686
Amount due within one year	(5,064)	(5,660)
Amount due after one year	4,691	5,026

As at 1 January 2023, trade receivables from contracts with customers and retention money receivables amounted to HK\$238,855,000 and HK\$8,757,000, respectively.

Deposits and prepayments mainly consist of rental deposit paid, prepaid expenses for hotel operations and prepaid contribution for a joint venture project.

The following is an analysis of trade debtors by age, presented based on the invoice date, net of allowance for doubtful debts:

	2024 HK\$'000	2023 HK\$'000
Within 3 months	233,223	245,706
More than 3 months but within 6 months	19,850	16,600
Over 6 months	11,081	12,544
	264,154	274,850

As at 31 December 2024, included in the Group's trade debtors balance are debtors with aggregate carrying amount of HK\$57,347,000 (2023: HK\$51,538,000) which are past due at the reporting date for which the Group has not provided any allowance as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade and other receivables for the year ended 31 December 2024 are set out in note 41.

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 HK\$'000	2023 HK\$'000
Equity linked notes	68,217	31,828
Liquidity funds	28,475	119,184
Listed equity securities held for trading	480,869	520,280
	577,561	671,292

At the end of the reporting period, all the listed equity securities were stated at fair values which have been determined by reference to closing prices quoted in the active markets.

The Group had entered into equity linked notes and liquidity funds with banks, the redemption amount and interest rates vary depending on various conditioning terms and different strike prices, further details are as follows:

2024		2023	
Nominal values/ principal amounts	Maturity period	Nominal values/ principal amounts	Maturity period
Equity linked notes US\$1,000,000 to US\$2,000,000	6 months	Equity linked notes HK\$10,000,000 US\$800,000 to US\$1,000,000	6 months 6 months
Liquidity funds US\$3,668,000	N/A	Liquidity funds US\$4,435,000 to US\$10,822,000	N/A

26. RESTRICTED CASH, TIME DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS AND BANK BALANCES AND CASH

Restricted cash

Restricted cash represented an amount equivalent to HK\$113,166,000 (2023: HK\$117,234,000) carried market interest rates ranging from 0.35% to 5.66% (2023: 0% to 5.66%) per annum was placed in designated bank account pursuant to applicable loan facilities requirements.

Time deposits with original maturity over three months

The amount represented time deposits carried market interest rates of 5.41% to 5.79% per annum with original maturity over three months but not exceeding one year for the year ended 31 December 2023.

Bank balances and cash

Cash at banks carried interest at prevailing market rates. Short-term bank deposits with original maturity of less than three months carried interest at market rates ranging from 2.40% to 5.58% (2023: 0.95% to 5.99%) per annum.

27. CREDITORS, DEPOSITS AND ACCRUALS

	2024 HK\$'000	2023 HK\$'000
Trade creditors	335,548	297,651
Deposits received	688,730	704,932
Customer deposits and other deferred revenue	5,150,360	498,044
Construction fee payable and retention money payable	41,592	49,401
Accruals, interest payable and other payables (note)	2,611,109	2,595,114
	8,827,339	4,145,142

Note: With reference to the HMT Project as disclosed in note 22, the estimated sharing of surplus proceeds amounted to HK\$61,600,000 (2023: HK\$220,000,000), which is measured at fair value, is included in the accruals, interest payable and other payables as at 31 December 2024.

In determining the sharing of surplus proceeds of the HMT Project, the Directors have taken into account the expectation of forecast sales and budgeted costs of the development, which involves the application of significant judgement and estimates. Inputs and assumption reflecting the best estimation of the Directors are used based on the then available information. Notwithstanding periodic reviews and revisions of these estimates at each subsequent reporting dates, the assumptions and expectations may change when more information become known and/or available so that the actual sharing of surplus proceeds may be higher or lower than the estimated amount. Any changes would be reflected in the financial statements in the period when such changes occur.

Included in the accruals is accrual of stamp duty based on the current stamp duty rate of 4.25% (2023: 4.25%) on the stated consideration of HK\$22,670,000,000 in the property sale and purchase agreements for the legal assignment of the investment properties which Champion REIT acquired the property interests in Three Garden Road upon listing.

Apart from the above, accruals, interest payable and other payables mainly consist of accrued operating expenses for the hotels.

27. CREDITORS, DEPOSITS AND ACCRUALS (continued)

The following is an analysis of trade creditors by age, presented based on the invoice date:

	2024 HK\$'000	2023 HK\$'000
Within 3 months	323,615	288,783
More than 3 months but within 6 months	7,749	4,324
Over 6 months	4,184	4,544
	335,548	297,651

Customer deposits and other deferred revenue comprised:

	2024 HK\$'000	2023 HK\$'000
Hotel operations	284,502	264,137
Sale of properties	4,829,003	210,351
Sale of goods	6,670	2,228
Others	30,185	21,328
	5,150,360	498,044

As at 1 January 2023, customer deposits and other deferred revenue amounted to HK\$413,609,000.

Timing of satisfying the performance obligations of hotel operations and sale of goods and typical timing of payment are set out in note 5(ii).

The following table shows how much of the revenue recognised in the current year that are included in the customer deposits and other deferred revenue balance at the beginning of the year.

	2024 HK\$'000	2023 HK\$'000
Hotel operations	106,886	91,633
Sale of properties	79,497	33,864
Sale of goods	75,772	4,300
Others	11,775	22,433
	273,930	152,230

28. BORROWINGS

	2024 HK\$'000	2023 HK\$'000
Bank loans and revolving loans	27,931,580	30,115,599
Other loans	217,378	218,730
	28,148,958	30,334,329
Loan front-end fee	(125,860)	(90,573)
	28,023,098	30,243,756

The maturity of the above loans based on scheduled repayment terms is as follows:

	2024 HK\$'000	2023 HK\$'000
Within one year	2,729,179	17,862,291
More than one year but not exceeding two years	5,025,341	860,771
More than two years but not exceeding five years	20,268,578	11,520,694
	28,023,098	30,243,756
Less: Amounts due within one year shown under current liabilities	(2,729,179)	(17,862,291)
Amounts due after one year shown under non-current liabilities	25,293,919	12,381,465

Borrowings amounting to HK\$12,098,134,000 (2023: HK\$14,788,270,000) were secured by way of legal charges over certain of the Group's assets and business undertakings.

As at 31 December 2024, unsecured revolving loan of HK\$2,710,000,000 (2023: HK\$1,972,428,000) was classified as non-current liabilities as the Group has the right, at the end of the reporting period, to roll over the obligation for at least twelve months after the end of the reporting period. The related revolving loan facilities are to be expired after one year from the end of the reporting period. The Group is required to comply with the certain conditions precedent as stipulated in the respective loan agreements upon each utilisation.

The exposure of the Group's fixed-rate borrowings and the contractual maturity dates are as follows:

	2024 HK\$'000	2023 HK\$'000
More than one year but not exceeding two years	232,562	–
More than two years but not exceeding three years	–	234,354

28. BORROWINGS (continued)

The exposure of the Group's floating-rate borrowings and the contractual maturity dates are as follows:

	2024 HK\$'000	2023 HK\$'000
Within one year	2,729,179	17,862,291
More than one year but not exceeding two years	4,792,778	860,771
More than two years but not exceeding three years	17,503,918	4,382,369
More than three years but not exceeding four years	2,131,495	5,672,147
More than four years but not exceeding five years	633,166	1,231,824
	27,790,536	30,009,402

The ranges of effective interest rates per annum (which approximate to contracted interest rates) on the Group's borrowings are as follows:

	2024	2023
Fixed-rate borrowings	1%	1%
Floating-rate borrowings	0.49% to 7.08%	0.55% to 7.16%

The Group entered into interest rate swaps and cross currency swaps to manage the exposure to interest rate risk and currency risk of the floating-rate borrowings as disclosed in notes 20 and 21.

29. MEDIUM TERM NOTES

	2024 HK\$'000	2023 HK\$'000
Medium term notes	3,829,050	4,043,540
Origination fees	(23,589)	(29,923)
	3,805,461	4,013,617
Less: Amount due within one year shown under current liabilities	(1,223,585)	(199,985)
Amount due after one year shown under non-current liabilities	2,581,876	3,813,632

29. MEDIUM TERM NOTES (continued)

The maturity of the medium term notes are as follows:

	2024 HK\$'000	2023 HK\$'000
Within one year	1,223,585	199,985
More than one year but not exceeding two years	–	1,221,110
More than two years but not exceeding five years	274,874	274,838
More than five years	2,307,002	2,317,684
	3,805,461	4,013,617
Less: Amount due within one year shown under current liabilities	(1,223,585)	(199,985)
Amount due after one year shown under non-current liabilities	2,581,876	3,813,632

The major terms of the issued medium term notes are set out below:

2024		2023	
Principal amounts	Coupon rate (per annum)	Principal amounts	Coupon rate (per annum)
US\$300,000,000	2.95%	US\$300,000,000	2.95%
HK\$1,500,000,000	Fixed rates ranging from 2.85% to 4.00%	HK\$1,700,000,000	Fixed rates ranging from 2.75% to 4.00%

The Group also entered into interest rate swaps and cross currency swaps, details of which are set out in note 21.

30. LEASE LIABILITIES

	2024 HK\$'000	2023 HK\$'000
Within one year	8,777	7,347
More than one year but not exceeding two years	14,802	7,380
More than two years but not exceeding five years	57,653	26,040
More than five years	467,425	302,553
	548,657	343,320
Less: Amount due within one year shown under current liabilities	(8,777)	(7,347)
Amount due after one year shown under non-current liabilities	539,880	335,973

The weighted average incremental borrowing rates applied to lease liabilities range from 1.07% to 5.97% (2023: 1.07% to 5.97%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

31. DEFERRED TAXATION

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

	Investment properties and property, plant and equipment HK\$'000	Right- of-use assets HK\$'000	Lease liabilities HK\$'000	Tax losses HK\$'000	Others HK\$'000	Total HK\$'000
At 1 January 2023	1,572,823	–	–	(221,931)	(64,247)	1,286,645
Exchange differences	3,362	–	–	(84)	(43)	3,235
Charge (credit) to profit or loss for the year	19,746	53,468	(55,460)	35,683	(8,309)	45,128
Credit to other comprehensive income for the year	–	–	–	–	(10,460)	(10,460)
Effect of change in tax rate	26,396	–	–	–	–	26,396
At 31 December 2023	1,622,327	53,468	(55,460)	(186,332)	(83,059)	1,350,944
Exchange differences	(28,604)	–	–	1,943	748	(25,913)
Charge (credit) to profit or loss for the year	23,478	(2,721)	777	(17,858)	(33,398)	(29,722)
Credit to other comprehensive income for the year	–	–	–	–	(5,629)	(5,629)
Effect of change in tax rule	240,227	–	–	–	–	240,227
At 31 December 2024	1,857,428	50,747	(54,683)	(202,247)	(121,338)	1,529,907

For the purposes of presentation in the consolidated statement of financial position, deferred tax assets and liabilities have been offset and shown under non-current liabilities.

At the end of the reporting period, the Group has unutilised tax losses of HK\$5,949,920,000 (2023: HK\$5,579,715,000) available to offset against future profits. A deferred tax asset has been recognised in respect of HK\$1,022,016,000 (2023: HK\$947,294,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$4,927,904,000 (2023: HK\$4,632,421,000) due to the unpredictability of future profit streams. Tax losses may be carried forward indefinitely.

At the end of the reporting period, the Group has deductible temporary difference of HK\$334,167,000 (2023: HK\$334,167,000) arising from impairment losses recognised in respect of hotel properties. A deferred tax asset has been recognised in respect of HK\$334,167,000 (2023: HK\$334,167,000) of such deductible temporary difference.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries operating in the USA, Australia and Canada for which deferred tax liabilities have not been recognised was HK\$2,112,649,000 (2023: HK\$1,991,172,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

32. SHARE CAPITAL

	2024		2023	
	Number of shares '000	Nominal value HK\$'000	Number of shares '000	Nominal value HK\$'000
Authorised: Shares of HK\$0.50 each Balance brought forward and carried forward	1,200,000	600,000	1,200,000	600,000
Issued and fully paid: Shares of HK\$0.50 each Balance brought forward and carried forward	747,723	373,862	747,723	373,862

33. RETIREMENT BENEFIT SCHEMES

The Group has established various retirement benefit schemes for the benefit of its staff in Hong Kong and overseas. In Hong Kong, the Group operates several defined contribution schemes for qualifying employees. The schemes are registered under the Occupational Retirement Schemes Ordinance. The assets of the schemes are administered by independent third parties and are held separately from the Group's assets. The schemes are funded by contributions from both employees and employers at rates ranging from 5% to 10% of the employee's basic monthly salary. Arrangements for staff retirement benefits of overseas employees vary from country to country and are made in accordance with local regulations and custom.

