1957 & Co. (Hospitality) Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8495

Annual Report 2025

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This report, for which the directors (the "**Directors**") of 1957 & Co. (Hospitality) Limited (the "**Company**", together with its subsidiaries, the "**Group**" or "**we**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Kwok Chi Po *(Chairman)*
(appointed on 20 January 2026)
Mr. Lau Ming Fai
Ms. Tsui Ngan Fun
Ms. Lin Huiqin
Mr. Wong Chi Wing Kinson *(Former Chairman)*
(resigned on 20 January 2026)

Non-executive Director

Mr. Chan Wai Fung

Independent Non-executive Directors

Mr. Yim Hong Cheuk Foster
Mr. Huen, Felix Ting Cheung
Ms. Lung Pui Ying Amy

AUDIT COMMITTEE

Mr. Huen, Felix Ting Cheung *(Chairman)*
Mr. Yim Hong Cheuk Foster
Ms. Lung Pui Ying Amy

REMUNERATION COMMITTEE

Mr. Yim Hong Cheuk Foster *(Chairman)*
Mr. Huen, Felix Ting Cheung
Mr. Kwok Chi Po (appointed on 20 January 2026)
Mr. Wong Chi Wing Kinson (resigned on 20 January 2026)

NOMINATION COMMITTEE

Mr. Kwok Chi Po *(Chairman)*
(appointed on 20 January 2026)
Mr. Yim Hong Cheuk Foster
Ms. Lung Pui Ying Amy
Mr. Wong Chi Wing Kinson *(Former Chairman)*
(resigned on 20 January 2026)

STRATEGIC DEVELOPMENT COMMITTEE

Mr. Kwok Chi Po *(Chairman)*
(appointed on 20 January 2026)
Mr. Lau Ming Fai
Ms. Tsui Ngan Fun
Ms. Lin Huiqin
Mr. Chan Wai Fung
Mr. Wong Chi Wing Kinson *(Former Chairman)*
(resigned on 20 January 2026)

AUTHORISED REPRESENTATIVES

Ms. Tsui Ngan Fun
Mr. Tsang Ho Yin

ALTERNATE AUTHORISED REPRESENTATIVE

Mr. Chan Wai Fung

COMPANY SECRETARY

Mr. Tsang Ho Yin

LEGAL ADVISERS

as to Hong Kong law
Stevenson, Wong & Co.
Units 1801-08 & 1810
18/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

as to Cayman Islands and BVI law
Conyers Dill & Pearman
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building Central
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Corporate Information

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

33/F, Times Tower
391–407 Jaffe Road
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
P.O. Box 2681
Cricket Square, Hutchins Drive
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

DBS Bank (Hong Kong) Limited
11/F, the Center
99 Queen's Road Central
Hong Kong

COMPANY'S WEBSITE

www.1957.com.hk

STOCK CODE

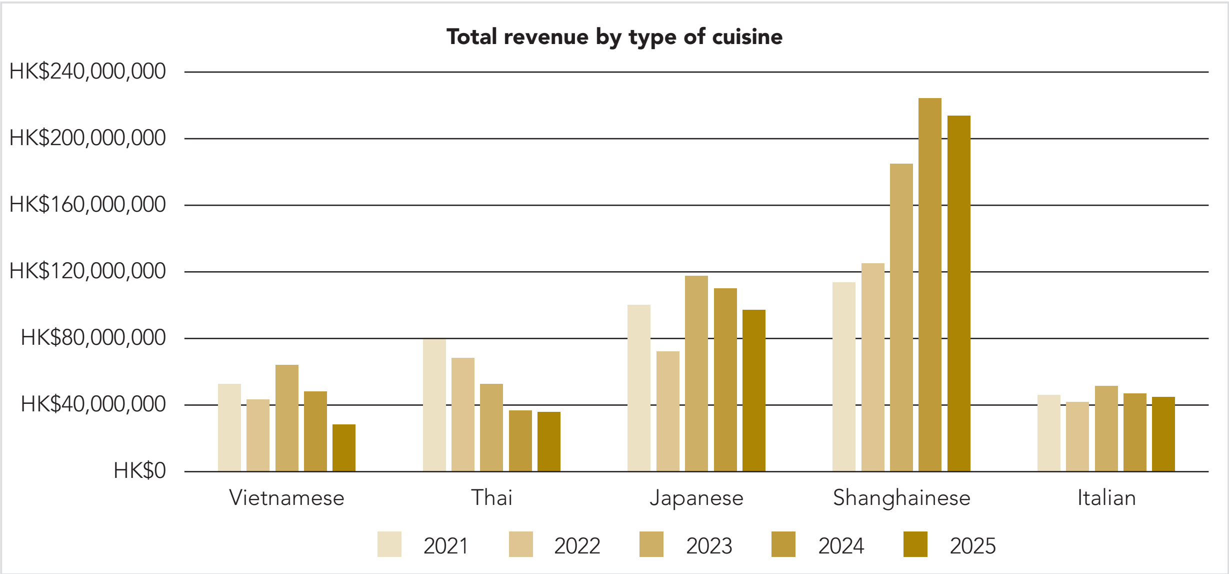
8495

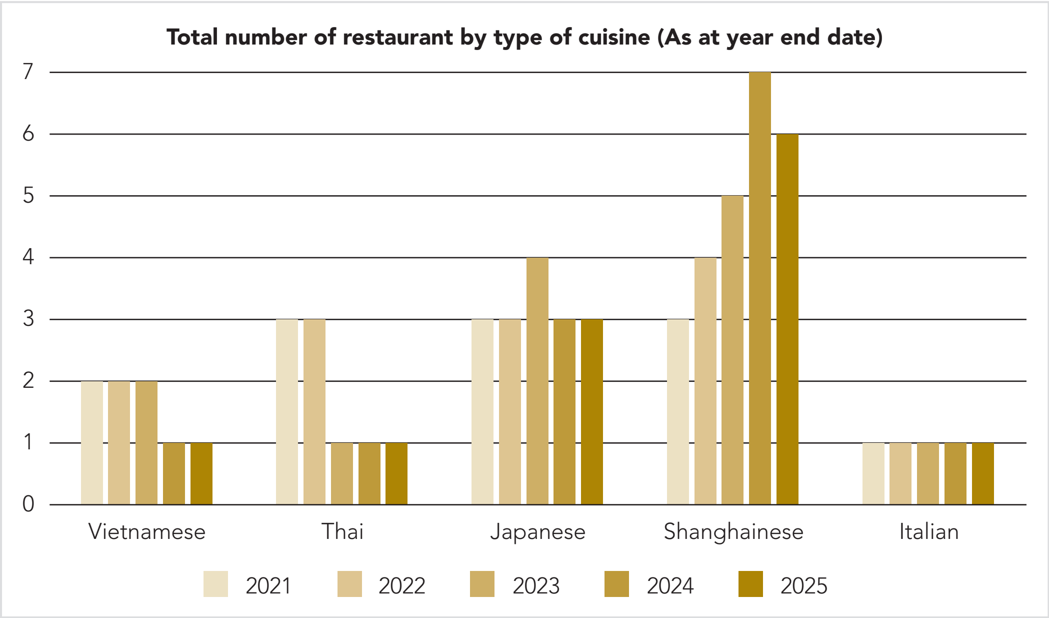
DATE OF LISTING

5 December 2017

Financial Highlights

	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000
Revenue	**435,151**	470,350	471,849	352,877	394,185
Profit/(loss) before tax, impairment loss on property, plant and equipment, impairment loss on trade receivables and government grants	**5,088**	4,976	2,891	(11,577)	24,012
Profit/(loss) before tax	**218**	2,831	(474)	4,371	22,737
Net (loss)/profit attributable to owners of the Company	**(1,008)**	(1,165)	(6,246)	(533)	13,165
Total assets	**249,857**	305,038	333,035	251,523	205,980
Total liabilities	**184,527**	234,194	261,691	175,742	133,113
Net assets	**65,330**	70,844	71,344	75,781	72,867





Chairman's Statement

Dear Shareholders,

On behalf of the board of Directors of the Company (the "**Board**"), I am pleased to announce the Group's annual results for the year ended 31 December 2025.

During the year ended 31 December 2025, the Group recorded loss after tax of approximately HK$1.5 million (2024: profit after tax of approximately HK$2.4 million) and an adjusted profit before income tax of approximately HK$5.1 million (2024: HK$4.9 million) before taking into account the effects of the government grants received, impairment loss on property, plant and equipment and right-of-use assets and impairment loss on trade receivables.

During 2025, Hong Kong's consumer behaviour continued to evolve, with local spending patterns undergoing further structural shifts and the continued rise of cross boundary "northbound consumption" exerting additional pressure on local businesses. To cope with these ongoing market changes, the Group will align its business development with three core strategic pillars:

(i) the restaurant operations;

(ii) the catering management, consultancy and sub-franchise services; and

(iii) the development and sale of food and beverage products through retail and online channels.

This strategic direction aims to enhance the Group's business resilience, diversify revenue streams, and support sustainable long-term development.

Currently, the Group's subsidiaries operate twelve restaurants in Hong Kong, comprising eight under the Group's own brands and four operated under franchise or sub-license arrangements. While maintaining a certain scale of wholly-owned restaurants, the Group is also directing resources toward the expansion of its catering management, consultancy and sub-franchise services offered to joint ventures and business partners. This includes the management of six restaurants, comprising two operated for the Group's joint venture and four operated for business partners in Hong Kong and Macau.

The Group will continue to uphold rigorous quality standards and place strong emphasis on customer satisfaction across all restaurants under the Group's management, to safeguard its brand reputation, deliver a superior dining experience, and drive sustainable customer loyalty across its entire restaurant portfolio. At the same time, the Group remains committed to enhancing operational efficiency by optimising supply chain processes, improving kitchen workflow, and adopting innovative cooking techniques. In addition, the Group is progressively incorporating technology into its operations, including the digitalisation of workflow management, the use of data analytics to support decision making, and the deployment of customer facing digital platforms to strengthen engagement. These initiatives enable the Group to maintain high product consistency and service quality while effectively managing costs, supporting sustainable profitability across its restaurant portfolio.

Also, the Group is actively developing a range of food and beverage products under both its existing restaurant brands and its self-developed brand. By expanding distribution through retail and online channels, the Group aims to broaden customer reach, strengthen market presence, and build a scalable business model conducive to long-term growth.

The Group will actively explore lateral expansion opportunities to strengthen its business ecosystem and capture new income streams. By broadening participation across the food and beverage value chain, the Group intends to create operational synergies, improve cost efficiency, and reinforce its ability to respond swiftly to emerging trends and evolving consumer demands across different market segments.

Chairman's Statement

Looking ahead, the Group will continue accelerating technology integration and efficiency enhancements, with the objectives of strengthening its position in the local market, actively pursuing growth opportunities in both Chinese mainland and overseas markets, and ultimately maximising long-term value for the shareholders of the Company (the "**Shareholders**"). Supported by a clear strategic direction, a solid financial foundation and a proven ability to adapt to market changes, the Group remains confident in the ongoing success of its business and its capability to capture new opportunities in a rapidly evolving operating environment.

On behalf of the Board, I would like to express my sincerest gratitude to our valued customers, business partners and the Shareholders for their persistent support, while also expressing my appreciation to the management team and employees for their valuable contribution to the development of the Group.

Kwok Chi Po
Chairman

Management Discussion and Analysis

The Group is a Hong Kong-based restaurant operation and management group offering a variety of specialty cuisines in restaurants designed by award-winning interior and lighting designers.

During the year ended 31 December 2025, the Group was principally engaged in operating full-service restaurants under various brands, dedicated to serving quality Japanese, Thai, Vietnamese, Shanghainese and Italian cuisines to a diverse customer base.

Building on its restaurant operations and brand portfolio, the Group also developed and sold a range of food and beverage products under both its existing restaurant brands and its self-developed brand. These products, including festive and ready-to-consume items such as mooncakes, turnip cakes and Poon Choi, were either manufactured for the Group by original equipment manufacturers (OEMs) or prepared in-house.

In addition, the Group also provided catering management and consultancy services in Hong Kong, Macau and the People's Republic of China (the "**PRC**").

BUSINESS REVIEW

During the year ended 31 December 2025, the Group closed the 10 Shanghai restaurant at Lee Garden Two in Causeway Bay upon the expiration of its lease. The restaurant was subsequently re-opened at Lee Garden Three in Causeway Bay through joint venture of the Group, and the 10 Shanghai brand continued to be operated by the Group. No significant renovation was carried out at any of the Group's restaurants during the year.

As at 31 December 2025, the Group had a total of twelve restaurants under five self-owned brands in Hong Kong, namely, Akanoshou, An Nam, Modern Shanghai, Modern Shanghai Imperial and 10 Shanghai and three franchised or sub-licensed brands, namely, Mango Tree, Gonpachi and Paper Moon.

During the year ended 31 December 2025, two tenancy agreements have been signed for the renewal of:

(a) an existing Italian cuisine restaurant (where our Paper Moon restaurant is located) at Harbour City in Tsim Sha Tsui, the expiry of lease had been extended from 15 June 2025 to 14 June 2027; and

(b) an existing Shanghainese cuisine restaurant (where our Modern Shanghai Imperial restaurant is located) at The Wai in Sha Tin, the expiry of lease had been extended from 13 April 2026 to 12 April 2029.

FINANCIAL REVIEW

Revenue

During the year ended 31 December 2025, approximately 98.5% of the Group's revenue was generated from the operation of restaurants and sales of merchandise in Hong Kong and approximately 1.5% of the Group's revenue was generated from catering management and consultancy services.

As at 31 December 2025, the Group's subsidiaries operated twelve (2024: thirteen) restaurants, of which none (2024: two) were newly opened and one (2024: two) was closed during the year.

The revenue decreased by approximately 7.5% from approximately HK$470.4 million for the year ended 31 December 2024 to approximately HK$435.2 million for the year ended 31 December 2025.

FINANCIAL REVIEW (CONTINUED)

Revenue (Continued)

The Group's restaurants served mainly five different cuisines during the year. The table below sets forth a breakdown of the Group's revenue generated by operation of restaurants by type of cuisine and as a percentage of total revenue generated by operation of restaurants for the years indicated:

	For the year ended 31 December			
	2025		2024	
	Revenue HK$'000	**% of total revenue from operation of restaurants approximately (%)**	Revenue HK$'000	% of total revenue from operation of restaurants approximately (%)
Shanghainese	**213,988**	**50.9**	220,452	47.7
Japanese	**97,301**	**23.1**	109,667	23.7
Vietnamese	**28,352**	**6.8**	48,195	10.4
Thai	**35,917**	**8.5**	36,901	8.0
Italian	**45,083**	**10.7**	47,180	10.2
Total revenue from operation of restaurants in Hong Kong	**420,641**	**100.0**	462,395	100.0

Shanghainese-style restaurants

The revenue generated from operation of Shanghainese-style restaurants decreased by approximately HK$6.5 million, or approximately 2.9%, from approximately HK$220.5 million for the year ended 31 December 2024 to approximately HK$214.0 million for the year ended 31 December 2025. The decrease in revenue was mainly due to the closure of 10 Shanghai restaurant in April 2025, which led to a significant reduction in sales. Although the two newly opened Modern Shanghai Imperial restaurants at The LOHAS in Tsueng Kwan O and V Walk in Sham Shui Po in 2024 contributed a full year of revenue in 2025 compared to only partial-year contributions in 2024, the incremental sales revenue were offset by the adverse impact of the closure, resulting in an overall decline in sales revenue.

Japanese-style restaurants

The revenue generated from operation of Japanese-style restaurants decreased by approximately HK$12.4 million, or approximately 11.3%, from approximately HK$109.7 million for the year ended 31 December 2024 to approximately HK$97.3 million for the year ended 31 December 2025. The decrease was mainly due to the closure of Hokkaidon restaurant at Cityplaza in Taikoo Shing upon expiration of the lease.

Vietnamese-style restaurants

The revenue generated from operation of Vietnamese-style restaurants decreased by approximately HK$19.8 million, or approximately 41.1%, from approximately HK$48.2 million for the year ended 31 December 2024 to approximately HK$28.4 million for the year ended 31 December 2025. The decrease was mainly due to the closure of An Nam restaurant at Festival Walk in Kowloon Tong in September 2024.