The Occupational Retirement Scheme in Hong Kong had been closed to new employees as a consequence of the new Mandatory Provident Fund Pension Legislation introduced by The Government of Hong Kong Special Administrative Region in 2000.

From 1 December 2000 onwards, new staff in Hong Kong joining the Group are required to join the new Mandatory Provident Fund Scheme. The Group is required to contribute 5%, while the employees are required to contribute 5% of their salaries to the scheme, subject to minimum and maximum relevant income levels.

Forfeited contributions to retirement schemes for the year ended 31 December 2024 amounting to HK\$4,878,000 (2023: HK\$3,474,000) have been used to reduce the existing level of contributions. Total contributions to retirement fund schemes for the year ended 31 December 2024 charged to the consolidated income statement amounted to HK\$114,834,000 (2023: HK\$102,491,000). As at 31 December 2024, contributions of HK\$2,367,000 (2023: HK\$2,818,000) due in respect of the year had not been paid over to the schemes.

34. MAJOR NON-CASH TRANSACTIONS

During the years ended 31 December 2024 and 2023, the Group entered into two (2023: one) new lease agreements for the use of leased properties from 15 to 20 years. On the lease commencement, the Group recognised right-of-use assets and lease liabilities of HK\$202,969,000 and HK\$202,969,000 (2023: HK\$332,359,000 and HK\$332,359,000) respectively.

35. PLEDGE OF ASSETS

At 31 December 2024, the Group pledged the following assets for credit facilities granted to its subsidiaries:

- (a) the Group's investment properties with a total carrying value of HK\$252,510,000 (2023: HK\$256,726,000) together with assignments of sales proceeds, insurance proceeds, rental income, revenue and all other income generated from the relevant property;
- (b) the Group's freehold land, leasehold land and hotel buildings and furniture and fixtures with a total carrying value of HK\$9,548,711,000 (2023: HK\$10,263,519,000); and
- (c) the Group's stock of properties with a total carrying value of HK\$11,683,536,000 (2023: HK\$9,890,623,000).

36. SHARE OPTIONS AND SHARE AWARDS

In accordance with a share option scheme of the Company (formerly Executive Share Option Scheme), which was adopted pursuant to an ordinary resolution passed on 10 June 1999 and amended by an ordinary resolution passed on 20 December 2001 (the "1999 Share Option Scheme"), the Board of Directors of the Company may grant options to eligible officers, employees, associates, agents and contractors, including executive directors of the Company and its subsidiaries, to subscribe for shares in the Company.

At the 2009 Annual General Meeting of the Company held on 27 May 2009, ordinary resolutions were proposed to approve the adoption of a new share option scheme (the "2009 Share Option Scheme") and termination of the operation of the 1999 Share Option Scheme. The resolutions were approved by the shareholders of the Company and the 2009 Share Option Scheme became effective for a period of 10 years, commencing on 27 May 2009.

Since the 2009 Share Option Scheme was due to expire on 26 May 2019, at the 2019 Annual General Meeting of the Company held on 22 May 2019, ordinary resolutions were proposed to approve the adoption of a new share option scheme (the "2019 Share Option Scheme") and termination of the operation of the 2009 Share Option Scheme. The resolutions were approved by the shareholders of the Company and the 2019 Share Option Scheme became effective for a period of 10 years, commencing on 22 May 2019.

36. SHARE OPTIONS AND SHARE AWARDS (continued)

In order to comply with the requirements of the amended Chapter 17 of the Listing Rules, a Special General Meeting of the Company was held on 29 May 2024, ordinary resolutions were proposed to approve the adoption of a new share option scheme (the "2024 Share Option Scheme") and a new share award scheme (the "2024 Share Award Scheme"). The resolutions were approved by the shareholders of the Company and both 2024 Share Option Scheme and 2024 Share Award Scheme became effective for a period of 10 years, commencing on 29 May 2024. The 2019 Share Option Scheme was terminated upon the adoption of the 2024 Share Option Scheme.

Further details of the 2009 Share Option Scheme

- a. The purpose of the 2009 Share Option Scheme is to motivate officers, employees, associates, agents and contractors of the Company or any of its subsidiaries (the "Participant(s) of the 2009 Share Option Scheme") and to allow them to participate in the growth of the Company.
- b. A Participant of the 2009 Share Option Scheme as determined by the Board of Directors of the Company include any person the Board of Directors of the Company may select to be offered an option, subject to compliance with applicable laws, including, without limitation, any full-time or part-time employee of the Company or any of its subsidiaries, any executive or non-executive directors of the Company or any of its subsidiaries and any associate, agent or contractor of the Company or any of its subsidiaries.
- c. The total number of ordinary shares of HK\$0.50 each in the share capital of the Company (the "Shares") which may be issued upon exercise of all options to be granted under the 2009 Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the date of adoption of the 2009 Share Option Scheme.
- d. The total number of Shares issued and to be issued upon exercise of the options granted to each Participant under the 2009 Share Option Scheme and any other option schemes of the Company (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the total number of Shares in issue.
- e. The period within which the Shares must be taken up under an option is 36 months commencing on the expiry of 24 months after the date upon which the option is deemed to be granted and accepted and expiring on the last day of the 36-month period.
- f. Any Participant of the 2009 Share Option Scheme who accepts an offer of the grant of an option in accordance with the terms of the scheme shall pay to the Company HK\$1.00 by way of consideration for the grant thereof within a period of 28 days from the date on which an option is offered to the Participant ("Date of Grant").
- g. The subscription price shall be determined by the Board of Directors of the Company and notified to a Participant of the 2009 Share Option Scheme and shall be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant, which must be a business day ("Business Day") (as defined in the Listing Rules); (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Date of Grant; and (iii) the nominal value of a Share on the Date of Grant, and as subsequently adjusted pursuant to the terms of the 2009 Share Option Scheme, if relevant.
- h. The 2009 Share Option Scheme has a life of 10 years commenced on 27 May 2009 and was terminated on 22 May 2019.

36. SHARE OPTIONS AND SHARE AWARDS (continued)

Further details of the 2019 Share Option Scheme

- a. The purpose of the 2019 Share Option Scheme is to motivate officers, employees, business associates, agents, contractors, business partners, consultants, advisers, suppliers, customers, subcontractors, joint venture partners or business alliances (the "Participant(s) of the 2019 Share Option Scheme") of the Company or any subsidiaries, associated companies and/or joint ventures of the Company ("Member(s) of the Group") and to allow them to participate in the growth of the Company.
- b. A Participant of the 2019 Share Option Scheme as determined by the Board of Directors of the Company include any person the Board of Directors of the Company may select to be offered an option, subject to compliance with applicable laws, including, without limitation, any full-time or part-time employee of the Company or any Member of the Group, any executive or non-executive directors of the Company or any Member of the Group and any business associate, agent, contractor, business partner, consultant, adviser, supplier, customer, subcontractor, joint venture partner or business alliance of the Company or any Member of the Group.
- c. The total number of Shares which may be issued upon exercise of all options to be granted under the 2019 Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the date of adoption of the 2019 Share Option Scheme.
- d. The total number of Shares issued and to be issued upon exercise of the options granted to each Participant under the 2019 Share Option Scheme and any other option schemes of the Company (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the total number of shares of the Company in issue.
- e. The period within which the Shares must be taken up under an option is 36 months commencing on the expiry of 24 months after the date upon which the option is deemed to be granted and accepted and expiring on the last day of the 36-month period.
- f. Any Participant of the 2019 Share Option Scheme who accepts an offer of the grant of an option in accordance with the terms of the scheme shall pay to the Company HK\$1.00 by way of consideration for the grant thereof within a period of 28 days from the date on which an option is offered to the Participant.
- g. The subscription price shall be determined by the Board of Directors of the Company and notified to a Participant of the 2019 Share of the Company Option Scheme and shall be at least the higher of (i) the closing price of the Shares of the Company as stated in the Stock Exchange's daily quotations sheet on the Date of Grant, which must be a Business Day (as defined in the Listing Rules); (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Date of Grant; and (iii) the nominal value of a Share on the Date of Grant, and as subsequently adjusted pursuant to the terms of the 2019 Share Option Scheme, if relevant.
- h. The 2019 Share Option Scheme has a life of 10 years commenced on 22 May 2019 and was terminated on 29 May 2024.

36. SHARE OPTIONS AND SHARE AWARDS (continued)

Further details of the 2024 Share Option Scheme

- a. The purpose of the 2024 Share Option Scheme is to enable the Company to grant options to selected Eligible Participants (defined in note b below) as retention incentives or rewards for their contributions to the Group, to attract suitable personnel to enhance the development of the Group and to align the interests of the grantees generally with those of the shareholders of the Company for the benefit of the medium to long term development of the Group.
- b. The Share Scheme Committee was set up by the Board and is empowered, in its sole and absolute discretion and based on such factors as it shall consider relevant and subject to approval of the Remuneration Committee, to grant options to any director or employee of, or any person who has accepted an employment offer (whether full time or part time) from, or who is being granted options as an inducement to enter into employment contract with, the Company or any member of the Group (the "Eligible Participant(s) of the 2024 Share Option Scheme") whom it shall select from time to time.
- c. The total number of Shares available for issue under all share schemes of the Company is 74,772,334, representing 10% of the issued Shares as at the date of approval for issuance of these consolidated financial statements.
- d. The maximum number of Shares which may be issued upon the exercise of all options and vesting of all awards granted and to be granted under all share schemes of the Company, which shall initially not exceed in aggregate 10% of the issued Shares as at the adoption date and thereafter, if refreshed shall not exceed 10% of the Shares in issue at the date of approval of the refreshed limit by the shareholders of the Company.
- e. No offer of options to an Independent Non-executive Director or a substantial shareholder of the Company, or any of their associates shall result in the new Shares issued and to be issued in respect of all options granted under the 2024 Share Option Scheme together with any awards and/or options granted under any other share scheme to such person in the 12-month period up to and including the date of grant of options under the 2024 Share Option Scheme in aggregate exceeding 0.1% of the Shares in issue on the date of grant.
- f. Without prejudice to note e above, no grant of options to any Eligible Participant shall result in the new Shares issued and to be issued upon exercise of all options granted under the 2024 Share Option Scheme together with any awards and/or options granted under any other share scheme to such person in the 12-month period up to and including the date of grant of options under the 2024 Share Option Scheme in aggregate exceeding 1% of the total number of Shares in issue on the date of grant.
- g. The minimum vesting period for an option shall not be less than 24 months, unless otherwise determined by the Share Scheme Committee and approved by the Remuneration Committee. The period within which the Shares must be taken up under an option is to be determined by the Share Scheme Committee, such period to expire not later than 10 years from the Date of Grant and subject to earlier termination. The Share Scheme Committee may also specify conditions, restrictions or limitations before the option can be exercised.

36. SHARE OPTIONS AND SHARE AWARDS (continued)

Further details of the 2024 Share Option Scheme (continued)

- h. Any Eligible Participant of the 2024 Share Option Scheme who accepts an offer of the grant of an option in accordance with the terms of the scheme shall pay to the Company HK\$1.00 by way of consideration for the grant thereof within a period of 21 days from the date on which an option is offered to the Eligible Participant.
- i. The Share Scheme Committee has the sole and absolute discretion to determine the performance, operating and financial targets and other criteria to be satisfied before the option can vest.
- j. The subscription price shall be determined by the Share Scheme Committee and notified to an Eligible Participant of the 2024 Share Option Scheme and shall be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant, which must be a Business Day (as defined in the Listing Rules); (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Date of Grant; and (iii) the nominal value of a Share on the Date of Grant, and as subsequently adjusted pursuant to the terms of the 2024 Share Option Scheme, if relevant.
- k. The 2024 Share Option Scheme has a life of 10 years commenced on 29 May 2024.

Further details of the 2024 Share Award Scheme

- a. The purpose of the 2024 Share Award Scheme is to enable the Company to grant awards to selected Eligible Participants (defined in note b below) as retention incentives or rewards for their contributions to the Group, to attract suitable personnel to enhance the development of the Group and to align the interests of the grantees generally with those of the shareholders of the Company for the benefit of the medium to long term development of the Group.
- b. The Share Scheme Committee was set up by the Board and is empowered, in its sole and absolute discretion and based on such factors as it shall consider relevant and subject to the approval of the Remuneration Committee, to grant awards to any director or employee of, or any person who has accepted an employment offer (whether full time or part time) from, or who is being granted awards as an inducement to enter into employment contract with, the Company or any member of the Group (the "Eligible Participant(s) of the 2024 Share Award Scheme") it shall select from time to time.
- c. The total number of awards available for issue under the 2024 Share Award Scheme and any awards and/or options granted under any other share schemes is 74,772,334, representing 10% of the issued Shares as at the date of approval for issuance of these consolidated financial statements.
- d. The maximum number of Shares which may be issued upon the exercise of all options and vesting of all awards to be granted and to be granted under all share schemes of the Company, which shall initially not exceed in aggregate 10% of the issued Shares as at the adoption date and thereafter, if refreshed shall not exceed 10% of the issued Shares at the date of approval of the refreshed limit by the shareholders of the Company.

36. SHARE OPTIONS AND SHARE AWARDS (continued)

Further details of the 2024 Share Award Scheme (continued)

- e. No award to a Director (other than an Independent Non-executive Director) or the chief executive of the Company, or any of their associates shall result in the new Shares issued and to be issued in respect of all awards granted under the 2024 Share Award Scheme together with any awards and/or options granted under any other share scheme to such person in the 12-month period up to and including the grant date of awards under the 2024 Share Award Scheme in aggregate exceeding 0.1% of the Shares in issue on the grant date.
- f. No award to an Independent Non-executive Director or a substantial shareholder of the Company, or any of their associates shall result in the new Shares issued and to be issued in respect of all awards granted under the 2024 Share Award Scheme together with any awards and/or options granted under any other share scheme to such person in the 12-month period up to and including the grant date of awards granted under the 2024 Share Award Scheme in aggregate exceeding 0.1% of the Shares in issue on the grant date.
- g. Without prejudice to notes e and f above, no award to any Eligible Participant shall result in the new Shares issued and to be issued in respect of all awards granted under the 2024 Share Award Scheme together with any awards and/or options granted under any other share scheme to such person in the 12-month period up to and including the grant date of awards granted under the 2024 Share Award Scheme in aggregate exceeding 1% of the number of Shares in issue on the grant date.
- h. The Share Scheme Committee may from time to time determine and shall specify, the number of Shares in respect of which an offer for the grant of an award ("the Offer") is made, the date of vesting or vesting schedule, which shall not be more than 10 years from grant date, and such other terms and conditions to which the awards shall be subject.
- i. An Offer shall remain open for acceptance by the Eligible Participant concerned for a period of 21 days from the date on which the Offer is made or such other period as the Share Scheme Committee may specify in writing.
- j. The Share Scheme Committee has the sole and absolute discretion and based on such factors as it shall consider relevant, subject to approval of the Remuneration Committee, to determine (i) the minimum vesting period, which shall not be less than 36 months; (ii) the performance, operating and financial targets and other criteria to be satisfied before the awards can vest; (iii) the amount, if any payable on acceptance of the awards and the period within which payments or calls must or may be made or loans for such purposes must be repaid; (iv) the period, if any, during which Shares allotted and issued or transferred upon vesting of the awards shall be subject to restrictions on dealings, and the terms of such restrictions; (v) and the notification period, if any, to be given to the Company of any intended sale of Shares allotted and issued or transferred upon vesting of the awards.
- k. The 2024 Share Award Scheme has a life of 10 years commenced on 29 May 2024.

36. SHARE OPTIONS AND SHARE AWARDS (continued)

The following tables disclose details of the Company's share options held by employees, including Directors, and movements in such holdings under the 2009 Share Option Scheme and 2019 Share Option Scheme during the year:

2009 Share Option Scheme

Year of grant of options	In 2024 Number of shares			In 2023 Number of shares		
	Outstanding options at 1 January	Options lapsed	Outstanding options at 31 December	Outstanding options at 1 January	Options lapsed	Outstanding options at 31 December
2018	–	–	–	3,349,000	(3,349,000)	–
2019	3,717,000	(3,717,000)	–	3,774,000	(57,000)	3,717,000
	3,717,000	(3,717,000)	–	7,123,000	(3,406,000)	3,717,000
Exercisable at end of the year			–			3,717,000
Weighted average exercise price	HK\$39.05	HK\$39.05	N/A	HK\$40.63	HK\$42.34	HK\$39.05

2019 Share Option Scheme

Year of grant of options	In 2024 Number of shares				In 2023 Number of shares			
	Outstanding options at 1 January	Options granted	Options lapsed	Outstanding options at 31 December	Outstanding options 1 January	Options granted	Options lapsed	Outstanding options at 31 December
2020	3,954,000	–	(184,000)	3,770,000	4,036,000	–	(82,000)	3,954,000
2021	3,689,000	–	(159,000)	3,530,000	3,777,000	–	(88,000)	3,689,000
2022	4,378,000	–	(219,000)	4,159,000	4,510,000	–	(132,000)	4,378,000
2023	5,233,000	–	(382,000)	4,851,000	–	5,620,000	(387,000)	5,233,000
2024	–	6,155,000	(687,000)	5,468,000	–	–	–	–
	17,254,000	6,155,000	(1,631,000)	21,778,000	12,323,000	5,620,000	(689,000)	17,254,000
Exercisable at end of the year				11,459,000				7,643,000
Weighted average exercise price	HK\$20.89	HK\$11.18	HK\$16.35	HK\$18.49	HK\$22.79	HK\$16.52	HK\$19.14	HK\$20.89

36. SHARE OPTIONS AND SHARE AWARDS (continued)

Details of the share options held by the Directors under the 2009 Share Option Scheme and 2019 Share Option Scheme included in the above tables are as follows:

2009 Share Option Scheme

Year of grant of options	In 2024			In 2023		
	Number of shares			Number of shares		
	Outstanding options at 1 January	Options lapsed	Outstanding options at 31 December	Outstanding options at 1 January	Options lapsed	Outstanding options at 31 December
2018 – 2019	1,966,000	(1,966,000)	–	3,854,000	(1,888,000)	1,966,000

2019 Share Option Scheme

Year of grant of options	In 2024				In 2023			
	Number of shares				Number of shares			
	Outstanding options at 1 January	Options granted	Options lapsed	Outstanding options at 31 December	Outstanding options at 1 January	Options granted	Options lapsed	Outstanding options at 31 December
2020 – 2023	7,176,000	2,020,000	–	9,196,000	5,276,000	1,900,000	–	7,176,000

No option has been exercised under the 2009 Share Option Scheme and 2019 Share Option Scheme for the year ended 31 December 2024 and 2023.

36. SHARE OPTIONS AND SHARE AWARDS (continued)

Details of options granted under the 2009 Share Option Scheme and the 2019 Share Option Scheme in each year are as follows:

Year	Date of grant	Exercisable period	Subscription price per share HK\$
2009 Share Option Scheme			
2018	14.3.2018	15.3.2020 – 14.3.2023	42.40
2018	8.5.2018	9.5.2020 – 8.5.2023	38.83
2019	14.3.2019	15.3.2021 – 14.3.2024	39.05
2019 Share Option Scheme			
2020	18.3.2020	19.3.2022 – 18.3.2025	21.65
2021	18.3.2021	19.3.2023 – 18.3.2026	28.45
2022	18.3.2022	19.3.2024 – 18.3.2027	19.06
2023	20.3.2023	21.3.2025 – 20.3.2028	16.52
2024	20.3.2024	21.3.2026 – 20.3.2029	11.18

Notes:

- (i) Consideration paid for each acceptance of grant of options was HK\$1.00.
- (ii) The vesting period for the option grant is 24 months from date of grant.
- (iii) The following significant assumptions were used to derive the fair value, using the Black-Scholes option pricing model:

Date of grant	Closing price per share as at the date of grant HK\$	Exercise price HK\$	Expected volatility (note a)	Expected dividend yield (note b)	Expected life from grant date	Risk free interest rate (note c)	Fair value per option HK\$
14.3.2018	41.87	42.40	18.63%	1.87%	5 years	2.49%	6.96
8.5.2018	37.75	38.83	18.79%	2.07%	5 years	2.76%	6.18
14.3.2019	39.05	39.05	19.23%	2.31%	5 years	2.24%	6.24
18.3.2020	20.80	21.65	22.48%	5.13%	5 years	1.50%	2.56
18.3.2021	28.45	28.45	34.58%	3.36%	5 years	1.01%	6.89
18.3.2022	19.06	19.06	33.54%	5.26%	5 years	2.15%	4.24
20.3.2023	16.08	16.52	25.35%	6.28%	5 years	3.17%	2.47
20.3.2024	10.98	11.18	20.55%	13.01%	5 years	3.96%	0.92

Notes:

- (a) The expected volatility was based on 5-year historical volatility of the Company's shares.
- (b) The expected dividend yield was based on 5-year historical dividends of the Company.
- (c) Risk free interest rate was approximated the yield of 5-year Exchange Fund Note on the date of grant.

36. SHARE OPTIONS AND SHARE AWARDS (continued)

The variables and assumptions used in computing the fair value of the share options are based on the Directors' best estimate. Change in variables and assumptions may result in changes in fair value of the options.

The Group recognised the total expense of HK\$9,164,000 for the year ended 31 December 2024 (2023: HK\$16,552,000) in relation to share options granted by the Company.

All the options forfeited before expiry of the options were treated as lapsed options under the relevant share option scheme.

37. COMMITMENTS AND CONTINGENT LIABILITIES

At 31 December 2024, the Group has authorised capital expenditure for investment properties and property, plant and equipment which is not provided for in these consolidated financial statements amounting to HK\$7,562,999,000 (2023: HK\$7,813,472,000) of which HK\$807,631,000 (2023: HK\$622,453,000) was contracted for.

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

38. OPERATING LEASE ARRANGEMENTS

The Group as lessor

Property rental income earned during the year was HK\$2,342,286,000 (2023: HK\$2,477,189,000). The properties held had committed leases mainly running for the next one to six years for both years.

Contingent rental income was calculated based on the excess of certain percentage of revenue of the relevant operation that occupied certain of the properties over the fixed portion of the monthly rentals. Included in property rental income is contingent rental income earned during the year ended 31 December 2024 amounted to HK\$196,691,000 (2023: HK\$226,357,000).

Minimum lease payments receivable on leases are as follows:

	2024 HK\$'000	2023 HK\$'000
Within one year	1,716,069	1,814,058
In the second year	914,323	1,187,101
In the third year	492,599	365,494
In the fourth year	179,630	57,953
In the fifth year	75,816	22,950
After five years	51,362	14,719
	3,429,799	3,462,275

Where leases are negotiated at a fixed rate for the first few years, but subject to renegotiation for the remaining contracted lease terms, the minimum lease payments are calculated based on the latest negotiated rent, if any.

38. OPERATING LEASE ARRANGEMENTS (continued)

The Group as lessee

At the end of reporting period, the Group has lease commitments of HK\$2,210,000 (2023: HK\$2,223,000) for short-term leases which fall due within one year and lease commitments of HK\$120,000 (2023: HK\$1,988,000) for short-term leases which fall due in second year.

39. CONNECTED AND RELATED PARTY DISCLOSURES

The Group had the following significant related party balances and transactions during the year. The transactions were carried out in the normal course of the Group's business on terms mutually agreed between the parties. Dr. Lo Ka Shui is the chairman and managing director of the Company. Transactions with the Group were disclosed as related party transactions.

	2024 HK\$'000	2023 HK\$'000
Transaction with a related party for the year ended 31 December		
Dr. Lo Ka Shui		
Management fee income	1,527	1,371

	2024 HK\$'000	2023 HK\$'000
Transactions with related companies for the year ended 31 December		
Shui On Land Limited and its subsidiaries ¹		
Hotel income	2,403	770
Management fee expenses	3,100	3,161
Global marketing fee	652	–
SOCAM Development Limited and its subsidiaries ¹		
Trading income	294	–
Shui Sing (BVI) Limited and its subsidiaries ²		
Management fee income	264	264
Repair and maintenance income	309	285
Agency fee income	66	73
Healthy Seed ³		
Management fee income	196	280
Rental income	127	201
Building management fee income	180	175
Repair and maintenance income	43	27

Transactions with related companies and a related party are also connected transactions as defined in the Chapter 14A of the Listing Rules.

39. CONNECTED AND RELATED PARTY DISCLOSURES (continued)

	2024 HK\$'000	2023 HK\$'000
Balances with related companies and parties as at 31 December		
Amounts due from related companies (included in debtors, deposits and prepayments)		
Shui On Land Limited and its subsidiaries ¹	1,035	–
Shui Sing (BVI) Limited and its subsidiaries ²	21	124
	1,056	124
Amounts due from related parties (included in debtors, deposits and prepayments)		
Dr. Lo Ka Shui	21	156
Mr. Lo Kai Shui	664	664
	685	820
Amounts due to related companies (included in creditors, deposits and accruals)		
Shui Sing (BVI) Limited and its subsidiaries ²	148	–
Healthy Seed ³	73	96
	221	96

Balances with related companies and parties are unsecured, interest-free and repayable on demand. Other than the above balances and amounts due from joint ventures as disclosed in note 16, the Group has no other related company balances.

Notes:

- 1 Mr. Lo Hong Sui, Vincent, being a director and controlling shareholder of these companies, is an associate of Dr. Lo Ka Shui (a substantial shareholder of the Company), Madam Lo To Lee Kwan, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Dr. Lo Ying Sui and Mr. Lo Chun Him, Alexander, all being Directors of the Company, and Mr. Lo Kai Shui.
- 2 Dr. Lo Ka Shui, Madam Lo To Lee Kwan, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, all being Directors of the Company, and Mr. Lo Kai Shui, are among the discretionary beneficiaries under a discretionary trust, being a substantial shareholder of this company, holding 34.06% (2023: 34.06%) interest of the Company.
- 3 Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander, are directors of this company.