FINANCIAL REVIEW (CONTINUED)

Revenue (Continued)

Thai-style restaurant

The revenue generated from operation of Thai-style restaurant slightly decreased by approximately HK$1.0 million, or approximately 2.7%, from approximately HK$36.9 million for the year ended 31 December 2024 to approximately HK$35.9 million for the year ended 31 December 2025. The decrease was mainly due to the drop in sales of Mango Tree restaurant at Elements in Kowloon.

Italian-style restaurant

The revenue generated from operation of Italian-style restaurant decreased by approximately HK$2.1 million, or approximately 4.4%, from approximately HK$47.2 million for the year ended 31 December 2024 to approximately HK$45.1 million for the year ended 31 December 2025. The decrease was mainly due to the drop in sales of Paper Moon restaurant at Ocean Terminal in Tsim Sha Tsui.

Major components of consolidated income statement

	For the year ended 31 December			
	2025		2024	
	HK$'000	**% of revenue**	HK$'000	% of revenue
Cost of inventories sold	**110,440**	**25.4%**	119,664	25.4%
Employee benefit expenses	**157,913**	**36.3%**	171,462	36.5%
Depreciation and amortisation	**74,494**	**17.1%**	89,237	19.0%
Impairment loss on trade receivables	**1,883**	**0.4%**	–	0.0%
Impairment loss on property, plant and equipment and right-of-use assets	**3,246**	**0.7%**	2,145	0.5%
Rental expenses	**14,303**	**3.3%**	11,684	2.5%
Utilities	**13,243**	**3.0%**	13,309	2.8%
Finance costs, net	**6,906**	**1.6%**	8,486	1.8%

Cost of inventories sold

The cost of inventories consumed mainly represents the cost of food ingredients and beverages for the operation of the Group's restaurants. The major food ingredients purchased by the Group include, but not limited to, meat, seafood, frozen food, vegetables and beverages. Cost of inventories consumed is one of the major components of the Group's operating expenses which amounted to approximately HK$119.7 million and HK$110.4 million for the years ended 31 December 2024 and 2025, respectively, representing approximately 25.4% of the Group's total revenue for the corresponding years. The cost of inventories sold as a percentage of revenue remained stable, primarily due to the Group's close monitoring and effective control on cost.

Employee benefit expenses

Employee benefit expenses primarily consist of salaries, wages and allowances, pension costs and other employee benefits, and were one of the largest components of the operating expenses of the Group. The employee benefit expenses decreased from approximately HK$171.5 million for the year ended 31 December 2024 to approximately HK$157.9 million for the year ended 31 December 2025, representing a decrease of approximately 7.9%. The employee benefit expenses as a percentage of revenue slightly decreased by 0.2%, primarily due to technology-driven efficiencies and manpower optimisation.

FINANCIAL REVIEW (CONTINUED)

Depreciation and amortisation

The Group recorded depreciation and amortisation of approximately HK$89.2 million and HK$74.5 million for the years ended 31 December 2024 and 2025, respectively for its right-of-use assets, leasehold improvements, furniture and fixtures, catering services and other equipment, motor vehicle and intangible asset. The decrease in such expenses was mainly due to the closure of certain restaurants, partially offset by the incremental depreciation from the newly opened restaurant.

The depreciation charged on the right-of-use assets amounted to approximately HK$68.9 million and HK$57.0 million for the years ended 31 December 2024 and 2025, respectively. The depreciation of the right-of-use assets was charged on a straight-line basis over the lease term. The lease terms of the leased premises are generally between one to six years, with some lease agreements providing an option for the Group to renew such lease terms, exercisable at our discretion.

The depreciation charged for the leasehold improvements amounted to approximately HK$14.8 million and HK$12.3 million for the years ended 31 December 2024 and 2025, respectively. The depreciation of the leasehold improvements was charged on a straight-line basis over the shorter of five years or the remaining lease term.

Impairment loss on trade receivables

The Group recorded an impairment loss on trade receivables of approximately HK$1.9 million for the year ended 31 December 2025 (2024: nil). The impairment loss on trade receivables was recognised as the management of the Group assessed that the recoverability of trade receivables due from the Group's associated companies in the PRC was remote.

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

The Group recorded an impairment loss on property, plant and equipment and right-of-use assets of approximately HK$3.2 million for the year ended 31 December 2025 (2024: HK$2.1 million), where the management of the Group determined that the recoverable amounts of a cash generating unit was lower than its carrying amounts.

Rental expenses

The rental expenses, which mainly represent turnover rent, building management fee and government rates, for the year ended 31 December 2025 amounted to approximately HK$14.3 million, representing an increase of approximately 22.2% as compared with that for the year ended 31 December 2024 which amounted to approximately HK$11.7 million. The increase was driven by the increases in building management fees and other charges during the year ended 31 December 2025.

Utilities

Utilities primarily consist of electricity, gas and water supplies of the Group. For the years ended 31 December 2024 and 2025, the total utilities amounted to approximately HK$13.3 million and HK$13.2 million, respectively.

Income tax expense

The Group recorded income tax expense of approximately HK$1.8 million for the year ended 31 December 2025 (2024: HK$0.4 million). Such increase was mainly due to the write-down of deferred income tax assets following the cessation of business of certain subsidiaries.

(Loss)/profit for the year

The Group recorded a loss of approximately HK$1.5 million for the year ended 31 December 2025 as compared to a profit of approximately HK$2.4 million for the corresponding period in 2024.

FINANCIAL REVIEW (CONTINUED)

(Loss)/profit for the year (Continued)

The loss for the year was mainly attributable to:

(i) an increase in income tax expense as a result of the write-down of deferred income tax assets following the cessation of business of certain subsidiaries;

(ii) an increase in impairment loss on property, plant and equipment and right-of-use assets of a subsidiary; and

(iii) the recognition of an impairment loss on trade receivables due from the Group's associated companies in the PRC.

The Company will continue to closely monitor the performances of its restaurants, formulate adequate strategies and strike a balance between improving the financial performance of the restaurants and providing decent dining experiences at reasonable prices.

PRINCIPAL RISKS AND UNCERTAINTIES

The followings are the principal risks and uncertainties faced by the Group, which may materially and adversely affect its business, financial condition or results of operations:

1. During the year ended 31 December 2025, the Group generated 99.6% of our revenue in Hong Kong. If Hong Kong experiences any adverse economic condition due to events beyond our control, such as natural disasters, contagious disease outbreaks, terrorist attacks, a local economic downturn, mass civil disobedience movements or if the local authorities place additional restrictions or burdens on us or on our industry in general, our overall business and results of operations may be materially and adversely affected.

2. Cost of inventories sold, employee benefit expenses and depreciation contributed a majority of the Group's operating costs. The following factors are uncertain and may affect the cost control measures of the Group:

    a. The Group's business depends on reliable sources of large quantities of food ingredients such as vegetable and meat. The price of food ingredients may continue to rise or fluctuate.

    b. Minimum wage requirements in Hong Kong which will be reviewed and adjusted periodically.

    c. As at 31 December 2025, the Group leased all the properties for its restaurants operating in Hong Kong. Therefore, the Group is exposed to risks relating to the commercial real estate rental market, including unpredictable and potentially high occupancy costs.

LIQUIDITY AND FINANCIAL RESOURCES

Capital structure

There was no change in the capital structure of the Group during the year ended 31 December 2025.

Cash position

As at 31 December 2025, the cash and cash equivalents of the Group amounted to approximately HK$53.8 million (2024: HK$53.1 million), which were mainly denominated in Hong Kong dollars. The balance remained broadly stable compared to the prior year, reflecting a modest increase of approximately 1.3%.

LIQUIDITY AND FINANCIAL RESOURCES (CONTINUED)

Borrowings

As at 31 December 2025, the total bank borrowings of the Group, all of which were denominated in Hong Kong dollars, amounted to approximately HK$25.6 million (2024: HK$34.9 million) that bore floating interest rates from 2.5% to 6.9% per annum (2024: 3.8% to 7.6%) per annum. No financial instrument was being used for interest rate hedging purpose by the Group. Details of the maturity profile of the bank borrowings are set out in note 23 to the consolidated financial statements.

As at 31 December 2025, the total loans from non-controlling shareholders, which were denominated in Hong Kong dollars, amounted to approximately HK$2.9 million (2024: HK$4.6 million) that were interest-free and repayable when the respective restaurants have achieved net profit/net cash inflow.

Save as disclosed, the Group did not have other borrowings for the years ended 31 December 2025 and 2024.

Pledge

As at 31 December 2025, a total of HK$3.1 million pledged deposits provided by the Group were held at banks as securities for its bank borrowings (2024: HK$3.0 million).

Gearing ratio

As at 31 December 2025, the gearing ratio of the Group was approximately 43.7% (2024: 55.7%). The decrease was mainly attributable to the repayment of bank borrowings and loans from non-controlling shareholders during the year. The gearing ratio is calculated based on the total borrowings, which include bank borrowings and loans from non-controlling shareholders, divided by the total equity of the Company at the end of the respective period.

OPERATING LEASE COMMITMENTS

The Group was committed to making future minimum lease payments in respect of staff quarters under non-cancellable operating lease. The Group did not have any operating lease commitments not yet commenced as at 31 December 2025 (2024: nil).

MATERIAL ACQUISITIONS AND DISPOSALS

Disposal of Assets

In July 2025, an indirectly wholly-owned subsidiary of the Company entered into a business transfer agreement for the disposal of the restaurant business under the Akanoshou brand in Causeway Bay for a consideration of HK$5.6 million. The transaction did not proceed to completion by 31 December 2025, as the purchaser refused to complete notwithstanding the Company's view that all conditions precedent under the business transfer agreement had been fulfilled.

As at the date of this report, the Company continues to seek legal advice in respect of the purchaser's failure to complete the transaction and intends to take appropriate actions to protect its rights and interests under the business transfer agreement. Based on the current assessment of the Board, the purchaser's failure to complete the transaction is not expected to have any material adverse impact on the current operations or financial position of the Group.

For details, please refer to the announcements of the Company dated on 3 July 2025, 7 July 2025 and 9 January 2026.

MATERIAL ACQUISITIONS AND DISPOSALS (CONTINUED)

Possible Disposal of Interest in a Subsidiary

Reference is made to the announcement of the Company dated 28 August 2025.

In August 2025, an indirect wholly-owned subsidiary of the Company entered into a non-legally binding memorandum of understanding (the "**MOU**") with Scorching Dragon International Group Limited in relation to a possible disposal of 70% equity interest in another indirect wholly-owned subsidiary of the Company (the "**Possible Disposal**").

As at the date of this report, no formal agreement has been entered into within the exclusivity period prescribed in the MOU and the parties are still negotiating the Possible Disposal. No decision has yet been made by the Company as to whether the Possible Disposal will proceed.

Save as disclosed in this report, the Group did not have any material acquisition or disposal of subsidiaries, associates, joint ventures or assets during the year ended 31 December 2025.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had no significant contingent liabilities.

SIGNIFICANT INVESTMENTS HELD

During the year ended 31 December 2025, there was no significant investment made by the Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this report, the Group did not have any other plans for material investments or acquisition of material capital assets as at 31 December 2025. The Group will continue to closely monitor the industry and regularly review its business expansion plans to take necessary measures in the best interests of the Group and the Shareholders.

CAPITAL COMMITMENTS

As at 31 December 2025, the Group did not have any capital expenditure contracted for but not recognised as liabilities (2024: nil).

DIVIDEND

The Board did not recommend the payment of final dividend for the year ended 31 December 2025 (2024: nil).

FOREIGN EXCHANGE EXPOSURE

The Group operates in Hong Kong with majority of the transactions being settled in Hong Kong dollars. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the Group.

The transactions and monetary assets denominated in Renminbi ("**RMB**") are minimal for the years ended 31 December 2024 and 2025, the Group considers there were no significant foreign exchange risks in respect of RMB for both years.

FUNDING AND TREASURY POLICIES AND RISK MANAGEMENT

The Group finances its operation and capital expenditures through a combination of internal resources, bank borrowing and/or equity fund raising with an aim to maintain a healthy financial position and sustainable capital structure. The Group closely monitors its cash level, borrowing portfolio and market interest rates in order to arrive at an adequate borrowing portfolio. In view of the daily liquidity need of the catering business, the Group mainly maintains its cash and cash equivalents in saving and current accounts or short term fixed deposits. The Group also reviews, from time to time, the need of entering into hedging activities, while during the year ended 31 December 2025, no hedging financial instrument had been acquired or disposed of by the Group. As at 31 December 2025, the Group's credit risk is primarily attributable to trade receivables, pledged bank deposit and cash and cash equivalents.

The Group deposits its fixed deposits and cash and cash equivalents with approved and reputable banks. Bankruptcy or insolvency of the banks may cause the Group's right with respect to cash and cash equivalents held to be delayed or limited. Management monitors the credit rating of these banks on an ongoing basis, and considers that the Group's exposure to credit risk is minimal.

As at 31 December 2025, the Group has no significant concentrations of credit risk due to the customers' base being large and unrelated. For trade receivables, the management of the Group considers the credit risk on long aged balances and make adequate provision by assessing the expected credit loss rate for those amount. The Group seeks to maintain strict management and control over its outstanding receivables to minimise credit risk.

In relation to the management of liquidity risk, the Group's policy is to regularly monitor the liquidity requirements in order to maintain sufficient reserves of cash and adequate committed lines of funding from major banks to meet the liquidity requirements in short-term and long-term.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the total number of full-time and part-time employees of the Group was 490 (2024: 539). Total employee benefit expenses (including Directors' emoluments) were approximately HK$157.9 million for the year ended 31 December 2025 (2024: HK$171.5 million).

Employees' remuneration is commensurate with their job nature, qualifications and experience. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors.

The Group continues to offer competitive remuneration packages and bonus to eligible staff, based on the performance of the Group and the individual employee.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Share Option Scheme**") on 6 November 2017. As at the date of this report, no share option has been granted.

LITIGATIONS

As at 31 December 2025, the Group is not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is pending or threatened by or against any member of the Group.

EVENTS AFTER THE REPORTING PERIOD

As disclosed in the announcement of the Company dated 23 February 2026, the Group has renewed the tenancy agreement in relation to the Modern Shanghai restaurant at East Point City in Tseung Kwan O for a term of three years from 19 April 2026 to 18 April 2029.

EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

Save as disclosed in this report, the Board is not aware of any other significant event requiring disclosure that has taken place subsequent to 31 December 2025 and up to the date of this report.

PROSPECT

During 2025, Hong Kong's consumer behaviour continued to evolve, with local spending patterns undergoing further structural shifts and the continued rise of cross boundary "northbound consumption" exerting additional pressure on local businesses. To cope with these ongoing market changes, the Group will align its business development with three core strategic pillars:

(i) the restaurant operations;

(ii) the catering management, consultancy and sub-franchise services; and

(iii) the development and sale of food and beverage products through retail and online channels.

This strategic direction aims to enhance the Group's business resilience, diversify revenue streams, and support sustainable long-term development.

Currently, the Group's subsidiaries operate twelve restaurants in Hong Kong, comprising eight under the Group's own brands and four operated under franchise or sub-license arrangements. While maintaining a certain scale of wholly-owned restaurants, the Group is also directing resources toward the expansion of its catering management, consultancy and sub-franchise services offered to joint ventures and business partners. This includes the management of six restaurants, comprising two operated for the Group's joint venture and four operated for business partners in Hong Kong and Macau.

The Group will continue to uphold rigorous quality standards and place strong emphasis on customer satisfaction across all restaurants under the Group's management, to safeguard its brand reputation, deliver a superior dining experience, and drive sustainable customer loyalty across its entire restaurant portfolio. At the same time, the Group remains committed to enhancing operational efficiency by optimising supply chain processes, improving kitchen workflow, and adopting innovative cooking techniques. In addition, the Group is progressively incorporating technology into its operations, including the digitalisation of workflow management, the use of data analytics to support decision making, and the deployment of customer facing digital platforms to strengthen engagement. These initiatives enable the Group to maintain high product consistency and service quality while effectively managing costs, supporting sustainable profitability across its restaurant portfolio.