The remuneration of the Directors and members of key management during the year were disclosed in note 11. The remuneration of the Directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

40. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which include borrowings and medium term notes disclosed in notes 28 and 29 respectively, and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associate with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include equity instruments at FVTOCI, notes and loan receivables, trade debtors, other receivables and deposits, retention money receivables, notes and loan receivables, amounts due from joint ventures, financial assets at FVTPL, restricted cash, time deposits with original maturity over three months, bank balances and cash, trade creditors, other payables, rental deposits received, construction fee payable and retention money payable, distribution payable, borrowings and medium term notes. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and lease liabilities and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Market risk

(i) Interest rate risk

The Group's fair value interest rate risk relates primarily to fixed-rate short term bank deposits, time deposits with original maturity over three months, restricted cash, notes and loan receivables, fixed-rate borrowings, certain medium term notes and lease liabilities.

The Group's exposure to cash flow interest rate risk is resulted primarily from adverse change in interest rates determined by benchmark interest rates of various currencies arising from floating-rate borrowings and certain medium term notes.

The Group will continue to maintain a reasonable mix of floating-rate and fixed-rate borrowings and take actions such as using interest rate swap to hedge against any foreseeable interest rate exposure, if necessary.

The interest rate and terms of the financial assets and financial liabilities are set out in respective notes.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

(i) Interest rate risk (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates, including derivatives which are designated as effective hedging instruments for floating-rate borrowings, certain medium term notes, mortgage loan receivables and bank balances at the end of the reporting period. The analysis is prepared assuming the amounts of liabilities outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2023: 50 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit before tax for the year ended 31 December 2024 would decrease/increase by HK\$99,201,000 (2023: HK\$100,384,000).

(ii) Currency risk

The Group has certain bank deposits, medium term notes, financial assets at FVTPL, equity instruments at FVTOCI, notes and loan receivables that are denominated in foreign currencies which expose the Group to foreign currency risk. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rate and where necessary, using cross currency swaps and foreign currency derivative contracts.

The Group has certain medium term notes denominated in a foreign currency (i.e. US\$) and such foreign currency risk is managed by entering into cross currency swaps to hedge against its exposures to changes in foreign exchange rate on part of its medium term notes amounted to US\$300,000,000 (2023: US\$300,000,000). The cross currency swaps are designated as effective hedging instruments and hedge accounting is used (see note 21 for details). The Group reviewed the continuing effectiveness of hedging instruments at least at the end of each reporting period. The Group mainly uses regression analysis and comparison of change in fair value of the hedging instruments and the hedged items for assessing the hedge effectiveness. As the foreign currency risk of part of its medium term notes is hedged, no sensitivity analysis has been prepared accordingly.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) **Market risk (continued)**

(ii) **Currency risk (continued)**

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
US\$	809,787	945,194	–	–
Renminbi (“RMB”)	251,083	233,681	–	–
Pound Sterling	644,908	581,263	–	–
Euro	31,294	25,445	4,901	–
AU\$	148,361	146,537	–	–
Macau pataca	15	15	–	–
Singapore dollars	99,623	99,427	–	–
Canadian dollars	180,804	188,837	–	–
Japanese Yen	122,679	144,394	–	–

Sensitivity analysis

The following table details the Group's sensitivity to a 10% (2023: 10%) increase and decrease in the HK\$ against the relevant foreign currencies. As HK\$ are pegged to US\$, no material currency risk exposure is expected on US\$ denominated monetary assets and monetary liabilities and the cross currency swaps. Therefore they are excluded from the sensitivity analysis below. 10% (2023: 10%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% (2023: 10%) change in foreign currency rate. A positive number below indicates a decrease in loss before tax (2023: an increase in profit before tax) where HK\$ weaken 10% (2023: 10%) against the relevant currency. For a 10% (2023: 10%) strengthening of HK\$ against the relevant currency, there would be an equal and opposite impact on the loss before tax for the year, and the balances below would be negative.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) **Market risk (continued)**
(ii) **Currency risk (continued)**
Sensitivity analysis (continued)

	2024 HK\$'000	2023 HK\$'000
RMB	25,108	23,368
Pound Sterling	64,491	58,126
Euro	2,639	2,545
AU\$	14,836	14,654
Macau pataca	2	2
Singapore dollars	9,962	9,943
Canadian dollars	18,080	18,884
Japanese Yen	12,268	14,439

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

(iii) **Other price risk**

The Group's listed and certain unlisted equity instruments at FVTOCI, listed equity securities held for trading, and equity linked notes at FVTPL are measured at fair value at the end of the reporting period. Therefore, the Group is exposed to equity price risk in relation to these financial assets. In order to mitigate such risk, the Group would monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date.

If the prices of the listed and unlisted equity instruments at FVTOCI measured at fair value had been 10% (2023: 10%) higher/lower, investment revaluation reserve would increase/decrease by HK\$131,938,000 (2023: HK\$144,902,000) for the Group as a result of the changes in fair value of listed and unlisted equity instruments at FVTOCI.

If the prices of the listed equity securities held for trading measured at fair value had been 10% (2023: 10%) higher/lower, fair value changes on financial assets at FVTPL would increase/decrease by HK\$48,087,000 (2023: HK\$52,028,000) for the Group as a result of the changes in fair value of listed equity securities held for trading.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings, maintains sufficient availability of banking facilities and ensures compliance with loan covenants as well as by continuously monitoring forecast and actual cash flows.

The Group has cash and cash equivalents of HK\$6,769,320,000 as at 31 December 2024 (2023: HK\$5,767,324,000). In addition to the cash resources, the Group has available borrowing facilities of which undrawn committed facility in the form of revolving bank loans amounted to HK\$9,281,404,000 as at 31 December 2024 (2023: HK\$10,286,000,000).

The Group established a US\$1 billion guaranteed medium term note programme, under which unsecured notes may be issued from time to time in various currencies and amounts with fixed or floating rates to be set upon issuance of notes and will be guaranteed. The Group issued an aggregate principal amounts of HK\$1,500,000,000 and US\$300,000,000 as at 31 December 2024 (2023: HK\$1,700,000,000 and US\$300,000,000).

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities, which has been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is calculated based on effective interest rate at the end of the reporting period.

	Interest rate	Within 1 year HK\$'000	1 to 2 years HK\$'000	2 to 3 years HK\$'000	3 to 4 years HK\$'000	Over 4 years HK\$'000	Total undiscounted cash flows HK\$'000	Total carrying amount as at 31 December HK\$'000
2024								
Rental deposit received	-	323,939	93,138	78,313	45,606	26,987	567,983	567,983
Non-interest bearing	-	1,159,608	-	-	-	-	1,159,608	1,159,608
Financial liability designated at fair value	-	-	-	-	-	61,600	61,600	61,600
Fixed interest rate instruments	1.00% to 4.00%	121,378	1,536,527	78,964	73,836	2,707,110	4,517,815	4,038,023
Variable interest rate instruments	0.49% to 7.08%	4,217,389	5,151,768	19,278,108	2,171,403	640,561	31,459,229	27,790,536
Lease liabilities	1.07% to 5.97%	36,832	42,422	44,295	45,446	701,874	870,869	548,657
		5,859,146	6,823,855	19,479,680	2,336,291	4,138,132	38,637,104	34,166,407
2023								
Rental deposit received	-	355,873	132,876	69,046	12,987	20,972	591,754	591,754
Non-interest bearing	-	1,001,267	-	-	-	-	1,001,267	1,001,267
Financial liability designated at fair value	-	-	-	-	-	220,000	220,000	220,000
Fixed interest rate instruments	1.00% to 4.00%	327,323	1,326,779	313,746	79,392	2,796,505	4,843,745	4,247,971
Variable interest rate instruments	0.55% to 7.16%	19,858,254	2,018,487	5,564,997	5,534,029	1,273,449	34,249,216	30,009,402
Lease liabilities	1.07% to 5.97%	27,362	27,054	26,918	27,501	488,144	596,979	343,320
		21,570,079	3,505,196	5,974,707	5,653,909	4,799,070	41,502,961	36,413,714

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments based on their contractual maturities. For derivative financial instruments settled on a net basis, undiscounted net cash inflows (outflows) are presented. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

	Within 1 year HK\$'000	1 to 2 years HK\$'000	2 to 5 years HK\$'000	Over 5 years HK\$'000	Total amount HK\$'000	Total carrying amount HK\$'000
2024						
Derivatives net settlement						
Interest rate swaps	(9,826)	(8,594)	883	–	(17,537)	(14,373)
Cross currency swaps	(24,634)	(22,874)	(58,490)	143	(105,855)	5,079
Currency forward contracts	(38,675)	(47,722)	–	–	(86,397)	(86,397)
<hr/>						
	Within 1 year HK\$'000	1 to 2 years HK\$'000	2 to 5 years HK\$'000	Over 5 years HK\$'000	Total amount HK\$'000	Total carrying amount HK\$'000
2023						
Derivatives net settlement						
Interest rate swaps	38,999	(28,861)	(8,347)	–	1,791	10,434
Cross currency swaps	26,159	18,632	(89,117)	1,080	(43,246)	(50,672)
Currency forward contracts	50,312	3,342	–	–	53,654	53,654

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk and impairment assessment

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 December 2024 and 2023 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

The Group measures the loss allowance on liquid funds equal to 12m ECL. The credit risk on liquid funds is limited because most of the cash and deposits are placed with reputable banks with external credit rating of at least A1 assigned by an international credit-rating agency.

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

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts.	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor repays by frequent instalments and usually makes full settlement after due date.	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increase in credit risk since initial recognition through information developed internally or external resources.	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off	Amount is written off

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk and impairment assessment (continued)

The table below details the credit risk exposures of the Group's financial assets and other item, which are subject to ECL assessment.

	Notes	Internal credit rating	12m or lifetime ECL	Gross carrying amount	
				2024 HK\$'000	2023 HK\$'000
Financial assets					
Notes receivables	19	Low risk	12m ECL	46,150	121,905
		Loss	Lifetime ECL (credit-impaired)	168,249	174,890
				214,399	296,795
Loan receivables and mortgage loan receivables	19	Low risk	12m ECL	298,678	299,920
Trade debtors	24	Low risk	Lifetime ECL (not credit-impaired)	266,430	277,126
		Loss	Lifetime ECL (credit-impaired)	40,208	25,072
				306,638	302,198
Other receivables	24	Low risk	12m ECL	848,888	104,339
		Loss	Lifetime ECL (credit-impaired)	5,351	6,545
				854,239	110,884
Amounts due from joint ventures	16	Low risk	12m ECL	839,911	1,077,793
Restricted cash	26	Low risk	12m ECL	113,166	117,234
Time deposits with original maturity over three months	26	Low risk	12m ECL	–	82,196
Bank balances	26	Low risk	12m ECL	6,750,940	5,756,294
Other item					
Deferred lease receivables	24	Low risk	Lifetime ECL (not credit-impaired)	91,415	86,570

Notes:

- (i) For the purposes of internal credit risk management, the Group uses past due information (if applicable) to assess whether credit risk has increased significantly since initial recognition.
- (ii) For trade debtors and deferred lease receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk and impairment assessment (continued)

The trade debtors presented in the consolidated statement of financial position are net of allowances for doubtful debts. In determining the recoverability of a trade debtor, the Group considers any change in the credit quality of the trade debtor from the date credit was initially granted up to the reporting date.

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures which are carried out to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade and other debtors at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9.

Based on the ECL assessment, the credit exposures for certain trade and other receivables, loan receivables, amounts due from joint ventures are considered as low risk of internal credit rating because the counterparties have a low risk of default and does not have material past-due amounts. During the year ended 31 December 2024, loss allowance provision of HK\$15,136,000 (2023: HK\$1,838,000) for trade debtors was recognised.

For notes receivables and the related interest receivables (included in other receivables), the Group measures the credit risk by referencing to the credit-ratings of the issuers assigned by international credit-rating agencies. For notes receivables with gross carrying amount of HK\$46,150,000 (2023: HK\$121,905,000), the Directors considered that the credit risk is limited because the counterparties are listed entities with high credit-ratings.

For the remaining notes receivables with gross carrying amount of HK\$168,249,000 (2023: HK\$174,890,000), the Group measures the loss allowance at lifetime ECL, in view of the significant deterioration in credit-ratings of the issuers or recent evidences for default payments. During the year ended 31 December 2024, the Group has provided nil (2023: HK\$10,436,000) allowance for credit losses (lifetime (credit-impaired)) on notes receivables and provided nil (2023: HK\$1,548,000) allowance for credit losses (lifetime (credit-impaired)) on the related interest receivables (included in other receivables).

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk and impairment assessment (continued)

The following table shows the movement in lifetime ECL that has been recognised as trade debtors under the simplified approach.

	Lifetime ECL (not credit- impaired) HK\$'000	Lifetime ECL (credit- impaired) HK\$'000	Total HK\$'000
As at 1 January 2023	2,276	24,719	26,995
Allowance recognised in profit or loss	–	1,917	1,917
Amounts recovered	–	(79)	(79)
Amounts written off	–	(1,485)	(1,485)
As at 31 December 2023	2,276	25,072	27,348
Allowance recognised in profit or loss	–	15,773	15,773
Amounts recovered	–	(637)	(637)
As at 31 December 2024	2,276	40,208	42,484

Except for the amounts due from joint ventures, the Group has no other significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

The following table shows reconciliation of loss allowance that has been recognised for notes receivables.

	Lifetime ECL (not credit- impaired) HK\$'000	Lifetime ECL (credit- impaired) HK\$'000	Total HK\$'000
As at 1 January 2023	13,000	151,410	164,410
Allowance recognised in profit or loss	–	10,436	10,436
Transfer to credit-impaired	(13,000)	13,000	–
Exchange difference	–	44	44
As at 31 December 2023	–	174,890	174,890
Amounts written off	–	(5,559)	(5,559)
Exchange difference	–	(1,082)	(1,082)
As at 31 December 2024	–	168,249	168,249

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) **Credit risk and impairment assessment (continued)**

The following table shows reconciliation of loss allowance that has been recognised for interest receivables included in other receivables.

	Lifetime ECL (credit-impaired) HK\$'000
As at 1 January 2023	4,996
Allowance recognised in profit or loss	1,548
Exchange difference	1
As at 31 December 2023	6,545
Amounts written off	(1,164)
Exchange difference	(30)
As at 31 December 2024	5,351

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Categories of financial instruments

	2024 HK\$'000	2023 HK\$'000
Financial assets		
<i>Financial assets at amortised cost</i>		
Trade debtors	264,154	274,850
Other receivables	848,888	104,339
Notes receivables	46,150	121,905
Loan receivables	217,925	219,511
Mortgage loan receivables	80,753	80,409
Amounts due from joint ventures	839,911	1,077,793
Restricted cash	113,166	117,234
Time deposits with original maturity over three months	–	82,196
Bank balances and cash	6,769,320	5,767,324
	9,180,267	7,845,561
<i>Financial assets mandatorily measured at FVTPL</i>		
Equity linked notes	68,217	31,828
Liquidity funds	28,475	119,184
Listed equity securities held for trading	480,869	520,280
	577,561	671,292
<i>Equity instruments at FVTOCI</i>	1,319,381	1,449,017
<i>Derivative financial instruments</i>	95,716	87,730
<i>Derivative instruments in designated hedge accounting relationships</i>		
Derivative financial instruments	1,503	45,895
Financial liabilities		
<i>Financial liabilities at amortised costs</i>		
Trade creditors	335,548	297,651
Other payables	671,840	514,394
Rental deposits received	567,983	591,754
Construction fee payable and retention money payable	41,592	49,401
Distribution payable	110,628	139,821
Borrowings	28,023,098	30,243,756
Medium term notes	3,805,461	4,013,617
	33,556,150	35,850,394
<i>Derivative financial instruments</i>	89,372	12,278
<i>Financial liability designated as at fair value</i>	61,600	220,000
<i>Derivative instruments in designated hedge accounting relationships</i>		
Derivative financial instruments	103,538	107,931

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) Fair value

The fair values of financial assets and financial liabilities, including equity instruments at FVTOCI, derivative financial instruments, financial assets at FVTPL and financial liability designated as at fair value are determined as detailed in note 41(f). The fair value of other financial assets and financial liabilities which are at amortised cost are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions. The Directors consider the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the consolidated financial statements approximate to their fair values.

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

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group establishes the appropriate valuation techniques and inputs to the model as detailed in note 41(f). The management reports the findings to the Board of Directors of the Company half yearly to explain the cause of fluctuations in the fair value of the assets and liabilities.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
2024				
Financial assets				
<i>Financial assets mandatorily measured at FVTPL</i>				
Equity linked notes	–	–	68,217	68,217
Derivative financial instruments	–	95,716	–	95,716
Derivative financial instruments under hedge accounting	–	1,503	–	1,503
Liquidity funds	28,475	–	–	28,475
Listed equity securities held for trading	480,869	–	–	480,869
<i>Equity investments at FVTOCI</i>				
Listed equity securities	542,594	–	–	542,594
Unlisted equity securities	480,209	–	296,578	776,787
Total	1,532,147	97,219	364,795	1,994,161
Financial liabilities				
<i>Financial liabilities at FVTPL</i>				
Derivative financial instruments	–	89,372	–	89,372
Derivative financial instruments under hedge accounting	–	103,538	–	103,538
Financial liability designated as at fair value	–	–	61,600	61,600
Total	–	192,910	61,600	254,510

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
2023				
Financial assets				
<i>Financial assets mandatorily measured at FVTPL</i>				
Equity linked notes	–	–	31,828	31,828
Derivative financial instruments	–	87,730	–	87,730
Derivative financial instruments under hedge accounting	–	45,895	–	45,895
Liquidity funds	119,184	–	–	119,184
Listed equity securities held for trading	520,280	–	–	520,280
<i>Equity investments at FVTOCI</i>				
Listed equity securities	619,942	–	–	619,942
Unlisted equity securities	524,677	–	304,398	829,075
Total	1,784,083	133,625	336,226	2,253,934
Financial liabilities				
<i>Financial liabilities at FVTPL</i>				
Derivative financial instruments	–	12,278	–	12,278
Derivative financial instruments under hedge accounting	–	107,931	–	107,931
Financial liability designated as at fair value	–	–	220,000	220,000
Total	–	120,209	220,000	340,209

There were no transfers between Level 1 and 2 in both years.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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

The following table gives information about how the fair values of these financial assets and liabilities are determined (in particular, the valuation techniques and inputs used).

Financial assets (liabilities)	Fair value as at 31 December		Fair value hierarchy	Valuation technique and key inputs
	2024 HK\$'000	2023 HK\$'000		
Listed equity securities classified as equity instruments at FVTOCI in the consolidated statement of financial position.	542,594	619,942	Level 1	Quoted market bid prices in an active market.
Listed equity securities held for trading in the consolidated statement of financial position.	480,869	520,280	Level 1	Quoted market bid prices in an active market.
Unlisted equity securities classified as equity instruments at FVTOCI in the consolidated statement of financial position.	480,209	524,677	Level 1	Broker's quote which reflects the Group's share of fair value of the underlying investments which are publicly traded equity investments.
Liquidity funds as financial assets at FVTPL in the consolidated statement of financial position.	28,475	119,184	Level 1	Broker's quote which reflects the Group's share of fair value of the underlying investments which are publicly traded equity investments.
Interest rate swaps classified as derivative financial instruments in the consolidated statement of financial position.	1,503 (15,876)	45,895 (35,461)	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable forward interest rates at the end of the reporting period) and contracted interest rates, discounted at a rate that reflects the credit risk of various counterparties.
Cross currency swaps classified as derivative financial instruments in the consolidated statement of financial position.	95,716 (90,637)	34,076 (84,748)	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates and interest rates (from observable forward exchange rates and interest rates at the end of the reporting period) and contracted forward rates and interest rates, discounted at a rate that reflects the credit risk of various counterparties.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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

Financial assets (liabilities)	Fair value as at 31 December		Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs
	2024 HK\$'000	2023 HK\$'000			
Unlisted equity securities classified as equity instruments at FVTOCI in the consolidated statement of financial position.	296,578	304,398	Level 3	Market approach. It is based on the best information available in the circumstances and includes appropriate risk adjustments for lack of marketability.	Multiples of several comparable companies and risk adjustments for lack of marketability. (note a)
Equity linked notes classified as financial assets at FVTPL in the consolidated statement of financial position.	68,217	31,828	Level 3	Discounted cash flow. Future cash flows are estimated based on share price (from observable share price at the end of the reporting period) and contracted share price, discounted at a rate that reflects the credit risk of various counterparties.	Volatility of underlying share price. (note b)
Other payable classified as financial liability designated as at fair value in the consolidated statement of financial position.	61,600	220,000	Level 3	Discounted cash flow. Future cash flows are estimated based on the forecast sales and budgeted costs to completion, discounted at a rate that reflects the risk of counterparty.	Forecast sales, budgeted costs to completion and discount rate. (note c)

Notes:

- (a) The higher the multiples, the higher the fair value of unlisted equity securities. The higher the risk adjustments, the lower the fair value of unlisted equity securities. A reasonably possible change in the unobservable input would result in a significant higher or lower fair value measurement.
- (b) The higher the volatility, the higher the fair value of equity linked notes. A reasonably possible change in the unobservable input would result in a significant higher or lower fair value measurement.
- (c) The higher the forecast sales, the higher the fair value of other payable. The higher the budgeted costs to completion, the lower the fair value of other payable. The higher the discount rate, the lower the fair value of other payable. A reasonably possible change in the unobservable input would result in a significant higher or lower fair value measurement.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(g) Reconciliation of Level 3 fair value measurements

	Other payable HK\$'000	Equity linked notes HK\$'000	Unlisted equity securities HK\$'000
As at 1 January 2023	2,367,000	28,063	269,788
Increase	–	81,177	79,713
Decrease	(1,066,000)	(77,569)	(8,920)
Change in fair value	(1,081,000)	157	(36,183)
As at 31 December 2023	220,000	31,828	304,398
Increase	–	177,895	29,688
Decrease	–	(139,225)	(135)
Change in fair value	(158,400)	(2,281)	(37,373)
As at 31 December 2024	61,600	68,217	296,578

The above changes in fair value of equity linked notes and unlisted equity securities are included in “fair value changes on financial assets at FVTPL” in the consolidated income statement and “fair value loss on equity instruments at FVTOCI” in the consolidated statement of comprehensive income, respectively.

42. RECONCILIATION OF LIABILITIES AND RELATED ASSETS ARISING FROM FINANCING ACTIVITIES

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

	Derivative financial instrument HK\$'000	Interest payable HK\$'000	Borrowings HK\$'000	Medium term notes HK\$'000	Lease liabilities HK\$'000	Dividend payables HK\$'000	Distribution payable HK\$'000	Total HK\$'000
At 1 January 2023	(191,956)	108,490	26,176,637	7,024,336	11,770	–	169,665	33,298,942
Distribution declared	–	–	–	–	–	650,520	341,882	992,402
Interest expenses (note)	–	1,334,739	46,085	6,200	10,154	–	–	1,397,178
Fair value adjustment	272,662	–	–	–	–	–	–	272,662
New leases entered/ lease modified	–	–	–	–	333,365	–	–	333,365
Financing cash flows	85,453	(1,551,512)	4,010,912	(3,017,591)	(11,971)	(650,520)	(371,724)	(1,506,953)
Operating cash flows	(181,703)	–	–	–	–	–	–	(181,703)
Foreign exchange translations	2,128	(18,086)	9,219	672	2	–	–	(6,065)
Interest capitalisation	–	204,095	–	–	–	–	–	204,095
Other non-cash changes	–	–	903	–	–	–	(2)	901
At 31 December 2023	(13,416)	77,726	30,243,756	4,013,617	343,320	–	139,821	34,804,824
Distribution declared	–	–	–	–	–	650,520	258,816	909,336
Interest expenses (note)	–	1,432,350	50,140	6,198	24,494	–	–	1,513,182
Fair value adjustment	198,141	–	–	–	–	–	–	198,141
New leases entered/ lease modified	–	–	–	–	217,228	–	–	217,228
Financing cash flows	(1,381)	(1,682,316)	(2,043,997)	(200,000)	(36,370)	(650,520)	(288,086)	(4,902,670)
Operating cash flows	(87,653)	–	–	–	–	–	–	(87,653)
Foreign exchange translations	–	–	(226,457)	(14,354)	(15)	–	–	(240,826)
Interest capitalisation	–	257,508	–	–	–	–	–	257,508
Other non-cash changes	–	–	(344)	–	–	–	77	(267)
At 31 December 2024	95,691	85,268	28,023,098	3,805,461	548,657	–	110,628	32,668,803

Note: The amounts reclassified from hedging reserve are excluded in the reconciliation.