Also, the Group is actively developing a range of food and beverage products under both its existing restaurant brands and its self-developed brand. By expanding distribution through retail and online channels, the Group aims to broaden customer reach, strengthen market presence, and build a scalable business model conducive to long-term growth.

The Group will actively explore lateral expansion opportunities to strengthen its business ecosystem and capture new income streams. By broadening participation across the food and beverage value chain, the Group intends to create operational synergies, improve cost efficiency, and reinforce its ability to respond swiftly to emerging trends and evolving consumer demands across different market segments.

Looking ahead, the Group will continue accelerating technology integration and efficiency enhancements, with the objectives of strengthening its position in the local market, actively pursuing growth opportunities in both Chinese mainland and overseas markets, and ultimately maximising long-term value for the Shareholders. Supported by a clear strategic direction, a solid financial foundation and a proven ability to adapt to market changes, the Group remains confident in the ongoing success of its business and its capability to capture new opportunities in a rapidly evolving operating environment.

Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Kwok Chi Po (郭志波), aged 62, is one of our founders, our executive Director, the chairman of the Board (the "**Chairman**"), the chairman of the nomination committee, the chairman of the strategic development committee and a member of the remuneration committee. Mr. Kwok is primarily responsible for formulating corporate strategies, driving business development and overseeing the management of the Group.

Mr. Kwok has over 40 years of experience in the hospitality industry across Asia Pacific and the Middle East. During his career, he was involved in the development and management of a number of restaurant operations under various international brands and concepts.

Mr. Kwok began his career as an apprentice at the Hong Kong Cricket Club in 1980 and became a senior cook at the commissary kitchen of Hang Lung Properties in 1982. From 1984 to 1999, he worked with Hotel Properties Limited (Singapore) where he held various positions, including executive chef, regional chef and regional food and beverage director. From 1999 to 2004, he served as executive chef for Wafi Hospitality in Dubai. He subsequently joined the Landmark Group in Dubai as general manager of its food division from July 2006 to September 2009, and later served as general manager of the hospitality department, food and beverage division of United Development Company in Qatar from November 2009 to October 2010.

Mr. Lau Ming Fai (劉明輝), aged 53, is our executive Director, deputy chief executive officer, acting chief executive officer and a member of the strategic development committee. Mr. Lau joined our Group as chief operating officer in April 2014. He was appointed as an executive Director on 16 February 2017, a member of the strategic development committee on 18 November 2022, re-designated from the chief operating officer to the deputy chief executive officer and also serves as the acting chief executive officer since 1 November 2024. Mr. Lau is responsible for overseeing the Group's operations, including recruitment, business development and formulating operating strategies and policies. Mr. Lau is also a director of each of the other members of our Group except 1957 Food Supply Chain Company Limited and 1957 & Co. (Overseas) Limited.

Mr. Lau has over 20 years of experience in the hospitality, catering, food and beverage industries.

Mr. Lau obtained his postgraduate certificate in management in September 2002, postgraduate diploma in management in October 2003 and master of management in September 2004, each from the Macquarie University in Australia. He also attained a Level 3 Award in Hazard Analysis Critical Control Point (HACCP) in Catering by the Chartered Institute of Environmental Health, Australia in August 2012.

Ms. Tsui Ngan Fun (徐雁芬), aged 67, is our executive Director and a member of the strategic development committee. Ms. Tsui joined our Group in December 2022. Ms. Tsui is primarily responsible for supervising corporate management and development of our Group.

Ms. Tsui has over 40 years of experience in banking sector and joined M&F Capital Limited since 2020 as chief operating officer and is involved in investment and acquisition projects of the company to ensure smooth transition and overall co-ordination of the projects. Ms. Tsui worked for Citibank Group from 1978 to 2003 and she left the bank as a vice president and the operations department head of the Citicorp commercial finance operations department in Citibank. Ms. Tsui joined the DBS Bank in 2004 as head of Business Support, Enterprise Banking, Greater China and extended her role to Corporate and Investment Bank (CIB), Greater China in 2006. From 2008 to 2019, Ms. Tsui served as deputy chief executive officer and chief operating officer of DBS Bank (China) Limited.

EXECUTIVE DIRECTORS (CONTINUED)

Ms. Lin Huiqin (林慧芹), aged 32, is our executive Director and a member of the strategic development committee. Ms. Lin joined our Group in December 2022. Ms. Lin is primarily responsible for supervising corporate management and development of our Group. Ms. Lin is also a director of three of our subsidiaries, namely 1957 & Co. (Management) Limited, 1957 Food Supply Chain Company Limited and 1957 & Co. (Overseas) Limited.

Ms. Lin joined M&F International Development Company Limited since 2022 as business development manager and is involved in promoting the company's products and services to customers, building long-term relationship with existing and new customers, and helping the company develop the mainland China market. Ms. Lin also serves as a director in AGW Facility Management Co. Limited since October 2023. Prior to that, Ms. Lin was an assistant general manager in a technology company from 2017 to 2021 and a finance assistant in a retail company from 2015 to 2017.

Ms. Lin obtained a Master of Business Administration from Hong Kong Metropolitan University in 2022.

NON-EXECUTIVE DIRECTOR

Mr. Chan Wai Fung (陳偉峰), aged 40, is our non-executive Director and a member of the strategic development committee. Mr. Chan was appointed as a non-executive Director on 19 August 2022.

Mr. Chan has extensive experience in the areas of business management, financial market, corporate governance and corporate finance. Mr. Chan served as an executive director and chief executive officer of Zhong Jia Guo Xin Holdings Company Limited (stock code: 899) from March 2025 to February 2026. Mr. Chan served as the responsible officer and vice president in Silverbricks Securities Company Limited from February 2022 to March 2025 and from July 2020 to January 2022 respectively. Mr. Chan was a co-founder and director of Draco Capital Limited from October 2018 to June 2020. Mr. Chan held various positions in Haitong International Securities Group Limited starting from November 2010 to October 2018 with his last position as the vice president. Mr. Chan worked at Chief Securities Group Limited from May 2008 to August 2010 as dealing officer.

Mr. Chan received his Bachelor of Social Science degree in Economics from the Chinese University of Hong Kong in 2007 and his Master of Business Administration from the Shanghai University of Finance and Economics in 2016. Mr. Chan has been awarded the qualification of a certified Financial Risk Manager (FRM) in 2010, Chartered Financial Analyst (CFA) in 2012 and Chartered Surveyor (MRICS) in 2023. Mr. Chan is a fellow member of Chartered Institute of Management Accountants (CIMA), a Chartered Global Management Accountant (CGMA) and a member of CPA Australia.

Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yim Hong Cheuk Foster (嚴康焯), aged 47, is our independent non-executive Director, the chairman of the remuneration committee, a member of the audit committee and a member of the nomination committee. Mr. Yim was appointed as an independent non-executive Director on 19 August 2022.

Mr. Yim has over eight years of experience in public service, professional and education institutions. Mr. Yim is currently the chairman of the Appeal Tribunal Panel established under section 45 of the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong), a member of the Mental Health Review Tribunal of the Mental Health Ordinance (Chapter 136 of the Laws of Hong Kong), the legal consultant of the Junior Police Officers' Association of the Hong Kong Police Force, the honourary legal consultant of the H.K.S.A.R. Government Traffic Wardens General Union and the vice president of Legal Profession Advancement Association Limited. Additionally, Mr. Yim is a director of Hong Kong Securities and Investment Institute, a director of Hong Kong Education City Limited and Hong Kong Academy for Gifted Education, a member of the Advisory Committee of the Master Programmes offered by the School of Translation of The Hang Seng University of Hong Kong, a member of the Advisory Board of the Chinese University of Hong Kong's Co-operative Education Programme, a director of the Lingnan Education Organisation, a member of the Advisory Board for the Master of Science in International Banking and Finance Program of Lingnan University and a member of the Council of Lingnan University.

Mr. Yim has held the directorships in the following company listed on the Stock Exchange in the past three years:

Company Name	Listing on the Stock Exchange	Stock code	Period	Role(s)
Yincheng International Holding Co., Limited	Main Board	1902	From June 2022 to March 2025	Independent non-executive director

Mr. Yim received his Bachelor of Arts in Translation at Lingnan University in November 2002, the Master of Arts in Philosophy at the University of Nottingham, UK, in December 2003 and Master of Science in Marketing at the Chinese University of Hong Kong in December 2006. He was then admitted to the J.D. degree at the Chinese University of Hong Kong in December 2009 and obtained the Postgraduate Certificate in Laws from the same university in July 2010. Mr. Yim was admitted and enrolled as a barrister of the High Court of Hong Kong in June 2011, and is currently a counsel at Liberty Chambers with over 10 years of experience in the legal profession. Mr. Yim is a fellow of Hong Kong Institute of Arbitrators and a senior fellow of Hong Kong Securities and Investment Institute. He is also in the panel of arbitrators for the Shenzhen Court of International Arbitration (SCIA) and South China International Arbitration Center (Hong Kong) (SCIA(HK)).

INDEPENDENT NON-EXECUTIVE DIRECTORS (CONTINUED)

Mr. Huen, Felix Ting Cheung (禤廷彰), aged 40, is our independent non-executive Director, the chairman of the audit committee and a member of the remuneration committee. Mr. Huen was appointed as an independent non-executive Director on 19 August 2022.

Mr. Huen is a licensed person registered under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") to carry out Type 6 (advising on corporate finance) regulated activity. Mr. Huen has extensive experience in the areas of accounting and corporate finance. Mr. Huen is currently the director and responsible officer of Diligent Capital Limited, a licensed corporation registered under the SFO to carry out Type 6 (advising on corporate finance) regulated activity.

Mr. Huen has held the following directorship of the following company listed on the Stock Exchange in the past three years:

Company Name	Listing on the Stock Exchange	Stock code	Period	Role
Harbour Equine Holdings Limited	GEM	8377	Since January 2026	Independent non-executive director

Mr. Huen has also held the following position of the following companies listed on the Stock Exchange in the past three years:

Company Name	Listing on the Stock Exchange	Stock code	Period	Role(s)
Orient Securities International Holdings Limited	GEM (delisted in November 2025)	8001	From November 2021 to November 2025	Company secretary
Oriental Payment Group Holdings Limited	GEM	8613	From March 2022 to June 2025	Company secretary (note)

Note: Mr. Huen served as joint company secretary from March 2022 to July 2024, and as company secretary from August 2024 to June 2025.

Mr. Huen obtained a bachelor's degree in arts (Accounting) from Edinburgh Napier University in United Kingdom in January 2010 and is a member of the Hong Kong Institute of Certified Public Accountants.

INDEPENDENT NON-EXECUTIVE DIRECTORS (CONTINUED)

Ms. Lung Pui Ying Amy (龍佩英), aged 67, is our independent non-executive Director, a member of the audit committee and a member of the nomination committee. Ms. Lung was appointed as an independent non-executive Director on 31 August 2024.

Ms. Lung is one of the board members of Give2Asia Foundation Limited, a Hong Kong-based charitable institution with an objective to strengthen communities throughout Asia by making cross-border giving easier and more effective. Ms. Lung is also a board member of the CityU Enterprises Limited and a court member of The Hong Kong Polytechnic University.

Ms. Lung has over 30 years of global management experience in telecommunications and digital services. Ms. Lung joined Hutchison Telecommunications Hong Kong Holdings Limited (stock code: 215) and its affiliates (collectively, the "**Hutchison Telecom Group**") since 2001. Prior to her retirement in 2019, she worked at Hutchison Telecommunications Group Holdings Limited, where her last position was a director of global device, service development and programme management. Before joining the Hutchison Telecom Group, Ms. Lung held various management positions at a number of mobile communications operators in Hong Kong, dealing with local and international projects. Ms. Lung holds a Master's degree in Business Administration from Newport University.

SENIOR MANAGEMENT

Mr. Wong Wing Tak Hugo (黃永德), aged 33, is the chief financial officer of the Company. Mr. Wong was appointed as our chief financial officer on 5 June 2023. He is primarily responsible for overseeing the financial management of our Group.

Mr. Wong has over 8 years of experience in accounting, auditing and business advisory work. Prior to joining the Company, Mr. Wong worked as assurance manager in PricewaterhouseCoopers and supervised a team of subordinates to provide assurance service for over 20 listed and private companies in Hong Kong and various initial public offering projects.

Mr. Wong was graduated from University of East Anglia in United Kingdom in June 2014 with a Bachelor's Degree in Accounting and Finance. He is a member of the Hong Kong Institute of Certified Public Accountants.

COMPANY SECRETARY

Mr. Tsang Ho Yin (曾浩賢), was appointed as the joint company secretary of the Company on 19 August 2022 and has served as the company secretary of the Company since 5 June 2023. Mr. Tsang is currently a partner of both Stevenson, Wong & Co. and AllBright Law (Hong Kong) Offices LLP, specialising in corporate finance and commercial law. Mr. Tsang has extensive experience in corporate and business affairs, including pre-listing reorganisations and investments, initial public offerings, merger and acquisitions, loan and financing transactions, investments in China, corporate governance and general compliance affairs of listed companies and private enterprises.

Mr. Tsang obtained a bachelor's degree in laws and a bachelor's degree in commerce in 2008 and subsequently a master's degree in laws in 2010 from the University of Melbourne, Australia. He also obtained the postgraduate certificate in laws from the City University of Hong Kong in 2011.

Mr. Tsang was admitted as a solicitor in Australia in 2012 and in Hong Kong in 2013 respectively.

COMPANY SECRETARY (CONTINUED)

Mr. Tsang has held the directorships in the following companies listed on the Stock Exchange in the past three years:

Company Name	Listing on the Stock Exchange	Stock code	Period	Role(s)
China Regenerative Medicine International Limited	GEM	8158	From January 2020 to August 2024	Non-executive director
CROSSTEC Group Holdings Limited	Main Board	3893	From September 2021 to January 2023	Independent non-executive director
			From January 2023 to December 2024	Non-executive director
Sterling Group Holdings Limited	Main Board	1825	From September 2021 to June 2024	Independent non-executive director
Zijing International Financial Holdings Limited	GEM	8340	From August 2023 to November 2024	Independent non-executive director
Skymission Group Holdings Limited	Main Board	1429	From September 2023 to November 2024	Independent non-executive director

Mr. Tsang has also held the following position of the following companies listed on the Stock Exchange in the past three years:

Company Name	Listing on the Stock Exchange	Stock code	Period	Role(s)
Mabpharm Limited	Main Board	2181	Since May 2019	Joint company secretary and authorised representative
Sunshine 100 China Holdings Limited	Main Board	2608	From November 2019 to September 2024	Company secretary and authorised representative
Sundy Service Group Co. Ltd	Main Board	9608	Since January 2021	Joint company secretary and authorised representative

Report of Directors

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company principally operates full-service restaurants under our self-owned brands and franchised/sub-licensed brands in Hong Kong. We also provide restaurant pre-opening and management consultancy services in Hong Kong, Macau and the PRC. Analysis of the principal activities of the Group during the year ended 31 December 2025 is set out in Note 1 to the consolidated financial statements.

BUSINESS REVIEW

Details of business review are set out in the section headed "Management Discussion and Analysis" on page 7 of this report. An analysis using financial key performance indicators can be found in the "Management Discussion and Analysis" on pages 7 to 11 of this report.

SEGMENT INFORMATION

The Company is an investment holding company and its subsidiaries are principally engaged in operation of restaurants and catering management and consultancy services. Information reported to the chief operating decision-maker for the purpose of resources allocation and performance assessment focuses on the operation results of the Group as a whole as the Group's resources are integrated.

The Group's revenue is mainly derived from customers in Hong Kong. The principal assets of the Group were also located in Hong Kong. Accordingly, no analysis by geographical segment is provided.

RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated income statement and the consolidated statement of comprehensive income on pages 109 to 110 of this report.

FINAL DIVIDEND

The Board did not recommend the payment of final dividend for the year ended 31 December 2025 (2024: nil).