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 December 2024 and 2023 are set out below:

Direct subsidiary	Issued and paid equity share capital	Principal activity	Percentage of issued equity share capital held by the Company	
			2024	2023
<i>Incorporated and operating in the British Virgin Islands</i>				
Jolly Trend Limited	2 shares of US\$1 each	Investment holding	100%	100%

Indirect subsidiaries	Share capital issued		Principal activities	Percentage of issued equity share capital held by the Company	
	Number of share(s)	Issued and paid up share capital HK\$		2024	2023
<i>Incorporated and operating in Hong Kong</i>					
Able Wise (China) Limited	1	1	Investment holding	100%	100%
Best Come Limited	1	1	Flexible workspace operation	100%	100%
Bon Project Limited	2	2	Property investment	100%	100%
Bright Domain Limited*	1	1	Property investment	100%	–
Brilliant Loyalty Program Limited	1	1	Hospitality service	100%	100%
Champion Global Services Limited	1	1	Provision of procurement services	94.5%	94.5%
Chance Mark Limited	2	2	Property investment	100%	100%
Clever Gain Investment Limited	2	2	Restaurant operation	100%	100%
Eagle Asset Management (CP) Limited	16,000,000	16,000,000	Manager of real estate investment trust	100%	100%
Eagle Property Management (CP) Limited	1	1	Property management	100%	100%
Ease Billion Development Limited	2	2	Property investment	100%	100%
Ease Treasure Finance Limited	1	1	Financing	100%	100%
Ease Treasure Finance (PSK) Limited	1	1	Financing	100%	100%
Ease Treasure Investment Limited	1	1	Property development	100%	100%
Eaton Club Limited	1	1	Flexible workspace operation	100%	100%
Eaton Hotels International Limited	1	1	Hotel & restaurant management	100%	100%
Eaton Residences Management Limited	1,000	10,000	Management of furnished apartments	100%	100%
Food Plus Company Limited*	1	1	Restaurant operation	100%	–
Fortuna Wealth Company Limited	2	2	Property investment	100%	100%
Frequent Investments Limited	2	2	Holding of recreational club membership debenture	100%	100%

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Indirect subsidiaries	Share capital issued		Principal activities	Percentage of issued equity share capital held by the Company	
	Number of share(s)	Issued and paid up share capital HK\$		2024	2023
<i>Incorporated and operating in Hong Kong (continued)</i>					
G. E. Secretaries Limited	2	2	Provision of secretarial services	100%	100%
GE Hospitality Asset Management Limited	1	1	Hospitality asset management	100%	100%
GE (LHIL) Lessee Limited	1	1	Hotel operation	100%	100%
Great Eagle (China) Investment Limited	1	1	Investment holding and provision of property consultancy and advisory service	100%	100%
Great Eagle Project Advisory Company Limited	1	1	Provision of project advisory services	100%	100%
Great Eagle Real Estate Agency Limited	1	1	Provision of real estate agency services	100%	100%
Great Eagle Trading Holdings Limited	1,000	82,992,841	Investment holding	94.5%	94.5%
Great Eagle Venture Capital (HK) Limited	1	1	Asset management	100%	100%
Ka Yick Company Limited	100,000	100,000	Securities investment	100%	100%
Keyesen Engineering Company, Limited	2	2	Repairs and maintenance services	100%	100%
Keyesen Properties Management Company Limited	1	1	Property management	100%	100%
Keyesen Property Management Services Limited	1,800,000	1,800,000	Property management and investment holding	100%	100%
Kindway Express Limited*	1	1	Investment holding	100%	–
LP Beauty Limited	1	1	Management services	100%	100%
Landton Limited	2	2	Investment holding	100%	100%
Langham Hospitality Group Limited	1	1	Investment holding	100%	100%
Langham Hotels International Limited	5,000	5,000	Hotel management	100%	100%
Langham Hotels Management (HK) Limited	1	1	Provision of hotel management service	100%	100%
Langham Hotels Services Limited	1	1	Hospitality management and marketing service	100%	100%
Langham Hotels (China) Limited	1	1	Hotel management	100%	100%
Langham Hotels (Cordis) Limited	1	1	Provision of staff services	100%	100%
Langham Hotels (EHK) Limited	1	1	Provision of staff services	100%	100%
Langham Hotels (LHK) Limited	1	1	Provision of staff services	100%	100%
Leader Treasure Limited	1	1	Warehousing and property investment	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Indirect subsidiaries	Share capital issued		Principal activities	Percentage of issued equity share capital held by the Company	
	Number of share(s)	Issued and paid up share capital HK\$		2024	2023
<i>Incorporated and operating in Hong Kong (continued)</i>					
LHIL Manager Limited	1	1	Trustee-Manager of Langham Hospitality Investments	100%	100%
Longworth Management Limited	10,000	10,000	Property management	100%	100%
Magic Energy Limited	1	1	Property development	100%	100%
Mega Bloom (China) Limited	1	1	Investment holding	100%	100%
Minato Holdings Limited (Formerly known as "Noodlemeen Limited")	1	1	Restaurant operation	100%	100%
Moon Yik Company, Limited	10,000,000	10,000,000	Property investment	100%	100%
Profit Lord Limited	2	2	Investment holding	100%	100%
Rising Fleet Limited*	1	1	Property investment	100%	–
Ropark Company Limited	2	2	Investment holding	100%	100%
Selex Engineering Services Limited	2	2	Repairs and maintenance services	100%	100%
Sharp Bloom Limited	1	1	Treasury management	100%	100%
Shung Kai Development Company Limited	1,000	100,000	Investment holding	100%	100%
Sunlight Fortune Limited	1	1	Investment holding	100%	100%
Sunrise Success Limited	1	1	Property development and investment	100%	100%
Sunshine Gain Limited	1	1	Property development and investment	100%	100%
Sunshine Horizon Limited	1	1	Investment holding	100%	100%
Sunshine Prospect Limited	1	1	Property development and investment	100%	100%
Sunshine Stream Limited	1	1	Property development and investment	100%	100%
Sunshine Strength Limited	1	1	Property development and investment	100%	100%
The Great Eagle Company, Limited	2,000,000	1,000,000	Investment holding and property investment	100%	100%
The Great Eagle Development and Project Management Limited	2	20	Project management	100%	100%
The Great Eagle Estate Agents Limited	2	20	Provision of real estate agency services	100%	100%
The Great Eagle Finance Company, Limited	100,000	10,000,000	Financing	100%	100%
Topstar Investment Holdings Limited	1	1	Investment holding	94.5%	94.5%

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Indirect subsidiaries	Share capital issued		Principal activities	Percentage of issued equity share capital held by the Company	
	Number of share(s)	Issued and paid up share capital HK\$		2024	2023
<i>Incorporated and operating in Hong Kong (continued)</i>					
Toptech Co. Limited	2,000,000	2,000,000	Trading of building materials	94.5%	94.5%
Totipotent Investment Limited	1	1	Treasury management	100%	100%
VCN Limited	1	1	Investment holding	100%	100%
Venus Glory Company Limited	2	2	Property investment	100%	100%
Wai Cheong Company Limited	5,000	500,000	Property investment	100%	100%
Worth Bright Company Limited	2	2	Property investment	100%	100%
YNF Hotels IP Limited	1	1	Investment holding	100%	100%
YNF Hotels Management & Services (HK) Limited	1	1	Hotel management	100%	100%
YNF Hotels Management & Services Holdings Limited	1	1	Investment holding	100%	100%
YNF Hotels Operation & Leasee Holdings Limited	1	1	Investment holding	100%	100%
YNF Hotels Operation (Admiralty) Limited	1	1	Hotel management	100%	100%
YNF Membership Loyalty Program Holdings Limited*	1	1	Investment holding	100%	–
Zamanta Investments Limited	100	1,000	Property investment	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Indirect subsidiaries	Share capital issued		Principal activities	Percentage of issued equity share capital held by the Company	
	Number of share(s)	Issued and paid up share capital HK\$		2024	2023
<i>Incorporated and operating in Hong Kong and indirectly owned and controlled by Champion REIT</i>					
CP (A1) Limited	1	1	Property investment	70.30%	69.23%
CP (B1) Limited	1	1	Property investment	70.30%	69.23%
CP (MC) Limited	1	1	Property investment	70.30%	69.23%
CP (PH) Limited	1	1	Property investment	70.30%	69.23%
CP (SH) Limited	1	1	Property investment	70.30%	69.23%
CP (WC) Limited	1	1	Property investment	70.30%	69.23%
CP Finance Limited	1	1	Financing	70.30%	69.23%
CP Success Limited	1	1	Financing	70.30%	69.23%
CP Wealth Limited	1	1	Financing and treasury	70.30%	69.23%
Elegant Wealth Limited	1	1	Property investment	70.30%	69.23%
Langham Beauty Limited	1	1	Beauty store operations	70.30%	69.23%
Renaissance City Development Company Limited	2	20	Property investment	70.30%	69.23%
Shine Hill Development Limited	1,000,002	651,000,000	Property investment	70.30%	69.23%
Trump Treasure Limited	1	1	Treasury	70.30%	69.23%
<i>Incorporated and operating in Hong Kong and indirectly owned and controlled by Langham</i>					
Cordis Hong Kong Limited	2	2	Property investment	71.22%	70.23%
Grow On Development Limited	5,000	5,000	Property investment	71.22%	70.23%
Harvest Star International Limited	2	2	Property investment	71.22%	70.23%
LHIL Finance Limited	1	1	Financing	71.22%	70.23%
LHIL Treasury (HK) Limited	1	1	Financing	71.22%	70.23%
LHIL Treasury Company Limited	1	1	Treasury management	71.22%	70.23%

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Indirect subsidiaries	Issued and paid up equity share capital	Principal activities	Percentage of issued equity share capital held by the Company	
			2024	2023
<i>Incorporated in the British Virgin Islands</i>				
Achiever Wealth Limited	1 share of US\$1	Investment holding	100%	100%
Bright Form Investments Limited	1 share of US\$1	Investment holding of Champion REIT units	100%	100%
Choice Wealth Limited	1 share of US\$1	Treasury management	100%	100%
Delight Chance Limited	1 share of US\$1	Investment holding	94.5%	94.5%
Ecobest Ventures Limited	1 share of US\$1	Treasury management	100%	100%
Elite Trend Limited	1 share of US\$1	Investment holding	100%	100%
Fine Noble Limited	1 share of US\$1	Treasury management	100%	100%
G. E. Investments Holdings Limited	1 share of US\$1	Investment holding	100%	100%
GE (MTN) Limited	1 share of US\$1	Medium term notes issuer	100%	100%
GEVC AIC II Limited	1 share of US\$1	Investment holding	100%	100%
GEVC AZ Diagnostic Limited	1 share of US\$1	Investment holding	100%	100%
Great Eagle (BVI) Limited	1 share of US\$1	Investment holding	100%	100%
Great Eagle Capital Limited	1 share of US\$1	Investment holding	100%	100%
Great Eagle Nichemusic Limited	1 share of US\$1	Treasury management	100%	100%
Great Eagle VC (Gene Edit Base) Limited	1 share of US\$1	Investment holding	100%	100%
Great Eagle VC (Window Materials) Limited	1 share of US\$1	Investment holding	100%	100%
Great Eagle Venture Capital Limited	1 share of US\$1	Investment holding	100%	100%
Keen Flow Investments Limited	1 share of US\$1	Investment holding of Champion REIT units	100%	100%
LHIL Assets Holdings Limited	1 share of US\$1	Investment holding of Langham share stapled units	100%	100%
Lucky Wheel Investments Limited	1 share of US\$1	Treasury management	100%	100%
Nelsprite Limited	1 share of US\$1	Treasury management	100%	100%
Queenbrook Investments Limited	1 share of US\$1	Investment holding	100%	100%
Rising Vantage Limited	1 share of US\$1	Investment holding	100%	100%
Top Domain International Limited	1 share of US\$1	Investment holding of Champion REIT units	100%	100%
Ultra New Investments Limited	1 share of US\$1	Investment holding	100%	100%
Venture Amber Limited	1 share of US\$1	Investment holding	100%	100%
Venture Silver Limited	1 share of US\$1	Investment holding	100%	100%
Wellsmart Assets Limited	1 share of US\$1	Investment holding	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Indirect subsidiaries	Issued and paid up equity share capital	Principal activities	Percentage of issued equity share capital held by the Company	
			2024	2023
<i>Incorporated in the British Virgin Islands and directly owned and controlled by Champion REIT</i>				
EAM-Champion REIT Limited	1 share of US\$1	Securities investment	70.30%	69.23%
<i>Incorporated in the British Virgin Islands and indirectly owned and controlled by Champion REIT</i>				
CP Investments (UK) Limited	1 share of US\$1	Investment holding	70.30%	69.23%
<i>Incorporated in the British Virgin Islands and operating in Australia</i>				
Katesbridge Group Limited	1 share of US\$1	Investment holding	100%	100%
Ruby Dynasty Limited	1 share of US\$1	Investment holding	100%	100%
<i>Incorporated in the British Virgin Islands and operating in Hong Kong</i>				
Raychen Investments Limited	1 share of US\$1	Provision of computer system solutions and investment holding	100%	100%
<i>Incorporated in the British Virgin Islands and operating in New Zealand</i>				
Great Eagle Hotels (New Zealand) Limited	1 share of US\$1	Hotel ownership	100%	100%
<i>Incorporated in the British Virgin Islands and operating in the United Kingdom</i>				
Great Eagle Hotels (UK) Limited	1 share of US\$1	Hotel ownership and operation	100%	100%
<i>Incorporated in the Cayman Islands and indirectly owned and controlled by Champion REIT</i>				
Champion MTN Limited	1 share of US\$1	Medium term notes issuer	70.30%	69.23%
<i>Incorporated and operating in Australia</i>				
Langham Hotels Management (Aust) Pty Limited	1 share of AU\$1	Hotel management	100%	100%
NSW Hotel Management Pty Ltd	2 shares of AU\$1 each	Hotel operation	100%	100%
Southgate Hotel Management Pty. Ltd.	17,408 shares of AU\$2 each	Hotel operation	100%	100%
The Great Eagle Hotels (NSW) Trust	100 units of AU\$1 each	Hotel ownership	100%	100%
The Great Eagle Hotels (Victoria) Trust	108,688,206 shares of AU\$1 each	Hotel ownership	100%	100%
<i>Incorporated and operating in Canada</i>				
Great Eagle Hotels (Canada) Limited	10 common shares of C\$1 each	Hotel ownership and operation	100%	100%

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Indirect subsidiaries	Issued and paid up equity share capital/ contribution paid	Principal activities	Percentage of issued equity share capital held by the Company	
			2024	2023
<i>Incorporated and operating in Indonesia</i> PT. Langham Hotels Management Indonesia	IDR10,000,000,000	Hotel management	100%	100%
<i>Incorporated and operating in Italy</i> Rio dei Vetrai S.r.l.	EUR100,000	Hotel development	100%	100%
<i>Incorporated and operating in Luxembourg</i> Yeni International Investments S.á.r.l.	12,000 shares of EUR1 each	Investment holding	100%	100%
<i>Incorporated and operating in Japan</i> Great Eagle Tokyo TMK	JPY27,356,100,000	Hotel development	100%	100%
Great Eagle Japan KK	JPY20,000,000	Hotel management and property development	100%	100%
<i>Incorporated and operating in New Zealand</i> Great Eagle Hotels (Auckland) Limited	1,000 shares of no par value	Hotel operation	100%	100%
<i>Incorporated and operating in the Mainland China**</i> 卓環管理諮詢(上海)有限公司	US\$100,000	Provision of procurement services	94.5%	94.5%
朗廷酒店管理(上海)有限公司	US\$3,750,000	Hotel management	100%	100%
朗虹(上海)酒店有限公司	RMB1,100,000,000	Hotel ownership and operation	100%	100%
上海禮興酒店有限公司	US\$79,575,000	Hotel ownership and operation	100%	100%
上海哈比鵬網絡科技有限公司	RMB10,600,200	Investment holding	100%	100%
高端(上海)貿易有限公司	US\$350,000	Trading of building materials	94.5%	94.5%
高端星(上海)貿易有限公司	RMB1,000,000	General trading business	94.5%	94.5%
奕風酒店(上海)有限公司	RMB30,000,000	Hospitality service	100%	100%
奕風酒店管理(上海)有限公司	RMB35,000,000	Hotel management	100%	100%
毅風酒店(武漢)有限公司*	RMB30,000,000	Hotel operation	100%	–
毅風酒店(杭州)有限公司*	RMB28,000,000	Hotel operation	100%	–
<i>Incorporated and operating in Singapore</i> Langham Hospitality Singapore Pte. Limited	1 share of SGD1	Hotel management	100%	100%

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Indirect subsidiaries	Issued and paid up equity share capital/ contribution paid	Principal activities	Percentage of issued equity share capital held by the Company	
			2024	2023
<i>Incorporated and operating in the USA</i>				
Langham Hotels Pacific Corporation	100 shares of US\$0.001 each	Hotel management	100%	100%
Pacific Boston Holdings Corporation	100 shares of US\$0.001 each	Hotel management	100%	100%
Pacific Chicago LLC	US\$34,626,714	Hotel ownership	100%	100%
Pacific Dolphin Corporation	100 shares of no par value	Property investment	100%	100%
Pacific Eagle China Orient (US) Real Estate GP, LLC	US\$68,397	Investment fund management	80%	80%
Pacific Eagle (US) Real Estate Fund, L.P.	US\$95,189,804	Investment holding	49.97%	49.97%
Pacific Eagle Holdings Corporation	100 shares of no par value	Real estate management	100%	100%
Pacific Fifth Avenue Corporation	100 shares of US\$0.01 each	Hotel ownership	100%	100%
Pacific Howard Corporation	100 shares of US\$0.01 each	Hotel development	100%	100%
Pacific Huntington Hotel Corporation	100 shares of US\$0.001 each	Hotel ownership	100%	100%
Pacific Langham Chicago Corporation	100 shares of US\$0.001 each	Hotel management	100%	100%
Pacific Langham NY Management Corporation	100 shares of US\$0.01 each	Hotel management	100%	100%
Pacific Malibu Dume LLC	US\$1,696,889	Property investment	49.97%	49.97%
Pacific 1125 Market Corporation	100 shares of US\$0.01 each	Hotel development	100%	100%
Pacific 2014 Second Avenue LLC	US\$7,559,883	Property development	100%	100%
Pacific Virginia LLC	US\$18,272,402	Property development	100%	100%
Pacific Washington DC Corporation	100 shares of US\$0.01 each	Hotel ownership	100%	100%
Pacific Washington DC Manger Corporation	100 shares of US\$0.01 each	Hotel management	100%	100%
Peak Project Management Limited	100 shares of US\$0.01 each	Project management	100%	100%
Shorthills NJ, Inc.	100 shares of US\$1 each	Property investment	100%	100%

* All these subsidiaries commenced its business during the year ended 31 December 2024.

** All these subsidiaries are registered as wholly foreign-owned enterprise in the Mainland China.

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

Except for Champion MTN Limited which has issued medium term notes as detailed in note 29, no other subsidiaries had issued any debt securities at 31 December 2024 and 2023 at any time during both years.

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests/unitholders as at 31 December 2024 and 2023:

Indirect subsidiaries	Place of incorporation and principal activities	Proportion of ownership interests and voting rights held by non-controlling interests/unitholders		(Loss) gain allocated to non-controlling interests/unitholders		Accumulated non-controlling interests/unitholders	
		2024	2023	2024	2023	2024	2023
				HK\$'000	HK\$'000	HK\$'000	HK\$'000
Champion REIT	HK/Property investment	29.70%	30.77%	(625,987)	68,184	12,935,014	14,281,956
Langham	Cayman Islands/ Property investment	28.78%	29.77%	(41,323)	(15,103)	(915,811)	(928,843)
US Real Estate Fund	the USA/Property investment	50.03%	50.03%	4,300	10,985	285,567	283,093

The above information is based on the financial information of Champion REIT and its subsidiaries, Langham and its subsidiaries and US Real Estate Fund and its subsidiaries for the relevant years respectively.

Champion REIT and Langham are listed on the Stock Exchange. The Group as at 31 December 2024 has 70.30% and 71.22% (2023: 69.23% and 70.23%) ownership interest in Champion REIT and Langham, respectively. The Group additionally achieves control over Champion REIT and Langham through the REIT Manager and Trustee-Manager, respectively, who are wholly owned subsidiaries of the Group.

Although the Group as at 31 December 2024 has 49.97% (2023: 49.97%) ownership in US Real Estate Fund, the Directors concluded that the Group is able to direct the relevant activities of US Real Estate Fund and achieves control over US Real Estate Fund through the general partner, who is a subsidiary of the Group.

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests/unitholders is set out below. The summarised financial information below represents amounts before intragroup eliminations.

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Champion REIT and its subsidiaries

	2024 HK\$'000	2023 HK\$'000
Current assets	926,802	1,281,212
Non-current assets	60,425,837	63,184,942
Current liabilities	(4,181,446)	(7,813,406)
Non-current liabilities, excluding net assets attributable to unitholders	(13,618,956)	(10,237,550)
Net assets attributable to non-controlling unitholders of Champion REIT	12,935,014	14,281,956
Revenue	2,458,731	2,575,654
Expenses	(1,555,611)	(1,507,211)
(Loss) profit for the year, before distribution to unitholders	(2,086,574)	220,616
Distribution to unitholders	(867,277)	(1,011,968)
Loss for the year, after distribution to unitholders (note a)	(2,953,851)	(791,352)
Other comprehensive expense for the year (note b)	(24,845)	(141,460)
Total comprehensive expense for the year (note c)	(2,978,696)	(932,812)
Attributable to non-controlling unitholders of Champion REIT:		
(Loss) gain for the year, before distribution to unitholders	(625,987)	68,184
Other comprehensive expense for the year	(6,854)	(44,340)
Total comprehensive (expense) income for the year	(632,841)	23,844
Distributions to non-controlling unitholders of Champion REIT	258,816	313,224
Net cash inflow from operating activities	872,400	1,166,751
Net cash inflow from investing activities	65,015	195,296
Net cash outflow from financing activities	(1,109,584)	(1,132,212)
Net cash (outflow) inflow	(172,169)	229,835

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Champion REIT and its subsidiaries (continued)

Notes:

	2024 HK\$'000	2023 HK\$'000
(a) Loss for the year, after distributions to unitholders attributable to owners of the Company	(2,069,048)	(546,312)
attributable to non-controlling unitholders of Champion REIT	(884,803)	(245,040)
	(2,953,851)	(791,352)
(b) Other comprehensive expense for the year attributable to owners of the Company	(17,991)	(97,120)
attributable to non-controlling unitholders of Champion REIT	(6,854)	(44,340)
	(24,845)	(141,460)
(c) Total comprehensive expense for the year attributable to owners of the Company	(2,087,039)	(643,432)
attributable to non-controlling unitholders of Champion REIT	(891,657)	(289,380)
	(2,978,696)	(932,812)

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Langham and its subsidiaries

	2024 HK\$'000	2023 HK\$'000
Current assets	333,598	166,234
Non-current assets	15,904,746	15,668,798
Current liabilities	(87,180)	(6,161,418)
Non-current liabilities	(6,648,753)	(482,956)
Equity attributable to non-controlling interests before intragroup eliminations	2,734,794	2,736,059
Equity attributable to non-controlling interests after intragroup eliminations (note)	(915,811)	(928,843)
Revenue	401,806	513,965
Expenses	(358,697)	(280,345)
Profit and total comprehensive income for the year	231,724	1,080,319
Attributable to non-controlling interests of Langham: Loss and total comprehensive expense for the year (note)	(41,323)	(15,103)
Distributions to non-controlling interests of Langham	–	28,658
Net cash inflow from operating activities	114,750	286,668
Net cash outflow from investing activities	(47,405)	(45,573)
Net cash inflow (outflow) from financing activities	103,541	(363,728)
Net cash inflow (outflow)	170,886	(122,633)

Note: The amounts have been adjusted for intragroup eliminations which primarily represent the elimination of fair value changes on properties and related deferred taxation and depreciation on Langham's properties and other service fees.

43. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

US Real Estate Fund and its subsidiaries

	2024 HK\$'000	2023 HK\$'000
Equity attributable to owners of the Company after intragroup eliminations (note)	290,471	287,828
Equity attributable to non-controlling interests after intragroup eliminations (note)	285,567	283,093
Profit and total comprehensive income for the year	8,596	21,957
Attributable to non-controlling interests of US Real Estate Fund: Profit and total comprehensive income for the year (note)	4,300	10,985
Distributions to non-controlling interests of US Real Estate Fund	–	–

Note: The amounts have been adjusted for intragroup eliminations which primarily represent the elimination of fair value changes on properties and related deferred taxation in regards to the capital injection of the property to the US Real Estate Fund.