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last five financial years is set out on page 4 of this report. This summary does not form part of the audited consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

Major customers

Due to the nature of our business, the majority of our customers consist of retail customers from the general public. As such, our Directors consider that it is not practicable to identify the five largest customers of our Group for the year ended 31 December 2025 and we did not rely on any single customer during the year. For instance, none of our customers accounted for 5% or more of our revenue for the year ended 31 December 2025.

Major Suppliers

For the year ended 31 December 2025, the Group's five largest suppliers accounted for 35.8% (2024: 31.9%) of the Group's total purchases and our single largest supplier accounted for 10.7% (2024: 9.9%) of the Group's total purchases.

During the year ended 31 December 2025, none of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the number of issued shares of the Company) had any interest in the Group's five largest suppliers as identified above.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group during the year ended 31 December 2025 are set out in note 13(a) to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2025 are set out in note 20 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2025 are set out in the consolidated statement of changes in equity on page 113 of this report.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's reserves available for distribution amounted to approximately HK$59.7 million (2024: HK$60.7 million) as calculated based on the Company's share premium less accumulated losses.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 December 2025 are set out in notes 23 and 28(b) to the consolidated financial statements.

Report of Directors

DIRECTORS

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

Executive Directors

Mr. Kwok Chi Po *(Chairman)* (appointed on 20 January 2026)
Mr. Lau Ming Fai *(Deputy Chief Executive Officer)*
Ms. Tsui Ngan Fun
Ms. Lin Huiqin
Mr. Wong Chi Wing Kinson *(Former Chairman)* (resigned on 20 January 2026)

Non-executive Director

Mr. Chan Wai Fung

Independent Non-executive Directors

Mr. Yim Hong Cheuk Foster
Mr. Huen, Felix Ting Cheung
Ms. Lung Pui Ying Amy

In accordance with article 83(3) of the articles of association of the Company (the "**Articles of Association**"), any Director appointed by the Board to either fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Accordingly, Mr. Kwok Chi Po will hold the office until the forthcoming annual general meeting of the Company to be held on 29 May 2026 (the "**AGM**") and he, being eligible, will offer himself for re-election at the AGM.

In accordance with article 84 of the Articles of Association, one-third of the Directors for the time being shall retire from office by rotation and will be eligible for re-election and re-appointment at every annual general meeting, provided that (1) every Director shall be subject to retirement at an annual general meeting at least once every three years and (2) any Director appointed by the Board pursuant to article 83(3) of the Articles of Association shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

Accordingly, Mr. Lau Ming Fai, Mr. Chan Wai Fung and Mr. Huen, Felix Ting Cheung shall hold office until the AGM. All of the above retiring Directors, being eligible, will offer themselves for re-election at the AGM.

Details of the Directors to be re-elected at the AGM are set out in the circular to the Shareholders dated 22 April 2026.

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out on pages 16 to 20 of this report.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

Upon specific enquiry by the Company, save as disclosed in the sections headed "Corporate Information" and "Directors and Senior Management" in this report, since the Company's last published interim report and up to the date of this report as set out below, there was no change in the information of the Directors required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 17.50(2) of the GEM Listing Rules.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent during the year and remain so as of the date of this report.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

One executive Director has entered into a service contract with the Company for a term of three years commencing from 5 December 2017 (the "**Listing Date**"), which was supplemented by a supplemental service contract dated 1 November 2024 in relation to his position as the deputy chief executive officer. The service contract may be renewed upon mutual agreement between the parties.

Two executive Directors were appointed on 19 December 2022, each of whom has entered into a service contract with the Company for a term of three years commencing from their respective dates of appointment. Each contract may be renewed upon mutual agreement of the parties.

One executive Director was appointed on 20 January 2026 and has entered into a service contract with the Company for a term of three years commencing from the date of appointment, which may be renewed upon mutual agreement of the parties.

The non-executive Director and two independent non-executive Directors were appointed on 19 August 2022, and each of them has entered into a letter of appointment with the Company for a term of three years commencing from their respective dates of appointment. Each letter may be renewed upon mutual agreement of the parties.

One independent non-executive Director was appointed on 31 August 2024 and has entered into a letter of appointment with the Company for a term of three years commencing from the date of appointment, which may be renewed upon mutual agreement of the parties.

None of the Directors has any service contract or letter of appointment with the Group that is not determinable within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as those interests set out in note 29 to the consolidated financial statements, no other Directors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party during the year and up to the date of this report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year and up to the date of this report.

EMPLOYEES AND REMUNERATION POLICY

A remuneration committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

Details of the emoluments of the Director and five highest paid individuals of the Group during the year ended 31 December 2025 are set out in notes 10 and 29 to the consolidated financial statements.

As at 31 December 2025, the Group had 441 full-time and 98 part-time employees. The Directors and senior management receive compensation in the form of salaries, benefits in kind and discretionary bonuses determined based on the relevant Director's or staff's duties, responsibilities, experience and skills. The Company also reimburses them for expenses which are necessarily and reasonably incurred for the provision of services to the Group or executing their functions in relation to the operations of the Group. In order to retain quality employees, the Group offers competitive remuneration and incentive schemes. We have also operated a staff bonus scheme and contributed to such scheme since December 2014. The Company regularly reviews and determines the remuneration and compensation package of the Directors and senior management, by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Directors and the performance of the Group.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

The Group joined the Mandatory Provident Fund Scheme (the "**MPF Scheme**") for all of its employees employed under the Hong Kong Employment Ordinance. The MPF Scheme is registered with the Mandatory Provident Fund Authority under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Currently, the Group and its employees are each required to make contributions to the MPF Scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000.

The retirement benefit scheme cost charged to the consolidated income statement represents contributions payable by the Group to the funds and is expensed as incurred. During the year, the retirement benefit scheme contributions borne by the Group amounted to HK$6,592,000 (2024: HK$6,933,000). No forfeited contribution for the Group is available to reduce the contribution payable in the future years. Contributions to the scheme vest immediately.

The Group has also adopted other employee benefit including a provident fund scheme for its employees in Hong Kong, as required under the Mandatory Provident Fund Schemes Ordinance. Details of such scheme are set out in note 10 to the consolidated financial statements.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and 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 pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Name	Capacity/Nature of Interest	Number of Shares	Long/Short Position	Approximate Percentage of Shareholding in the Company
Wong Chi Wing Kinson ("**Mr. Wong**")	Interest in controlled corporation (Note)	72,000	Long	0.02%

Note: 72,000 shares were held by Win Prosper Investments Limited ("**Win Prosper**") a company wholly and beneficially owned by Mr. Wong. Accordingly, Mr. Wong was deemed to be interested in all the shares held by Win Prosper pursuant to the SFO. Mr. Wong ceased to be an executive Director with effect from 20 January 2026.

Save as disclosed above, as at 31 December 2025, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, at no time during the year was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange 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 pursuant to section 336 of the SFO:

Name	Capacity/Nature of Interest	Number of Shares	Long/Short Position	Approximate Percentage of Shareholding in the Company
Real Hero Ventures Limited ("**Real Hero**")	Beneficial owner (Note 1)	274,350,000	Long	71.45%
Cai Weike ("**Mr. Cai**")	Interest in controlled corporation (Note 1)	274,350,000	Long	71.45%
Zhang Meiyun ("**Ms. Zhang**")	Interest of spouse (Note 2)	274,350,000	Long	71.45%

Notes:

(1) Real Hero is an investment holding company incorporated in the British Virgin Islands, which is wholly and beneficially owned by Mr. Cai. Accordingly, Mr. Cai was deemed to be interested in all the shares held by Real Hero by virtue of the SFO.

(2) Ms. Zhang is the spouse of Mr. Cai and was deemed to be interested in all the shares Mr. Cai was interested in by virtue of the SFO.

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company or the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

SHARE OPTION SCHEME

The Share Option Scheme was approved by the Shareholders on 6 November 2017 for the purpose of enabling the Group to grant options to selected participants as incentives or rewards for their contribution to our Group. The Directors consider the Share Option Scheme, with its broadened basis of participation, will enable our Group to reward the employees, the Directors and other selected participants for their contributions to our Group.

The Share Option Scheme will be valid and effective for a period as the Board may determine which shall not exceed ten years from the date of grant.

The aggregate number of shares of the Company which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the shares of the Company in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Company if this will result in the limit being exceeded.

SHARE OPTION SCHEME (CONTINUED)

The total number of shares of the Company which may be issued upon the exercise of all share options to be granted under the Share Option Scheme and other share option schemes must not, in aggregate, exceed 10% of the shares of the Company in issue as at the Listing Date (the "**Scheme Mandate Limit**") provided that options lapsed in accordance with the terms of the Share Option Scheme or other share option schemes will not be counted for the purpose of calculating the Scheme Mandate Limit.

As at 31 December 2025, the total number of shares of the Company in respect of which share options may be granted under the Share Option Scheme shall not exceed 32,000,000 ordinary shares, being 10% of the total number of ordinary shares of the Company in issue as at the Listing Date and approximately 8.33% of the number of shares of the Company in issue (excluding treasury shares) as at the date of this report. The total number of shares issued and which may fall to be issued upon the exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of our Company for the time being. The number of share options available for grant under the Scheme Mandate Limit at the beginning and the end of the financial year ended 31 December 2025 was 32,000,000 ordinary shares.

Eligible persons under the Share Option Scheme include (a) any employee (whether full-time or part-time including any executive director but excluding any non-executive director) of our Company, any of our subsidiaries or any entity (the "**Invested Entity**") in which any member of the Group holds an equity interest; (b) any non-executive directors (including independent non-executive directors) of our Company, any of our subsidiaries or any Invested Entity; (c) any supplier of goods or services to any member of the Group or any Invested Entity; (d) any customer of any member of the Group or any Invested Entity; (e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; (g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and (h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence from the date of the offer for the grant of options is made, but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer for the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised. Despite the terms of the Share Option Scheme, any grant of the options by the Company will comply with the GEM Listing Rules as amended from time to time.

A nominal consideration of HK$1 is payable by the grantee on acceptance of the grant of an option. The option may be exercised in whole or in part by the grantee giving notice in writing to the Company in such form as the Board may from time to time determine stating that the option is thereby exercised and the number of shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate subscription price of the shares in respect of which the notice is given together with the reasonable administration fee specified by the Company from time to time. Within 28 days after receipt of the notice and the remittance, the Company shall allot and issue the relevant shares, credited as fully paid, and a share certificate for the relevant shares so allotted to the grantee.

SHARE OPTION SCHEME (CONTINUED)

The subscription price for the shares of the Company under the Share Option Scheme shall be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the shares on the date of the offer for the grant, which must be a business day; (ii) the average closing price of shares of the Company as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of the offer for the grant; and (iii) the nominal value of a share of the Company.

The Share Option Scheme remains in force for a period of ten years commencing on 6 November 2017. For more details, please refer to the section headed "Statutory and General Information — Share Option Scheme" in Appendix IV of the Prospectus. The remaining life of the Share Option Scheme is approximately 1 year and 8 months.

Up to 31 December 2025, no share option has been granted under the Share Option Scheme.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme as set out in this report, no equity-linked agreement that would or might result in the Company issuing shares, or that requiring the Company to enter into an agreement that would or might result in the Company issuing shares, was entered into by the Company during the year or subsisted at the end of the year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities, including sale of treasury shares (as defined under the GEM Listing Rules), if any.

The Company did not hold any treasury shares as at 31 December 2025 and up to the date of this report.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the relevant laws of the Cayman Islands that would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

TAX RELIEF

The Company is not aware of any relief from taxation available to Shareholders by reason of their holdings in the shares.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year ended 31 December 2025, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

CONNECTED TRANSACTION

Connected relationship

In 2017, the Group entered into two joint venture agreements with, among others, two indirectly wholly-owned subsidiaries of Hysan Development Company Limited ("**Hysan**") for the establishment of two joint venture companies to open and operate two restaurants offering Japanese and Shanghainese cuisines at Lee Garden Two, Causeway Bay. The two joint venture companies were incorporated and remain subsidiaries of the Company, with 29% of the equity interest in each held by Hysan through its relevant indirectly wholly-owned subsidiary. Although the restaurants operated by these joint venture companies have ceased operation, the joint venture companies have not been dissolved. As such, Hysan and its subsidiaries (the "**Hysan Group**"), including the landlord and licensor under the existing connected lease and licence agreement, continue to be connected persons of the Company at the subsidiary level.

Connected transaction and connected lease and licence agreement

References are made to the announcements of the Company dated 9 September 2022 and 1 March 2023 and the circular of the Company dated 29 September 2022.

On 29 August 2022, the landlord of certain premises in Lee Garden One, leased and licensed by a wholly-owned subsidiary of the Company, as tenant, for operating Gonpachi Restaurant and An Nam Restaurant (the "**Lee Garden One Lease**"), served a written notice to the Group to early terminate the Lee Garden One Lease on 31 January 2023, due to its plan to carry out renovation works at Lee Garden One.

Subsequently, on 9 September 2022, a wholly-owned subsidiary of the Company, Gonpachi Restaurant Limited, as tenant, signed the lease and licence agreements with a group company of the Hysan Group, as landlord, to lease/license certain premises in Lee Garden Two for the relocation of our Gonpachi Restaurant and An Nam Restaurant. Pursuant to the lease and licence agreements, the term will be from 8 October 2022 to 31 January 2029 (the "**Lee Garden Two Lease**").

The Group had operated two restaurants offering Japanese and Shanghainese cuisines at Lee Garden Two through two joint venture companies established with the Hysan Group. These two joint venture companies are subsidiaries of the Company and each is owned as to 29% by the Hysan Group. Although the two restaurants have ceased operation, the two joint venture companies have not been dissolved and remain subsidiaries of the Company. Accordingly, the Hysan Group, including the landlord, remains a connected person of the Company at the subsidiary level, and the recognition of right-of-use assets by the Group under the above leases in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") 16 constitutes connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

CONNECTED TRANSACTION (CONTINUED)

Summary of terms for the Lee Garden Two Lease

Agreement Date	:	9 September 2022 (Note)
Parties		
— Tenant/Licensee	:	Gonpachi Restaurant Limited, a wholly-owned subsidiary of the Company
— Landlord/Licensor	:	Barrowgate Limited, a wholly-owned subsidiary of Hysan
Location	:	*in respect of the lease agreement:* Shop Nos. 301–306 and 307–308 & 311 on the Third Floor of Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong *in respect of the licence agreement for Roof Garden No. 1:* All that Roof Garden No. 1 on the Third Floor of Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong *in respect of the licence agreement for Shop No. 310:* Shop No. 310 on the Third Floor, Lee Garden Two of 28 Yun Ping Road, Causeway Bay, Hong Kong
Term of lease/licence	:	approximately six years and four months, from 8 October 2022 to 31 January 2029 (both days inclusive)
Monthly rent/licence fee and other charges (exclusive of other outgoings)	:	— a fixed basic rent — turnover rent of a fixed percentage of monthly gross sales exceeding basic rent set out above — fixed operating charges, promotional levy and rates (other charges include extra operating charges of air-conditioning and/or chilled water as requested beyond the standard provision) — a fixed license fee inclusive of operating charges and promotional levy
Total consideration less fitting out subsidy	:	approximately HK$59.0 million

Note: The date represented the date when the Group signed the Lee Garden Two Lease for six years and four months from 8 October 2022 to 31 January 2029. The lease and licence agreements were executed by the landlord on 27 January 2023 and 9 February 2023 respectively.

Reasons for and benefit of the Lee Garden Two Lease

Since the landlord of the Lee Garden One Lease served a written notice to the Group to early terminate the Lee Garden One Lease on 31 January 2023, due to its plan to carry out renovation works at Lee Garden One, the Group had to identify appropriate locations for the relocation and considered that the premises to be an appropriate location taking into account factors such as the area of premises, its proximity to current location of the two restaurants, the environment and terms of the lease, etc.

Given that the term of the Lee Garden Two Lease commenced on 8 October 2022, the Group expected to have sufficient time to complete the fitting out works for the relocation prior to the termination of the Lee Garden One Lease. The Group planned to operate An Nam Restaurant and Gonpachi Restaurant in its current locations until 31 January 2023, and the relocation was expected to take place in early February 2023. Such relocation did not cause material disruption to the Group's business operations or financial conditions. The Board believes that, taking into account the historical performance of Gonpachi Restaurant and An Nam Restaurant, entering into of the Lee Garden Two Lease would have a positive impact on the future development of the Company.

FULLY EXEMPTED CONTINUING CONNECTED TRANSACTIONS

References are made to the announcements of the Company dated 30 August 2022 and 28 October 2022 in relation to the lease arrangement for premises in Lee Garden Two for the operation of the Group's restaurant under the 10 Shanghai brand (the "**10-Shanghai Lease**").

In relation to the 10-Shanghai Lease, the lease term had previously been extended from 1 October 2024 to 28 February 2025 under a tenancy agreement entered into in 2024. During the year ended 31 December 2025, a further tenancy agreement was entered into to extend the lease term from 1 March 2025 to 17 April 2025. The restaurant operated under the 10 Shanghai brand ceased operation thereafter.

As the applicable percentage ratios for the annual caps under each renewal of the 10-Shanghai Lease are less than 5% and the amounts involved are less than HK$3,000,000, these transactions fall within the exemption under Rule 20.74(1) of the GEM Listing Rules. Accordingly, these transactions are fully exempted from the independent Shareholders' approval, annual review and all disclosure requirements under Chapter 20 of the GEM Listing Rules.

NON-FULLY EXEMPTED CONTINUING CONNECTED TRANSACTION

During the year ended 31 December 2025, the Company also entered into a continuing connected transaction with a connected person (as defined under the GEM Listing Rules) which was not fully-exempted from reporting, announcement, independent Shareholders' approval and annual review requirements under Chapter 20 of the GEM Listing Rules (the "**Non-fully Exempted Continuing Connected Transaction**"), details of which are set out below. The independent non-executive Directors have reviewed this transaction and confirmed that the continuing connected transaction has been entered into:

(a) in the ordinary and usual course of business of the Group;

(b) on normal commercial terms or better; and

(c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Non-fully Exempted Continuing Connected Transaction with the Group was as follows:

Lease and licence of premises from substantial shareholder of our subsidiaries

We have entered into one lease and one licence agreement with the Hysan Group in respect of the lease of the premises and the licence of the licensed area by the Hysan Group to our Group for our restaurant operations (the "**Connected Lease and Licence Agreements**"). The premises and licensed area are located in Lee Garden Two, which is a shopping mall in Causeway Bay.

The Connected Lease and Licence Agreements were entered into by our Group in the ordinary course of business after having considered, among others things, the location of the premises and licensed area and the terms offered by the Hysan Group.

NON-FULLY EXEMPTED CONTINUING CONNECTED TRANSACTION (CONTINUED)

Lease and licence of premises from substantial shareholder of our subsidiaries (Continued)

Leasing of properties — operating lease rental/license fee paid

Name of counterparty (Note 1)	Date of signing by the Company/ agreement	Leased premises	Terms	Amount for the year (HK$'000)	Annual cap (HK$'000) (Note 2)
Barrowgate Limited	9 September 2022	Shop Nos. 301–306 and 307–308 & 311 on the Third Floor of Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong	From 8 October 2022 to 31 January 2029	1,926	2,900

Notes:

(1) This company is a member of the Hysan Group, which is a connected person of the Company by virtue of being a substantial shareholder of certain subsidiaries of the Group.

(2) The basis for determination of the annual cap for the leased premises of Shop Nos. 301–306 and 307–308 & 311 in Lee Garden Two is based on the turnover rent and other charges while excluding the base rent (which has been separately taken into account as a connected transaction) according to the relevant requirements under the GEM Listing Rules.

Pursuant to Rule 20.54 of the GEM Listing Rules, the Directors engaged the auditor of the Company to perform certain work on the above continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has provided a letter to the Directors and confirmed that, for the year ended 31 December 2025:

a. nothing has come to their attention that causes us to believe that the disclosed continuing connected transactions have not been approved by the Board;

b. nothing has come to their attention that causes us to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

c. with respect to the aggregate amount of each of the continuing connected transactions set out the continuing connected transactions, nothing has come to our attention that causes us to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

The related party transactions as disclosed in note 28 to the consolidated financial statements constituted connected transactions or continuing connected transactions of the Company as defined in Chapter 20 of the GEM Listing Rules and are in compliance with the disclosure requirements under Chapter 20 of the GEM Listing Rules.

Save as disclosed in this report, during the year ended 31 December 2025, the Company had no connected transactions or continuing connected transactions which fell to be disclosed in accordance with the provisions under Chapter 20 of the GEM Listing Rules in relation to the disclosure of connected transactions and continuing connected transactions.

DONATIONS

The Group did not make any charitable and other donations during the year (2024: nil).

SIGNIFICANT LEGAL PROCEEDINGS

During the year, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Directors are aware, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to providing an environmental friendly culture and atmosphere within the Group. Details of such are set out in the "Environmental, Social and Governance Report" contained in this report.

RELATIONSHIP WITH EMPLOYEES, SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands that the success of the Group's business depends on the support from its key stakeholders, including employees, customers, suppliers, banks, regulators and Shareholders. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and has been in force since 5 December 2017. The Company has taken on and maintained appropriate insurance cover in respect of potential legal actions against the Directors.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") had, together with the management and external auditor of the Company (the "**Auditor**"), reviewed the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended 31 December 2025.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the "Corporate Governance Report" on pages 38 to 61 of this report.

Company Secretary

The company secretary of the Company is Mr. Tsang Ho Yin. His biographical details are set out on pages 20 to 21 of this report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at 31 December 2025, the Company has complied with Rule 17.37B of the GEM Listing Rules and maintained the minimum public float percentage threshold of 25% of the total number of issued shares of the Company (excluding treasury shares) as required under the GEM Listing Rules, and the actual public float percentage was approximately 28.53%.

SHARE CAPITAL STRUCTURE

As at 31 December 2025, the share capital structure of the Company comprised 384,000,000 ordinary shares of HK$0.0001 each, representing 100% of the total number of issued shares of the Company. All the shares in issue or to be issued shall rank pari passu in all respects.

SHARE OWNERSHIP COMPOSITION

As at 31 December 2025, the composition of ownership of the issued shares of the Company was as follows:

	Number of shares	**Approximate percentage of shareholding**
Real Hero	274,350,000	71.45%
Mr. Wong (Note)	72,000	0.02%
Public	109,578,000	28.53%
	384,000,000	100.00%

Note: Mr. Wong ceased to be an executive Director with effect from 20 January 2026.

AUDITOR

PricewaterhouseCoopers was appointed as the Auditor for the year ended 31 December 2025. There was no change in auditor in the preceding three years. The accompanying financial statements prepared in accordance with HKFRS Accounting Standards have been audited by PricewaterhouseCoopers.

PricewaterhouseCoopers shall retire at the AGM and, being eligible, will offer itself for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as the Auditor for the year ending 31 December 2026 will be proposed at the AGM.

PUBLICATION OF INFORMATION ON WEBSITES

This report is available for viewing on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.1957.com.hk.

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the AGM, the register of members of the Company will be closed from 26 May 2026 to 29 May 2026, both days inclusive, during which period no transfer of the shares will be registered. To be eligible to attend the AGM, Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 22 May 2026. The record date on which the Shareholders are qualified to attend and vote at the AGM is 29 May 2026.

On behalf of the Board

Lau Ming Fai
Executive Director

Hong Kong, 27 March 2026

Corporate Governance Report

The Board is pleased to present the corporate governance report of the Company for the year ended 31 December 2025.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability.

The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the GEM Listing Rules as its own code of corporate governance. The Board is committed to complying with the code provisions as stated in the CG Code to the extent that the Directors consider it is applicable and practical to the Company.

Save for the deviation disclosed below, the Company has complied with all other applicable code provisions under the CG Code during the year ended 31 December 2025.

Pursuant to code provision C.5.1 of the CG Code, the board should meet regularly and board meeting should be held at least four times a year at approximately quarterly intervals. During the year ended 31 December 2025, only two regular Board meetings were held to review and discuss various matters, including the Company's annual results for the year ended 31 December 2025 and the interim results for the six months ended 30 June 2025. The Company did not announce its quarterly results and hence did not consider the holding of quarterly Board meetings as necessary.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

CORPORATE CULTURE AND STRATEGY

The Board believes that a strong corporate culture is fundamental to the Group's long-term sustainable development. The Group's corporate culture is centred on quality, customer satisfaction, operational excellence and innovation. These core values underpin the Group's business decisions and day-to-day operations, and support its commitment to delivering quality dining experiences, maintaining service standards, safeguarding brand reputation and fostering customer loyalty.

The Group has established a diversified business model comprising three core business pillars, namely (i) restaurant operations, (ii) catering management, consultancy and sub-franchise services, and (iii) the development and sale of food and beverage products through retail and online channels. The Board considers that such business model enhances the Group's resilience, broadens its sources of revenue and supports its long-term growth.

In implementing its strategy, the Group places emphasis on maintaining rigorous quality standards across all restaurants under its management, while continuously improving operational efficiency through supply chain optimisation, enhancement of kitchen workflow and adoption of innovative cooking techniques. The Group also promotes the integration of technology into its operations, including digitalisation of workflow management, the use of data analytics to support decision-making and the deployment of customer-facing digital platforms to enhance customer engagement.

The Group also seeks to broaden its participation across the food and beverage value chain and to explore suitable expansion opportunities, with a view to creating synergies, improving cost efficiency and capturing new income streams. In light of evolving consumer behaviour and market conditions, the Group remains committed to adapting its business approach and pursuing sustainable development in Hong Kong, the Chinese mainland and overseas markets, where appropriate.

The Board is responsible for promoting a corporate culture that is aligned with the Group's purpose, values and strategy, and for ensuring that such culture is embedded in the Group's business objectives and operations. The Board will continue to review the Group's corporate culture and strategic direction from time to time to ensure that they remain appropriate to the Group's business needs and long-term development.

THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established four Board committees including the Audit Committee, the remuneration committee (the "**Remuneration Committee**"), the nomination committee (the "**Nomination Committee**") and the strategic development committee (the "**Strategic Development Committee**") (together, the "**Board Committees**"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

Board Composition

As at the date of this report, the Board comprises four executive Directors, one non-executive Director and three independent non-executive Directors as follows:

Executive Directors:

Mr. Kwok Chi Po *(Chairman)* (appointed on 20 January 2026)
Mr. Lau Ming Fai *(Deputy Chief Executive Officer)*
Ms. Tsui Ngan Fun
Ms. Lin Huiqin
Mr. Wong Chi Wing Kinson *(Former Chairman)* (resigned on 20 January 2026)

Non-executive Director:

Mr. Chan Wai Fung

Independent Non-executive Directors:

Mr. Yim Hong Cheuk Foster
Mr. Huen, Felix Ting Cheung
Ms. Lung Pui Ying Amy

In accordance with Rule 5.02D of the GEM Listing Rules, Mr. Kwok Chi Po, who was appointed as an executive Director on 20 January 2026, obtained the legal advice referred to in Rule 5.02D from the legal advisor of the Company on 20 January 2026, and Mr. Kwok has confirmed that he understood his obligations as a Director.

The biographies of the Directors are set out under the section headed "Directors and Senior Management" in this report.

During the year, the Board has met at all times the requirements under Rules 5.05(1) and 5.05(2) of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with Rule 5.05A of the GEM Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

THE BOARD (CONTINUED)

Board Composition (Continued)

The Company believes that the diversity of Board members will be immensely beneficial for the enhancement of the Company's performance. Therefore, the Company has adopted a board diversity policy (the "**Board Diversity Policy**") to ensure that the Company will, when determining the composition of the Board, consider Board diversity in terms of, among other things, gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board.

As each of the independent non-executive Directors has confirmed his/her independence pursuant to Rule 5.09 of the GEM Listing Rules, the Company considers all of them to be independent parties.

Save as disclosed in the Directors' biographies set out in the section headed "Directors and Senior Management" in this report, none of the Directors have any personal relationship (including financial, business, family or other material or relevant relationship) with any other Director and chief executive of the Company.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the code provision of the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant external commitments as well as the identity of the public companies or organisations and the time involved to the issuer, the Directors have agreed to disclose their commitments and any subsequent change to the Company in a timely manner.

Induction and Continuous Professional Development

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statues, laws, rules and regulations. The Company also provides regular updates on the latest development and changes in the GEM Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

The Company is committed to arranging and funding suitable trainings to all Directors for their continuous professional development. Directors are encouraged to attend relevant training courses from time to time to ensure that he/she is fully aware of his/her responsibilities under the GEM Listing Rules and applicable legal and regulatory requirements and the governance policies of the Group. All Directors also understand the importance of continuous professional development and are committed to participating in any suitable trainings to develop and refresh their knowledge and skills.

During the year ended 31 December 2025, all Directors who served on the Board during the reporting period had participated in continuous professional development in compliance with Rules 5.02F and 5.02G of the GEM Listing Rules. Mr. Kwok Chi Po was appointed as an executive Director on 20 January 2026 and was therefore not a Director during the reporting period. The relevant details are set out below:

THE BOARD (CONTINUED)

Induction and Continuous Professional Development (Continued)

Directors	The roles, functions and responsibilities of the board, its committees and its directors, and board effectiveness	Issuers' obligations and directors' duties under Hong Kong law and the GEM Listing Rules, and key legal and regulatory developments	Corporate governance and ESG matters	Risk management and internal controls	Updates on industry-specific developments, business trends and strategies relevant to the issuer	Total no. of hours
Executive Directors						
Mr. Kwok Chi Po *(Chairman)* (appointed on 20 January 2026)	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Lau Ming Fai	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	1
Ms. Tsui Ngan Fun	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	1
Ms. Lin Huiqin	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	1
Mr. Wong Chi Wing Kinson *(Former Chairman)* (resigned on 20 January 2026)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	1
Non-executive Director						
Mr. Chan Wai Fung	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	1
Independent non-executive Directors						
Mr. Yim Hong Cheuk Foster	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	1
Mr. Huen, Felix Ting Cheung	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	1
Ms. Lung Pui Ying Amy	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	0.2 (Notes 1&2)	1

Notes:

1. Training provided by external providers

2. Self-study

Mr. Kwok Chi Po had served as the chief executive officer of the Company and an executive Director from the Listing Date until his resignation on 1 November 2024. As such, upon his appointment as the Chairman and an executive Director on 20 January 2026, he was not regarded as a first-time Director. Accordingly, the additional continuous professional development requirement for first-time directors under Rule 5.02H of the GEM Listing Rules did not apply to him.

THE BOARD (CONTINUED)

Chairman and Chief Executive Officer

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals.

During the year ended 31 December 2025 and up to his resignation on 20 January 2026, Mr. Wong Chi Wing Kinson served as the Chairman. Following his resignation, Mr. Kwok Chi Po was appointed as the Chairman on 20 January 2026.

During the year ended 31 December 2025 and up to the date of this report, Mr. Lau Ming Fai has served as the acting chief executive officer of the Company (the "**Acting Chief Executive Officer**").

The roles of the Chairman and the Acting Chief Executive Officer are separate and are currently held by Mr. Kwok Chi Po and Mr. Lau Ming Fai, respectively, with a clear division of responsibilities. The Chairman is responsible for providing strategic advice and guidance on the business development of the Group, while the Acting Chief Executive Officer is responsible for the day-to-day operations of the Group.

Appointment, Resignation and Re-election of Directors

One executive Director has entered into a service contract with the Company for a term of three years commencing from the Listing Date, which was supplemented by a supplemental service contract dated 1 November 2024 in relation to his position as the deputy chief executive officer. The service contract may be renewed upon mutual agreement between the parties.

Two executive Directors were appointed on 19 December 2022, each of whom has entered into a service contract with the Company for a term of three years commencing from their respective dates of appointment. Each contract may be renewed upon mutual agreement of the parties.

One executive Director was appointed on 20 January 2026 and has entered into a service contract with the Company for a term of three years commencing from the date of appointment, which may be renewed upon mutual agreement of the parties.