44. PARTICULARS OF THE PRINCIPAL JOINT VENTURES

Details of the Group's principal joint ventures at 31 December 2024 and 2023 are set out below:

Indirect joint ventures	Issued and paid up equity share capital/ contribution paid	Principal activities	Percentage of issued equity share capital held by the Group	
			2024	2023
<i>Incorporated in the British Virgin Islands</i> Wealth Joy Holdings Limited	2 shares of US\$1 each	Investment holding of subsidiaries which are inactive	50%	50%
<i>Incorporated in the British Virgin Islands and indirectly owned by Champion REIT</i> Athene Investment (BVI) Limited	100 shares of US\$1 each	Property investment	18.98%	18.69%
<i>Incorporated in the USA</i> 8701 Collins Avenue, LLC	US\$26,112,500	Investment holding of a subsidiary which is engaged in property development	33%	33%
<i>Incorporated in Malaysia</i> Artisan Hospitality Sdn. Bhd	10 shares of MYR1 each	Hotel development	30%	–
<i>Incorporated in Hong Kong</i> Fansway Limited	1,000 shares of HK\$1 each	Investment holding of a subsidiary which is engaged in property development	20%	20%
Excel Hope Limited	100 shares of HK\$1 each	Investment holding of a subsidiary which is engaged in property development	15%	15%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

45. PARTICULARS OF THE ASSOCIATES

Details of the Group's associates at 31 December 2024 and 2023 are set out below:

Indirect associates	Issued and paid up equity share capital	Principal activities	Percentage of issued equity share capital held by the Group	
			2024	2023
<i>Incorporated in the British Virgin Islands</i>				
City Apex Ltd.	3,500 shares of US\$1 each	Investment holding	23%	23%
IEH Holdings Limited	1,025 shares of US\$1 each	Investment holding	44.72%	44.72%
Tonkichi Holdings Limited	5,714,286 shares of HK\$1 each	Investment holding	30%	30%
<i>Incorporated in the Cayman Islands</i>				
Redwood Peak Partners	50,000 shares of US\$1 each	General partner of investment fund	25%	25%

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Statement of financial position of the Company

	2024 HK\$'000	2023 HK\$'000
Non-current assets		
Investment in a subsidiary	4,290,402	4,290,402
Amount due from a subsidiary	19,252,895	18,913,332
	23,543,297	23,203,734
Current assets		
Prepayments	525	587
Amount due from a subsidiary	373,862	373,862
Bank balances and cash	12,885	11,811
	387,272	386,260
Current liability		
Accruals and other payables	13,669	12,670
Net current assets	373,603	373,590
NET ASSETS	23,916,900	23,577,324
Share capital and reserves		
Share capital	373,862	373,862
Reserves	23,543,038	23,203,462
TOTAL EQUITY	23,916,900	23,577,324

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY
(continued)

Movement in the Company's reserves

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000 (note)	Share option reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2023	7,059,099	3,054	424,627	89,013	15,697,149	23,272,942
Lapse of share options	–	–	–	(24,430)	24,430	–
Recognition of equity-settled share-based payments	–	–	–	16,552	–	16,552
Profit and total comprehensive income for the year	–	–	–	–	564,488	564,488
Dividend paid	–	–	–	–	(650,520)	(650,520)
At 31 December 2023	7,059,099	3,054	424,627	81,135	15,635,547	23,203,462
Lapse of share options	–	–	–	(25,612)	25,612	–
Recognition of equity-settled share-based payments	–	–	–	9,164	–	9,164
Profit and total comprehensive income for the year	–	–	–	–	980,932	980,932
Dividend paid	–	–	–	–	(650,520)	(650,520)
At 31 December 2024	7,059,099	3,054	424,627	64,687	15,991,571	23,543,038

Note: The contributed surplus is available for distribution to shareholders under the Bermuda Companies Act. Contributed surplus represents the surplus arising under the Scheme of Arrangement undertaken by the Group in 1989/90. At 31 December 2024, total profits (including contributed surplus) available for distribution to shareholders was HK\$13,895,459,000 (2023: HK\$13,539,434,000).

APPENDIX I

LIST OF MAJOR PROPERTIES

PROPERTIES HELD FOR INVESTMENT

Name and location	Use	Approximate gross floor area (sq. ft.)	Group's interests
ON LAND UNDER LONG LEASES			
Eaton Residence 100 Blue Pool Road, Happy Valley, Hong Kong	Furnished apartments	34,000	100%
Great Eagle Centre 23 Harbour Road, Wanchai, Hong Kong	Commercial/Office	270,000	100%
Unit No. 1 & 1A, Ground Floor, Tak Woo House, 17 – 19 D'Aguilar Street, and 1 – 3 Wo On Lane, Central, Hong Kong	Commercial	1,500	100%
ON LAND UNDER MEDIUM-TERM LEASES			
Apartment Tower on the Western Side of Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong	Apartments	6,000	100%
Eaton Residence 4H Village Road, Happy Valley, Hong Kong	Furnished apartments	23,000	100%
Ying'n Flo 3-5 Wan Chai Gap Road, Wan Chai, Hong Kong	Furnished apartments	35,000	100%
Eaton HK 380 Nathan Road, Yau Ma Tei, Kowloon, Hong Kong	Hotel/Commercial	339,000	71.22%
The Langham, Hong Kong 8 Peking Road, Tsimshatsui, Kowloon, Hong Kong	Hotel/Commercial	375,000	71.22%
Cordis, Hong Kong 555 Shanghai Street, Mongkok, Kowloon, Hong Kong	Hotel	580,000	71.22%
The Langham, Shanghai, Xintiandi 99 Madang Road, Xintiandi, Shanghai 200021, the Mainland China	Hotel/Commercial	575,000	100%
Three Garden Road 3 Garden Road, Central, Hong Kong	Commercial/Office	1,638,000	70.30%
Langham Place 8 Arygle Street, Mongkok, Kowloon, Hong Kong	Commercial/Office	1,293,000	70.30%
Cordis, Shanghai Hongqiao 333 Shen Hong Road, Minhang District, Shanghai 201106, the Mainland China	Hotel/Commercial	505,000	100%

PROPERTIES HELD FOR INVESTMENT (continued)

Name and location	Use	Approximate gross floor area (sq. ft.)	Group's interests
ON FREEHOLD LAND			
The Langham, London 1B & 1C Portland Place, Regent Street, London, W1B 1JA, the United Kingdom	Hotel/Commercial	363,000	100%
Chelsea Hotel, Toronto 33 Gerrard Street West, Toronto, Ontario M5G 1Z4, Canada	Hotel/Commercial	1,130,000	100%
The Langham, Melbourne One Southgate Avenue, Southbank, Melbourne, Victoria 3006, Australia	Hotel/Commercial	385,000	100%
Cordis, Auckland 83 Symonds Street, Auckland 1140, New Zealand	Hotel/Commercial	606,000	100%
The Langham, Boston 250 Franklin Street, Boston, MA 02110, the USA	Hotel/Commercial	289,000	100%
The Langham Huntington, Pasadena, Los Angeles, 1401 South Oak Knoll Avenue, Pasadena, California 91106, the USA	Hotel/Commercial	489,000	100%
The Langham, Sydney 89-113 Kent Street, Sydney, NSW2000, Australia	Hotel	129,000	100%
The Langham, Chicago 330 North Wabash, Chicago, IL 60611, the USA	Hotel	342,000	100%
The Langham, New York, Fifth Avenue 400 Fifth Avenue, New York 10018, the USA	Hotel	297,000	100%
Eaton Washington D.C. 1201 K. Street, N.W., Washington DC, DC20005, the USA	Hotel	173,000	100%

APPENDIX I
LIST OF MAJOR PROPERTIES

PROPERTIES HELD FOR/UNDER DEVELOPMENT

Name and location	Use	Approximate gross floor area (sq. ft.)	Group's interests
ON FREEHOLD LAND			
555 Howard Street, San Francisco, CA 94105, the USA (note d)	Hotel	406,000	100%
1125 Market Street, San Francisco, CA 94103, the USA (note d)	Hotel	140,000	100%
1931 Second Avenue, Seattle, WA 98101, the USA (note g)	Hotel/Condominium	588,000	100%
Various lots on Roppongi 4-Chome, Minato-ku, Tokyo, Japan (note g)	Hotel	380,000	100%
Fondamenta Daniele Manin no. 1,2,5, Murano, Venezia, Italy (note e)	Hotel	143,000	100%

PROPERTIES HELD FOR SALE

Name and location	Use	Approximate gross floor area (sq. ft.)	Group's interests
ON LAND UNDER MEDIUM-TERM LEASE			
ONTOLO 7 Fo Yin Road, Pak Shek Kok, Tai Po, New Territories, Hong Kong (note b)	Residential	730,000	100%
Kowloon Inland Lot No. 11264 Ho Man Tin, Kowloon, Hong Kong (note c)	Residential	742,000	(note c)
New Kowloon Inland Lot No. 6590 Kai Tak, Kowloon, Hong Kong (notes a & h)	Residential/Commercial/ Government Accommodation	992,000 (note f)	20%
Kowloon Inland Lot No. 11290 Kowloon City, Kowloon, Hong Kong (notes a & i)	Residential/Commercial	415,000	15%

Notes:

- (a) Under design and planning.
- (b) Construction has been completed. Sales in progress. As at 31 December 2024, 2.35% of residential units, representing 34,099 sq. ft. of saleable area are remaining unsold.
- (c) The Group has development rights in this project. Superstructure works have been completed. Finishing and fit-out works are in progress.
- (d) Currently on hold but entitlement will be continued to be monitored.
- (e) Shell & Core Contract are in progress.
- (f) Excluding government accommodation.
- (g) Review of development/exit strategy in progress.
- (h) Foundation works are in progress.
- (i) Foundation works have commenced in January 2025.

APPENDIX II

FIVE YEARS' FINANCIAL SUMMARY

	For the year ended 31 December				2024 HK\$'000
	2020 HK\$'000	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	
RESULTS					
Revenue	10,305,287	7,830,429	8,884,832	10,644,158	10,878,541
(Loss) profit before tax	(12,398,274)	(482,999)	59,339	1,326,028	(1,814,534)
Income taxes	(403,811)	(309,019)	(470,153)	(497,991)	(582,239)
(Loss) profit for the year	(12,802,085)	(792,018)	(410,814)	828,037	(2,396,773)
Attributable to:					
Owners of the Company	(8,540,252)	(499,034)	(181,404)	763,511	(1,734,209)
Non-controlling unitholders of Champion REIT	(4,148,346)	(271,048)	(236,748)	68,184	(625,987)
Non-controlling interests	(113,487)	(21,936)	7,338	(3,658)	(36,577)
	(12,802,085)	(792,018)	(410,814)	828,037	(2,396,773)
(Loss) earnings per share					
Basic	(HK\$11.94)	(HK\$0.69)	(HK\$0.25)	HK\$1.02	(HK\$2.32)
Diluted	(HK\$11.94)	(HK\$0.69)	(HK\$0.25)	HK\$1.02	(HK\$2.32)
ASSETS AND LIABILITIES					
Total assets	111,779,591	119,251,235	112,886,533	111,163,169	109,589,081
Total liabilities	(36,904,726)	(42,635,404)	(41,705,701)	(40,724,450)	(43,171,480)
	74,874,865	76,615,831	71,180,832	70,438,719	66,417,601
Attributable to:					
Owners of the Company	58,811,392	61,448,660	56,820,056	56,778,857	54,088,859
Non-controlling unitholders of Champion REIT	16,671,121	15,785,548	14,980,648	14,281,956	12,935,014
Non-controlling interests	(607,648)	(618,377)	(619,872)	(622,094)	(606,272)
	74,874,865	76,615,831	71,180,832	70,438,719	66,417,601

GLOSSARY OF TERMS

In this annual report, unless the context otherwise requires, the following expression shall have the followings meanings:

Term	Definition
"2009 Share Option Scheme"	the share option scheme of the Company adopted by an ordinary resolution passed on 27 May 2009
"2019 Share Option Scheme"	the share option scheme of the Company adopted by an ordinary resolution passed on 22 May 2019
"2024 Share Award Scheme"	the share award scheme of the Company adopted by an ordinary resolution passed on 29 May 2024
"2024 Share Option Scheme"	the share option scheme of the Company adopted by an ordinary resolution passed on 29 May 2024
"2024 Share Schemes"	2024 Share Award Scheme and 2024 Share Option Scheme
"Board"	Board of Directors of the Company
"Bye-laws"	the bye-laws of the Company as may be amended from time to time
"CG Code"	Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Champion REIT"	Champion Real Estate Investment Trust (Stock Code: 2778), a Hong Kong collective investment scheme authorised under section 104 of SFO, in which the Group has an interest of approximately 70.30% as at 31 December 2024
"Code of Conduct for Securities Transactions"	Code of Conduct regarding Securities Transactions by Directors and Relevant Employees
"Company" or "Great Eagle"	Great Eagle Holdings Limited
"Director(s)"	the director(s) of the Company
"EBITDA"	earning before interest, taxes, depreciation and amortisation
"Group"	the Company and its subsidiaries
"HITL"	HSBC International Trustee Limited

GLOSSARY OF TERMS

Term	Definition
“HKAS”	Hong Kong Accounting Standard
“HKFRS”	Hong Kong Financial Reporting Standard
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“Langham” or “LHI”	Langham Hospitality Investments and Langham Hospitality Investments Limited (Stock Code: 1270), the share stapled units of which are listed on the Stock Exchange, in which the Group had an interest of approximately 71.22% as at 31 December 2024
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“RevPAR”	revenue per available room
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of ordinary share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“U.S. Fund” or “U.S. Real Estate Fund”	Pacific Eagle (US) Real Estate Fund, L.P., in which the Group had an interest of approximately 49.97% as at 31 December 2024
“We” or “us”	the Group, unless the content otherwise requires, i.e. the Company only (Exclude in the Independent Auditor’s Report and Financial Statements)

This annual report is available in both English and Chinese versions and has been published on the Company's website at www.GreatEagle.com.hk and the HKEXnews website at www.hkexnews.hk.



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