The non-executive Director and two independent non-executive Directors were appointed on 19 August 2022, and each of them has entered into a letter of appointment with the Company for a term of three years commencing from their respective dates of appointment. Each letter may be renewed upon mutual agreement of the parties.

One independent non-executive Director was appointed on 31 August 2024 and has entered into a letter of appointment with the Company for a term of three years commencing from the date of appointment, which may be renewed upon mutual agreement of the parties.

None of the Directors has any service contract or letter of appointment with the Group that is not determinable within one year without payment of compensation (other than statutory compensation).

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

Mr. Kwok Chi Po, Mr. Lau Ming Fai, Mr. Chan Wai Fung and Mr. Huen, Felix Ting Cheung will hold office until the forthcoming AGM and retire from office by rotation and will be eligible for re-election and re-appointment.

THE BOARD (CONTINUED)

Board Meetings

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board and Board Committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or Board Committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman or the chairman of respective Board Committees prior to the meeting. Minutes of meetings are kept by the company secretary with copies circulated to all Directors for information and records.

Minutes of the Board meetings and Board Committee meetings are recorded in sufficient detail about the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings are open for inspection by Directors.

During the year, two Board meetings and a general meeting were held by the Company and the attendance of each Director at these meetings is set out in the table below:

Directors	Attended/ Eligible to attend Board meeting(s)	Attended/ Eligible to attend the general meeting
Executive Directors		
Mr. Kwok Chi Po (appointed on 20 January 2026)	N/A	N/A
Mr. Lau Ming Fai	2/2	1/1
Ms. Tsui Ngan Fun	2/2	1/1
Ms. Lin Huiqin	2/2	1/1
Mr. Wong Chi Wing Kinson (resigned on 20 January 2026)	1/1	1/1
Non-executive Director		
Mr. Chan Wai Fung	2/2	1/1
Independent Non-executive Directors		
Mr. Yim Hong Cheuk Foster	2/2	1/1
Mr. Huen, Felix Ting Cheung	2/2	1/1
Ms. Lung Pui Ying Amy	2/2	1/1

THE BOARD (CONTINUED)

Required Standard of Dealings for Securities Transactions

The Company has adopted the required standard of dealings set out in Rules 5.46 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the required standard of dealings during the year ended 31 December 2025.

The Company has also adopted its own code of conduct regarding employees' securities transactions with reference to the required standard of dealings for the compliance by its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company's securities.

Delegation by the Board

The Board reserves for its decision for all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

Corporate Governance Function

The Board recognises that corporate governance should be the collective responsibility of the Directors which includes:

(a) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(b) to review and monitor the training and continuous professional development of Directors and senior management;

(c) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors;

(d) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board and report to the Board on such matters;

(e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report; and

(f) to review and monitor the Company's compliance with the Company's whistleblowing policy.

BOARD COMMITTEES

The Board established four committees, namely, the Audit Committee, the Nomination Committee, the Remuneration Committee and the Strategic Development Committee. The Board Committees are provided with sufficient resources to discharge their duties.

Audit Committee

The Audit Committee comprises three members, namely Mr. Yim Hong Cheuk Foster, Mr. Huen, Felix Ting Cheung and Ms. Lung Pui Ying Amy, all of them are independent non-executive Directors. Mr. Huen, Felix Ting Cheung is the chairman of the Audit Committee.

The principal duties of the Audit Committee include the following:

1. to review the relationship with the Auditor by reference to the work performed by the Auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of the Auditor;

2. to review the financial statements and reports and consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function or the Auditor before submission to the Board; and

3. to review the adequacy and effectiveness of the Company's financial reporting system, internal control and risk management systems and associated procedures, including the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

During the year, two Audit Committee meetings were held by the Company and the attendance of each Director at these meetings is set out in the table below:

Directors	**Attended/ Eligible to attend the committee meeting(s)**
Independent Non-executive Directors	
Mr. Yim Hong Cheuk Foster	2/2
Mr. Huen, Felix Ting Cheung *(Chairman)*	2/2
Ms. Lung Pui Ying Amy	2/2

BOARD COMMITTEES (CONTINUED)

Audit Committee (Continued)

During the meetings, the Audit Committee:

— reviewed the interim results and report of the Group for the interim period during the year prepared by the finance and management team relating to accounting issues and major findings;

— reviewed the annual results of the Group for the year ended 31 December 2025 as well as the audit report prepared by the Auditor relating to accounting issues and major findings in course of audit; and

— reviewed the financial reporting system, compliance procedures, internal control (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function), risk management systems and processes and the re-appointment of the Auditor; the Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of the Auditor.

Nomination Committee

The Nomination Committee currently comprises three members, namely Mr. Kwok Chi Po (executive Director), Mr. Yim Hong Cheuk Foster (independent non-executive Director) and Ms. Lung Pui Ying Amy (independent non-executive Director). Mr. Kwok Chi Po is the chairman of the Nomination Committee.

The principal duties of the Nomination Committee include the following:

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

2. to identify individuals suitably qualified to become Directors and select or make recommendations to the Board on the selection of individuals nominated for directorships;

3. to assess the independence of independent non-executive Directors;

4. to make recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for Directors, in particular the Chairman and the executive Directors; and

5. to support the Company's regular evaluation of the Board's performance.

The Nomination Committee assesses the candidate or incumbent based on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision.

The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

BOARD COMMITTEES (CONTINUED)

Nomination Committee (Continued)

During the year, one Nomination Committee meeting was held by the Company and the attendance of each Director at the meeting is set out in the table below:

Directors	Attended/ Eligible to attend the committee meeting
Executive Directors	
Mr. Kwok Chi Po *(Chairman)* (appointed on 20 January 2026)	N/A (Note)
Mr. Wong Chi Wing Kinson *(Former Chairman)* (resigned on 20 January 2026)	1/1
Independent Non-executive Directors	
Mr. Yim Hong Cheuk Foster	1/1
Ms. Lung Pui Ying Amy	1/1

Note: The relevant Director was appointed after 31 December 2025.

Board Diversity Policy

On 7 November 2017, the Board adopted the Board Diversity Policy and was revised on 1 January 2019, a summary of which is set out below:

1. In considering the composition of the Board, the Board is of the view that diversity can be considered from a number of perspectives, including gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;

2. The above perspectives shall be taken into account in determining the optimal composition of the Board and where possible, should be balanced among one another as appropriate;

3. Appointments to the Board should be made based on merits and the contributions that the individual is expected to bring to the Board, with due regard to the benefits of diversity in the Board; and

4. The Nomination Committee shall review the Board Diversity Policy and make recommendations to the Board on amendments to the Board Diversity Policy (if any) as appropriate, which will include an assessment of the implementation and effectiveness of the Board Diversity Policy on an annual basis.

The Board Diversity Policy is available on the website of the Company for public information.

BOARD COMMITTEES (CONTINUED)

Gender Diversity

The Board currently comprises eight Directors, including five male Directors and three female Directors, and has therefore achieved gender diversity at the Board level. We will continue to strive to enhance female representation and achieve an appropriate balance of gender diversity with reference to the Shareholders' expectation and international and local recommended best practices. We will also ensure that there is gender diversity when recruiting staff at mid to senior level and we are committed to providing career development opportunities for female staff so that we will have a pipeline of female senior management and potential successors to our Board in near future.

As at 31 December 2025, as set out in the section headed "7. Our Commitment to Our People — D. Employee Data" in the environmental, social and governance report contained in this report, among the 490 employees (including senior management) of the Group, the percentages of male employees and female employees are 45% and 55%, respectively. The Board considers that the Group's workforce (including senior management) is diverse in terms of gender.

As at the date of this report, the Board's composition under major diversified perspectives was summarised as follows:

Directors	Gender	Age group	Date of appointment	Length of tenure	Current period of appointment	Number of other public company directorship	Education	Professional experience, skills and knowledge
Executive Directors								
Mr. Kwok Chi Po	Male	Over 60	20 January 2026	Less than 1 year	20 January 2026 to 19 January 2029	0	Post secondary	Catering
Mr. Lau Ming Fai	Male	40–60	5 December 2017	Over 8 years	5 December 2023 to 4 December 2026	0	University	Catering
Ms. Tsui Ngan Fun	Female	Over 60	19 December 2022	3–8 years	19 December 2025 to 18 December 2028	0	Post secondary	Banking
Ms. Lin Huiqin	Female	Below 40	19 December 2022	3–8 years	19 December 2025 to 18 December 2028	0	University	Business Development
Non-executive Director								
Mr. Chan Wai Fung	Male	40–60	19 August 2022	3–8 years	19 August 2025 to 18 August 2028	0	University	Finance
Independent non-executive Directors								
Mr. Yim Hong Cheuk Foster	Male	40–60	19 August 2022	3–8 years	19 August 2025 to 18 August 2028	0	University	Law
Mr. Huen, Felix Ting Cheung	Male	Below 40	19 August 2022	3–8 years	19 August 2025 to 18 August 2028	1	University	Accounting & Corporate Finance
Ms. Lung Pui Ying Amy	Female	Over 60	31 August 2024	1–3 years	31 August 2024 to 30 August 2027	0	University	Telecommunications & Management

BOARD COMMITTEES (CONTINUED)

Gender Diversity (Continued)

During the year, the Nomination Committee conducted reviews and made corresponding recommendations to the Board in respect of the following matters:

1. the size, structure and composition of the Board and its list;

2. the re-election of members of the Board retiring at the 2025 annual general meeting of the Company; and

3. an annual assessment of the independence of each independent non-executive Director.

The Nomination Committee has also reviewed and assessed each Director's time commitment and contribution to the Board during the year and each Director's ability to discharge his or her responsibilities. The Nomination Committee considered that each Director has given sufficient time and undertaken his or her responsibilities effectively during the year, with regard to (a) each Director's skills and experience; (b) each Director's role and positions at the Group, as well as his or her external directorships or offices in other companies or organisations; and (c) each Directors' attendance at the Board and Board Committee meetings during the year. The Nomination Committee will continue to review the necessity of recruiting more competent staff in the expansion of the Group.

Board Performance Review

The Board recognises that conducting regular evaluations of its performance is essential to good corporate governance and Board effectiveness. The Board has determined that the focus of the board performance review will be on the overall performance of the Board as well as the existing skills, expertise and qualifications of the Board as a whole. The board performance review was not conducted during the year as the Company is still determining the appropriate scope, format and process of the evaluation. In accordance with the GEM Listing Rules, the Company shall conduct a formal evaluation of the Board's performance at least every two years. The upcoming performance review of the Board will be conducted by 31 December 2026.

Remuneration Committee

The Remuneration Committee comprises three members, namely Mr. Yim Hong Cheuk Foster (independent non-executive Director), Mr. Kwok Chi Po (executive Director) and Mr. Huen, Felix Ting Cheung (independent non-executive Director). Mr. Yim Hong Cheuk Foster is the chairman of the Remuneration Committee.

The Remuneration Committee has adopted model (ii) as set out in the code provision E.1.2(c) of the CG Code, under which the Remuneration Committee makes recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

BOARD COMMITTEES (CONTINUED)

Remuneration Committee (Continued)

The principal duties of the Remuneration Committee include the following:

1. to make recommendations to the Board on the Company's overall policy and structure for the remuneration of the Directors and senior management and establish a formal and transparent procedure for developing remuneration policy;

2. to review and approve the management's remuneration proposals with reference to the corporate goals and objectives set by the Board;

3. as the Board shall direct, to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. These include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

4. to make recommendations to the Board on the remuneration of non-executive Directors;

5. to consider salaries paid by comparable companies in the industry in which the Company operates, time commitment and responsibilities and employment conditions elsewhere in the Group;

6. to review and approve compensation payable to Directors (executive, non-executive or independent non-executive Directors), executive officers and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and in line with market practice;

7. to review and approve compensation arrangements relating to dismissal or removal of Directors (executive, non-executive or independent non-executive Directors) for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

8. to ensure that no Director or any of his associates (as defined in the GEM Listing Rules) is involved in deciding his own remuneration; and

9. to review and/or approve matters relating to share schemes under Chapter 23 of the GEM Listing Rules.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

BOARD COMMITTEES (CONTINUED)

Remuneration Committee (Continued)

During the year, one Remuneration Committee meeting was held by the Company and the attendance of each Director at the meeting is set out in the table below:

Directors	Attended/Eligible to attend the committee meeting
Executive Directors	
Mr. Kwok Chi Po (appointed on 20 January 2026)	N/A (Note)
Mr. Wong Chi Wing Kinson (resigned on 20 January 2026)	1/1
Independent Non-executive Directors	
Mr. Yim Hong Cheuk Foster *(Chairman)*	1/1
Mr. Huen, Felix Ting Cheung	1/1

Note: The relevant Director was appointed after 31 December 2025.

Remuneration of Directors and Senior Management

Details of the remuneration by band of the members of the Board and senior management of the Company, whose biographies are set out on pages 16 to 20 of this report, for the year ended 31 December 2025 are set out below:

Remuneration bands	Number of individuals
Nil to HK$1,000,000	8
HK$2,000,001 to HK$3,000,000	1

During the year, the Remuneration Committee reviewed the remuneration package and assessed the performance of executive Directors and senior management and the Directors' fees proposal and made recommendation to the Board.

Strategic Development Committee

The Strategic Development Committee currently comprises five members, including four executive Directors, namely Mr. Kwok Chi Po, Mr. Lau Ming Fai, Ms. Tsui Ngan Fun and Ms. Lin Huiqin and a non-executive Director, Mr. Chan Wai Fung. Mr. Kwok Chi Po is the chairman of the Strategic Development Committee.

The principal duties of the Strategic Development Committee include the following:

(1) to research market trends, analyse competitive dynamics, and review and make recommendations to the Board on development strategies and plans;

BOARD COMMITTEES (CONTINUED)

Strategic Development Committee (Continued)

(2) to develop strategic plans and annual implementation plans, including but not limited to:

- (i) shop opening and distribution;
- (ii) brand strategies;
- (iii) investment decisions;
- (iv) personnel development;
- (v) service quality standard; and
- (vi) resource forecast;

(3) to monitor and review the implementation and execution of the plans;

(4) to reshape the implementation direction and/or revise the development strategies or plans, if necessary, in response to significant matters affecting development strategies and plans;

(5) to report to the Board on its decisions or recommendations and update the Board of the implementation status of the development strategies or plans; and

(6) to deal with other matters authorised by the Board.

The written terms of reference of the Strategic Development Committee are available on the websites of the Stock Exchange and the Company.

During the year, one Strategic Development Committee meeting was held by the Company and the attendance of each Director at the meeting is set out in the table below:

Directors	Attended/Eligible to attend the committee meeting
Executive Directors	
Mr. Kwok Chi Po *(Chairman)* (appointed on 20 January 2026)	N/A (Note)
Mr. Lau Ming Fai	1/1
Ms. Tsui Ngan Fun	1/1
Ms. Lin Huiqin	1/1
Mr. Wong Chi Wing Kinson *(Former Chairman)* (resigned on 20 January 2026)	1/1
Non-executive Director	
Mr. Chan Wai Fung	1/1

Note: The relevant Director was appointed after 31 December 2025.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements for the year ended 31 December 2025, which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on the Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the Auditor regarding its reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 103 to 108 of this report.

INTERNAL CONTROL AND RISK MANAGEMENT

Responsibility

The Board acknowledges and accepts its overall responsibility for overseeing the Group's risk management and internal control systems. The management is responsible for designing, implementing and maintaining these systems in order to identify, evaluate and manage risks that may affect the achievement of the Group's business objectives.

The Board is also responsible for determining the nature and extent of risks that the Group is willing to take in pursuing its strategic objectives and ensures that the Group's risk appetite remains aligned with its business strategy and operating environment.

The Board further confirms that the Group's risk management and internal control systems are appropriate and effective for the purposes set out in the CG Code.

Risk Management and Internal Control Framework

The Board is responsible for reviewing the effectiveness of the Group's risk management and internal control systems on an ongoing basis. The Audit Committee assists the Board in monitoring the Group's risk exposures and evaluating the design and operating effectiveness of the underlying systems.

The Audit Committee acts on behalf of the Board to:

i. review key business risks and the control measures implemented to mitigate, reduce or transfer such risks; and

ii. review the findings reported by the internal audit function and any external consultants, including management's action plans to address identified control weaknesses and the status of follow-up actions.

Management is responsible for the day-to-day identification, assessment, monitoring and reporting of risks, and for designing and implementing appropriate internal controls to mitigate such risks. The Audit Committee reviews, on behalf of the Board, the work performed by management and the internal audit function, including significant risk areas identified, key control issues, internal audit findings and the status of remediation actions. Such review is conducted on an ongoing basis throughout the year, with a formal annual review performed by the Board and the Audit Committee.

After its review, the Audit Committee reports its findings and recommendations to the Board. In conducting its annual review, the Board has considered, among other things, management's confirmation on the effectiveness of the Group's risk management and internal control systems, reports from the Audit Committee, findings and reports from the internal audit function, and observations made by the external auditors in the course of their statutory audit, where relevant.

INTERNAL CONTROL AND RISK MANAGEMENT (CONTINUED)

Risk Management

The Group has established a risk management policy and a formal risk assessment process comprising four key stages: (1) risk identification; (2) risk analysis; (3) risk evaluation; and (4) risk treatment.

Senior management conducts annual assessments of the key risks that may affect their respective operations. Identified risks are analysed and evaluated using established qualitative and quantitative criteria that consider both the likelihood of occurrence and potential business impact. The results are used to prioritise risk management activities and determine appropriate mitigation measures, including risk acceptance, reduction, transfer or avoidance.

The annual risk assessment results, together with significant risks identified and the related control activities, are reported to the Audit Committee. During the reporting period, the Board reviewed changes in the nature and extent of significant risks facing the Group, including ESG-related risks, as well as the Group's ability to respond to changes in its business and external environment. The Board noted that there were no significant changes during the reporting period in the Group's assessment of risks, including ESG-related risks, or in the design and operation of the Group's risk management and internal control systems.

To provide assurance on the effectiveness of risk-mitigating controls, the Group maintains a rolling, risk-based three-year internal audit plan covering its key business processes.

Internal Audit Function

The Company has established an internal audit function, which operates independently from the day-to-day business operations and reports functionally to the Audit Committee. The internal audit function carries out independent reviews of the adequacy and effectiveness of the Group's risk management and internal control systems in accordance with the risk-based internal audit plan approved by the Audit Committee.

Internal Controls

The Group has established clearly defined policies, procedures, delegated authorities and reporting lines designed to safeguard assets, ensure accurate and reliable financial and accounting records, and promote compliance with relevant accounting standards, applicable laws and regulations, and the GEM Listing Rules.

The Audit Committee, with the assistance of the internal audit function, conducted a review of the effectiveness of the Group's internal control systems, covering material controls embedded in key business processes, including treasury and payroll cycles and other operational areas.

The Group has also implemented procedures to ensure effective information flow and reporting across all departments, supporting the timely identification and resolution of control deficiencies and potential risks.

INTERNAL CONTROL AND RISK MANAGEMENT (CONTINUED)

Review of Risk Management and Internal Control Systems

For the year ended 31 December 2025, the Board conducted an annual review of the effectiveness of the Group's and its subsidiaries' risk management and internal control systems, covering all material controls, including financial, operational, compliance and risk management controls, across the Group's principal operations.

The review also covered:

1. changes, since the last annual review, in the nature and extent of significant risks, including ESG-related risks, and the Group's ability to respond to changes in its business and external environment;

2. the scope and quality of management's ongoing monitoring of risks and internal controls, and the work performed by the internal audit function;

3. the extent and frequency of communication of monitoring results to the Audit Committee and the Board;

4. any significant control failings or weaknesses identified and the remedial actions taken or proposed;

5. the effectiveness of the Group's processes for financial reporting and compliance with the GEM Listing Rules; and

6. the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, financial reporting and ESG reporting functions.

No significant control failings or weaknesses were identified during the reporting period. The Board is satisfied that any issues noted in previous reviews have been properly addressed and that the Group's risk management and internal control systems remain effective and adequate.

The systems are designed to manage, rather than eliminate, the risk of failing to achieve business objectives and therefore can provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board also reviewed the adequacy of resources, qualifications, experience, training and budgets of staff involved in the Group's accounting, internal audit, financial reporting and ESG reporting functions and considered them to be adequate.

Disclosure of Inside Information

The Group recognises its statutory and regulatory obligations in relation to the handling and dissemination of inside information under the SFO and the GEM Listing Rules. The Group has established an inside information management policy for identifying, monitoring and reporting inside information to its Shareholders, investors, analysts and the media. The policy is updated whenever required to guide stakeholder communications and the determination of inside information, with a view to ensuring consistent and timely disclosure and preventing the establishment of a false market in the Company's securities.

The Group conducts its affairs in strict compliance with the relevant disclosure requirements under the GEM Listing Rules and with reference to the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission in June 2012.

EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company on their reporting responsibilities and opinion on the Group's consolidated financial statements for the year ended 31 December 2025 is set out in the section headed "Independent Auditor's Report" in this report.

The Audit Committee is responsible for considering the appointment of the external auditor and reviewing any non-audit functions performed by the external auditor, including whether such non-audit functions could lead to any potential material adverse effect on the Company.

The remuneration for the audit and non-audit services provided by the Auditor to the Group during the year ended 31 December 2025 was approximately as follows:

Types of service	Amount (HK$'000)
Audit services	1,110
Non-audit services	351
Total	**1,461**

COMPANY SECRETARY

Mr. Tsang Ho Yin acts as the company secretary of the Company and is responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, as well as the applicable laws, rules and regulations are followed. Mr. Wong Wing Tak Hugo, the chief financial officer of the Company, is the person whom the company secretary can contact.

During the year ended 31 December 2025, Mr. Tsang Ho Yin has undertaken not less than 15 hours of relevant professional training in compliance with Rule 5.15 of the GEM Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

A shareholders communication policy (the "**Shareholders Communication Policy**") was adopted by the Board at the Board meeting held on 6 November 2017 aiming to provide the Shareholders and potential investors with ready and timely access to balanced and understandable information of the Company. Extensive information about the Company's activities is provided in its annual reports and interim reports, which are sent to the Shareholders in due course. The Company endeavours to maintain an on-going dialogue with the Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet the Shareholders and answer their enquiries. The notice of the annual general meeting is distributed to all Shareholders at least 21 days before the meeting. Separate resolutions are proposed at general meetings on each separate issue and voting of which is taken by poll pursuant to the GEM Listing Rules. Results of the poll are published on both the website of the Stock Exchange and that of the Company. All corporate communication with the Shareholders will be posted on the website of the Company for Shareholders' information.

The Company reviewed the implementation and effectiveness of the Shareholders Communication Policy for the year ended 31 December 2025 and considered it to be effective.

BOARD INDEPENDENCE EVALUATION MECHANISM

The Company has adopted the board independence evaluation mechanism on 17 March 2022. The details are as follows:

Objective

Continuing improvement and development of the Board and its committee processes and procedures through Board independence evaluation provide a powerful and valuable feedback mechanism for improving Board effectiveness, maximising strengths, and identifying the areas that need improvement or further development.

The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

This mechanism is designed to ensure a strong independent element on the Board, which allows the Board to effectively exercise independent judgment to better safeguard Shareholders' interests.

Mechanism

- Nomination Committee is established with clear terms of reference to identify suitable candidates, including independent non-executive Directors, for appointment as Directors.

- Nomination policy is in place with details of the process and criteria of identifying, selecting, recommending, cultivating and integrating new directorship.

BOARD INDEPENDENCE EVALUATION MECHANISM (CONTINUED)

Mechanism (Continued)

- For independent non-executive Directors:
  - Every independent non-executive Director is required to confirm in writing to the Company his/her independence upon his/her appointment as Director with reference to such criteria as stipulated in the nomination policy as well as the GEM Listing Rules;
  - Each independent non-executive Director has to declare his/her past or present financial or other interests in the Group's business as soon as practicable, or his/her connection with any of the Company's connected persons (as defined in the GEM Listing Rules), if any; and
  - Each independent non-executive Director is required to inform the Company as soon as practicable if there is any change in his/her own personal particulars that may affect his/her independence.
- The Nomination Committee will assess annually the independence of all independent non-executive Directors and to affirm if each of them still satisfies the criteria of independence as set out in the GEM Listing Rules and is free from any relationships and circumstances which are likely to affect, or could appear to affect, their independent judgement. Every Nomination Committee member should abstain from assessing his/her own independence.
- Where the Board proposes a resolution to elect an individual as an independent non-executive Director at the general meeting, it will set out in the circular to Shareholders the reasons it believes he/she should be elected and the reasons it considers him/her to be independent.
- A mechanism is in place for Directors to seek independent professional advice in performing their duties at the Company's expense.
- Directors are encouraged to access and consult with the Company's senior management independently, if necessary.
- An annual review on Board independence (the "**Board Independence Evaluation**") will be conducted, with an intention to ensure that it remains independent in judgement, and continues to present an objective and constructive challenge to the assumptions and viewpoints presented by the management.
- The Board Independence Evaluation may take in the form of a questionnaire to all Directors individually and may be supplemented by individual interview with each Director, if necessary, and/or in any other manners which the Board considers fit and necessary.
- The Board Independence Evaluation report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.
- The results of the Board Independence Evaluation or a summary of the findings of the said evaluation will be disclosed in the corporate governance report contained in the annual report of the Company or on the Company's website for accountability and transparency purposes.
- The aforesaid Board Independence Evaluation will be regarded as an ongoing exercise of the Company while the Company may seek assistance from external consultant if an external evaluation on the same subject is needed.

BOARD INDEPENDENCE EVALUATION MECHANISM (CONTINUED)

Mechanism (Continued)

During the year ended 31 December 2025 and up to the date of this report, the Board Independence Evaluation had been conducted by way of completing a questionnaire by all Directors. The results of the Board Independence Evaluation are summarised as follows:

1. The Board as a whole possessed the skills and range of experience needed to adequately fulfill its fiduciary responsibilities, more reliably hold management to account, and better safeguard Shareholders' interests.

2. Board meetings were conducted in a manner that allowed open communication, meaningful participation (including in-depth discussion and resolutions of issues).

3. All independent non-executive Directors brought independent judgement to bear on the Board's deliberations.

4. All independent non-executive Directors have actively participated in all Board meetings and Board Committee meetings; and raised governance and ethical issues to the Board.

WHISTLEBLOWING POLICY

In compliance with code provision D.2.3 of the CG Code, the Board adopted a whistleblowing policy on 17 March 2022. It provides employees and the relevant third parties who deal with the Group (e.g. customers, contractors and suppliers) with guidance and reporting channels on reporting any suspected improprieties in any matters related to the Group directly addressed to the designated person.

An email account (info@1957.com.hk) has been set up for this purpose. All reported matters will be investigated independently and, in the meantime, all information received from a whistleblower and his/her identity will be kept confidential.

The Audit Committee will regularly review the whistleblowing policy to improve its effectiveness and employee confidence in the process and to encourage a "speak up" culture across the Company.

ANTI-CORRUPTION POLICY

In compliance with the code provision D.2.4 of the CG Code, the Board adopted an anti-corruption policy on 17 March 2022. It outlines guidelines and the minimum standards of conducts, all applicable laws and regulations in relation to anti-corruption and anti-bribery, the responsibilities of employees to resist fraud, to help the Group defend against corrupt practices and to report any reasonably suspected case of fraud and corruption or any attempts thereof to the management or through an appropriate reporting channel. The Group would not tolerate any forms of fraud and corruption among all employees and those acting in an agency or fiduciary capacity on behalf of the Group, and in its business dealing with third parties.

The Board will review the anti-corruption policy to ensure its effectiveness and enforce the commitment of the Group to the prevention, deterrence, detection and investigation of all forms of fraud and corruption.

DIVIDEND POLICY

The Company has adopted a dividend policy which sets out the factors to be taken into account in determining any dividend payment by the Company (the "**Dividend Policy**").

Under the Dividend Policy, the declaration and payment of dividends shall be subject to applicable laws and regulations and the relevant provisions of the Articles of Association.

In deciding whether to propose a dividend and in determining an appropriate basis for dividend distribution, the Company will consider a number of factors, including but not limited to:

- the Group's actual and expected financial performance and results;
- the interests of the Shareholders;
- the retained earnings and distributable reserves of the Company and each of the other members of the Group;
- the Group's level of indebtedness, including its debt-to-equity ratio, return on equity and any financial covenants to which the Group is subject;
- the possible effects on the Group's creditworthiness and any restrictions on payment of dividends that may be imposed by the Group's lenders;
- the Group's expected working capital requirements, future expansion plans, liquidity position and future commitments at the time of declaration of dividend;
- taxation considerations, statutory and regulatory restrictions;
- the Group's general business conditions and strategies, business cycle, and other internal or external factors that may have an impact on the business or financial performance and position of the Company;
- general economic conditions; and
- any other factors that the Board deems appropriate.

The Company will review and monitor the Dividend Policy on a periodic basis and will submit the same to the Board for approval if any amendments are required. There is no assurance that dividends will be declared or paid in any particular amount for any specific period.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the GEM Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

Convening of extraordinary general meeting and putting forward proposals

Shareholders may put forward proposals for consideration at a general meeting of the Company according to the Articles of Association. Any one or more members holding as at date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting of the Company to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

ENQUIRIES TO THE BOARD

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the headquarters of the Company by mail to 33/F, Times Tower, 391–407 Jaffe Road, Hong Kong or by email: investor@1957.com.hk. Share registration matters shall be handled for the Shareholders by the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

CHANGE IN CONSTITUTIONAL DOCUMENTS

The memorandum and articles of association of the Company have been amended and restated with effect from 27 May 2022. There was no change to the memorandum and articles of association of the Company during the year. The latest version of the Company's constitutional documents is available on the websites of the Stock Exchange and the Company.

CONCLUSION

The Company believes that good corporate governance could ensure an effective distribution of the resources and Shareholders' interests. The senior management will continue endeavors in maintaining, strengthening and enhancing the Group's corporate governance level and quality.

Environmental, Social and Governance Report

1. INTRODUCTION

1957 & Co. (Hospitality) Limited (the "**Company**", together with its subsidiaries, the "**Group**" or "**we**") is pleased to present the environmental, social and governance ("**ESG**") report (the "**Report**") for the year ended 31 December 2025.

In 2025, Hong Kong's food and beverage industry continued to face significant challenges. Measured by restaurant receipts, our industry struggled to recover to pre-pandemic levels, as consumers became more cautious about spending and sought more affordable dining options. This shift was reflected in the growing trend of cross-border consumption, with many diners opting for culinary experiences in Mainland China, resulting in a decline in local dining frequency and consumer spending. The market dynamics were further complicated by the influx of numerous Mainland brands, which attracted younger customers through new offerings and competitive pricing. Operational costs remained exceedingly high, with rents placing a substantial burden on profitability, further compounded by rising labour and raw material costs. In this context, we recognise that adopting sustainable development measures is essential for addressing operational challenges and aligning with shifting market expectations. By prioritising sustainability driven strategies, we aim to enhance our competitive edge, foster resilience, and achieve sustainable growth, which effectively managing costs and meeting evolving consumer demands.

In 2025, while pursuing the development of our core restaurants operation and management businesses with our dining concept on the theme "Create an Original Lifestyle", the Company is committed to providing better catering services through innovative healthy dishes tailored to customers' needs. We continued to explore ways to ensure hygiene and reduce waste and pollutants. During this year, we actively fulfilled our social responsibilities and established ties with more social organisations and the public through various charitable donations, creating favourable conditions for sustainable development.

By incorporating sustainability and corporate social responsibilities into its business operation and development, the Company strives to make common progress and grow together with its customers, employees, shareholders and society. Through our sustainability initiatives, we aim to actively support Hong Kong's 2030 decarbonisation target and its 2050 carbon neutrality goal. Looking forward, the Company will continue to strengthen our ESG management framework and improve our sustainability strategy to ensure sustainable and long-term returns for our investors.

During 2025, we adjusted our restaurant operations, including the relocation of 10 Shanghai from Lee Garden Two to Lee Garden Three. The new Lee Garden Three branch operates as an associated restaurant and is considered out of scope after its relocation in April, thus, we will include utility data only up to that point. As of 31 December 2025, we have twelve restaurants (2024: thirteen) under five self-owned brands and three franchised or sub-licensed brands in Hong Kong. We remain committed to offering high-quality Thai, Vietnamese, Japanese, Shanghainese and Italian cuisines to different customers through these various brands, while striving to minimise our environmental impact.

2. ABOUT THIS REPORT

This Report aims to disclose the sustainability and social approach and performance of the Group's core business located in Hong Kong, emphasising the key issues with stakeholders' highest concern (please refer to the ESG issues materiality matrix section). This Report is prepared in accordance with the ESG Reporting Code as set out in Appendix C2 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited ("**HKEX**") (the "**GEM Listing Rules**"), with effective from 1 January 2025. The Group acknowledges that the Code mandates Scope 1 and 2 emissions reporting and introduces new requirements under Part D: Climate-related Disclosures. The Group has developed the capability to report Scope 1 and 2 data reliably and consistently, with climate risk always being a material topic. In 2025, the Group took further action to address the climate-related risk requirements, and this report integrates the necessary framework to clearly demonstrate our commitment and progress.

This Report follows the reporting principles of Materiality, Quantitative, Balance and Consistency from the Stock Exchange's guideline.

Reporting Principles	The Company's Response
Materiality	The Group values and responds to the needs of its stakeholders in many ways. Based on the extent to which ESG-related matters affect the Group's internal business needs and various external stakeholders, the Group's materiality issues are identified and disclosed in this Report.
Quantitative	The main data in this Report are derived from the Group's internal documents, working papers and information materials in the public media. Unless otherwise stated, the calculation standards, methodologies and conversion factors used to report the data on the environmental and social aspects of performance in this Report have been prepared in accordance with the relevant guidelines of the Stock Exchange, in order to present the KPIs for the reporting year in a measurable manner.
Balance	This Report provides an unbiased picture of the Group's ESG performance in 2025 to avoid choices, omissions, or presentation formats that may inappropriately influence the decisions or judgments of readers of this Report.
Consistency	Unless otherwise stated, the information collection methods, reporting formats and statistical methods of this Report are consistent with those of previous years to ensure that relevant data can be meaningfully compared in the future.

This Report covers the operations of the Group's restaurants in 2025, focusing on establishments where data is material and available. Full-year coverage includes self-owned brands An Nam, Modern Shanghai (five outlets), Modern Shanghai Imperial, and Akanoshou, as well as franchised/sub-licensed brands Mango Tree, Gonpachi (two outlets), and Paper Moon. Partial-year data applies to 10 Shanghai for the period up to 13 April 2025, prior to its relocation. Following the relocation, the restaurant was excluded as it became an associated restaurant. This scope ensures a balanced, transparent reflection of the Group's 2025 restaurant operations.

For more information on our approach regarding ESG matters or our financial performance and corporate governance, please refer to our official website at www.1957.com.hk.

3. SUSTAINABILITY MANAGEMENT

A. Governance

To effectively manage sustainability initiatives, the Group has established a comprehensive three-tiered governance structure. This approach ensures accountability, strategic oversight, and operational integration of ESG and climate-related considerations. The Board of Directors has ultimate accountability for the sustainability strategy and oversees the Company's sustainability management framework. The sustainability management team reviews significant ESG and climate-related risks and opportunities, formulates and assesses strategies, sets targets, and evaluates performance. The working group implements mitigation policies and measures, facilitating integration of sustainability issues into operations.

B. Stakeholder engagement

Active communication with stakeholders is essential to the assessment of our current ESG strategy. The Group is committed to taking the initiative to continuously interact with key stakeholder groups. Diverse communication channels and platforms are established to exchange information and receive feedback from stakeholders, prompting adjustment and feedback in response to the changing needs and requirements of the stakeholders. Communication channels with major stakeholder groups were as below:

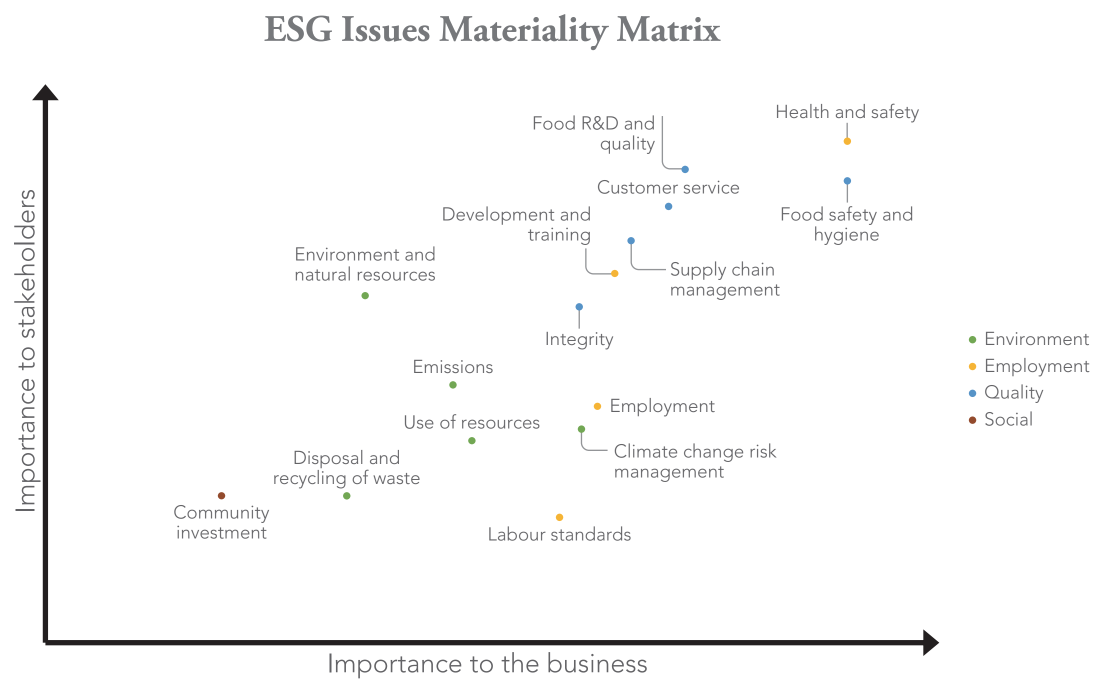
Stakeholder Group	Issues of Concern	Communication Channels
Investors and shareholders	• Corporate governance • Risk management • Operations and strategy	• Annual general meeting • Corporate websites, announcements, circulars and notices of meetings
Employees	• Remuneration and benefits • Training and development • Occupational health and safety • Corporate culture	• Employee orientation • Continuous training and workshop programmes • Performance reviews and appraisals • Team building activities
Customers	• Food quality and safety • Service • Dining environment and experience • Personal data collection policy	• Customer service hotline • Corporate website and social media channels
Suppliers	• Long-term business relationship • Supply chain management	• On-site inspection and performance review • Tendering and other regular meetings
Community	• Contribution to the community • Promoting community harmony • Pollution and other adverse effects	• Press release • Corporate websites • Community investment and activities
Landlords	• Lease contract arrangement • Corporate image and marketing	• Regular meetings • Opening ceremonies of new shops
Regulators	• Regulatory compliance • Taxation compliance	• Seminars and training • Responses to government policies

3. SUSTAINABILITY MANAGEMENT (CONTINUED)

C. ESG issues materiality matrix

Based on the stakeholder's feedback gathered from the outlined channels above, we have identified 15 ESG-related material issues. These issues are classified into four aspects: environment, employment, quality and social, and were prioritised using a materiality matrix that evaluates both their importance to stakeholders and their importance on the business.

Issues positioned near or within the top right quadrant are considered the most significant. Given the nature of our operations in restaurant and hospitality, the highest priority issues include health and safety, food safety and hygiene, food research and development ("**R&D**") and quality, and customer service. The next tier of critical issue comprises of food quality and dining experience, development and training of our employees and supply chain management, which continue to rank highly in 2025. While most topics remain in consistent positions with those identified in 2024, climate change risk management has been elevated on the agenda, shifting to a higher position in the top right of the matrix. This movement reflects heightened stakeholder attention as well as the associated risks and opportunities to operations posed by both physical and transition conditions related to climate change. The Report focuses on providing comprehensive disclosures on these top issues, with sufficient disclosures for other issues.



ESG Issues Materiality Matrix Showing the Issues that are Important to Stakeholders and the Business

4. OUR COMMITMENT TO THE ENVIRONMENT

A. Introduction

Our Group is committed to environmental responsibility and complies with applicable laws and industry standards. We maintain practices to manage waste, emissions and resource use, and continually review our environmental performance to protect environment, manage climate-related risks, and safeguard employee health and safety.

To deliver this commitment, we undertake the following actions:

- Strengthening the ESG management system and establishing comprehensive environmental policies to reduce negative impacts on society and the environment;
- Optimising operation process through advanced technology adaptation in office and restaurants;
- Reducing the carbon footprint of our dishes by prioritising sustainable ingredients;
- Consuming energy, water, resources and raw materials efficiently; and
- Advocating sustainability concepts to employee to create a joint effort in green business development.

B. Green office operation

In addition to our restaurants, we have implemented sustainable waste management practices in our office to reduce our environmental footprint.

Digitalisation of daily operation

- Enhancing the use of online videoconferencing in lieu of face-to-face meetings to reduce non-essential business travel by employees;
- Adopting electronic gadgets instead of the traditional documents in meetings, prompting the entire company to operate in a more environmental-friendly way; and
- Monitoring energy and resource consumption regularly and investigating unusual usage of resources.

Office waste management

- Promoting a paperless office and encouraging employees to use email, cloud storage and shared document platforms to reduce the use of paper;
- Enhancing the digital signature and approval process to reduce the transfer and storage of paper documents;
- Strengthening recycling of paper and toner cartridges by providing recycling boxes; and
- Ensuring responsible disposal of e-waste and IT equipment in full compliance with local regulations.

4. OUR COMMITMENT TO THE ENVIRONMENT (CONTINUED)

B. Green office operation (Continued)

Saving electricity resource

- Procuring energy-saving certified computers, printers, copiers and other office equipment;
- Upgrading the traditional lighting to brand new LED lamps with higher illuminance and power efficiency;
- Installing air-conditioning systems with programmable thermostats to turn on or off the devices automatically; and
- Regular maintenance and cleaning of the ventilation system to ensure its efficient operation.

Promoting conservation

- Conducting regular green office training to improve employees' environmental awareness and energy-saving habits;
- Encouraging employees to turn off their personal computers and other office equipment at the end of the workday; and
- Putting up conservation posters in the office to remind employees.

C. Sustainable restaurants operation

Reducing gaseous fuel consumption

- Installing a wide range of more environmentally friendly cooking stove in restaurants to reduce the fuel usage and greenhouse gases emission.

Water conservation

- Installation of sensor-activated faucets and high-efficiency sanitary fixtures to optimise water usage across operations; and
- Raising employees' awareness to strike a balance between water-saving and the hygiene of kitchens by internal workshops and training.

Using recyclable straws

- Using recyclable paper straws for certain restaurants to minimise the negative impacts on ecosystems.

4. OUR COMMITMENT TO THE ENVIRONMENT (CONTINUED)

C. Sustainable restaurants operation (Continued)

Regular sanitation within the restaurants

- Eco-friendly disinfectant is used for cleaning the dining area to ensure customers as well as our employees are safe from various bacteria and virus that cause transmittable disease; and

- Several sanitation teams are on stand-by during the operation hours to monitor the cleanliness of the environment.

Improving indoor air quality

- Intelligent ventilation systems endorsed by Environmental Protection Department ("**EPD**") are used for monitoring and controlling kitchen exhaust (including particulate matter and volatile organic compounds).

D. Active waste recycling to minimise disposal

During our operation, we have invested tremendous efforts in reducing the amount of waste generated and have a standardised waste management system. The main generated waste from our restaurant operation is food waste. To manage it, we implement portion controls and explore recycling programme where practical and supported. In FY2025, our Mango Tree restaurant at Elements is actively participating in the landlord's "MTR Malls Food Waste Reduction Pledge" programme to further strengthen our commitment to managing food waste. This pledge involves monitoring and reporting monthly food waste levels to encourage continuous improvement, which has already resulted in an accumulated reduction of 13.43%. This active participation and measurable improvement demonstrate our commitment and provide a model to reference across other sites. We do not produce any hazardous waste and packaging materials due to our business nature.

The below two focused management initiatives that address solid waste and waste oil handling further reinforce our efforts and minimise environmental impact from waste.

Solid waste management

- Implementing cooked-to-order measure to minimise the amount of pre-cooked food and potential food waste;

- Transitioning to non-plastic single-use tableware in response to government's regulations banning the sale and distribution of disposable plastics; and

- Digitalising the processes by promoting paperless office communication, launching a loyalty app to replace physical loyalty cards and host QR-code e-vouchers, phasing out paper vouchers, and reducing material waste.

4. OUR COMMITMENT TO THE ENVIRONMENT (CONTINUED)

D. Active waste recycling to minimise disposal (Continued)

Waste cooking oil ("WCO") management

- In a contractual relationship with a licensed company handling waste cooking oil recycling since 2018 to collect and transport the WCO to the EPD's facility;
- Providing training to our employee on the effective and efficient techniques of using cooking oil;
- Strictly following the guidelines from the EPD to store and record the WCO on-site; and
- All of our restaurants have contracted their respective property management company and are using the centralised grease trap(s) located in the shopping malls.

During the reporting period, the assigned recycling company collected 51,832 litres (2024: 51,492 litres; 2023: 40,808 litres) of WCO from our restaurants, which represented an increase of 1% in WCO collected compared to last year. The intensity was about 0.10 tonnes of oil per million Hong Kong dollars ("**HK$ million**") of revenue. The rise in waste oil volume is primarily due to accounting for the full operation of two Shanghainese restaurants that opened last year, which requires large quantities of cooking oil for frying and other high-oil cooking techniques, resulting to increased waste oil generation.

E. Sustainable dishes and food sourcing

We recognise the importance of responsible sourcing in preserving natural resources for the future. To uphold our commitment to quality and sustainability, we integrate environmental consideration into our procurement decisions. We prioritise suppliers demonstrate environmental responsibility through safer pesticide practices, low-carbon transportation, and sustainable fishing methods. This approach ensures that the ingredients we serve align with our values from source to plate.

To operationalise this commitment, 10 Shanghai and Modern Shanghai restaurants have introduced vegetarian dishes that use plant-based meat, recognising that plant-based meat typically requires less land and water and produces fewer greenhouse gas ("**GHG**") emissions than conventional animal agriculture. By reducing demand for animal production, these products free up water and arable land for other food uses. Integrating such dishes into our menus both reduces pressure on finite resources and offers customers high-quality culinary experiences that make it easier to choose more environmentally friendly options.

We rely on nature greatly and we also respect it. We strive to maintain food sustainability and working our best to cause fewer impact on nature. Our restaurants seek to use only the energy necessary for operations and to reduce waste wherever possible. We are committed to pursuing practices that promote coexistence and balance with the environment.

4. OUR COMMITMENT TO THE ENVIRONMENT (CONTINUED)

F. Acts to manage climate change risks

The Group recognises that climate change presents both risks and opportunities to our business and long-term resilience. Our climate-related disclosure for the reporting year is prepared in reference to the revised Appendix C2 to the GEM Listing Rules, aiming to provide stakeholders with a transparent view of our governance, strategy, risk management, and metrics and targets in this area.

Governance

The Board is ultimately responsible for the Group's sustainability strategy and its management, performance, and reporting concerning climate-related risks and opportunities. To enhance its competency, the Board is regularly informed about climate-related issues through reports and updates from the sustainability management team.

Appointed by the Board, the sustainability management team is responsible for overseeing the implementation of controls and procedures to monitor climate-related risks and opportunities, with support from external professionals. Their specific duties include identifying climate-related issues, developing inter-departmental response mechanisms, and reporting progress to the Board. This structure ensures a cohesive approach to climate governance.

Strategy

The Group is aware of the actual and potential impact that climate-related risks may have on our business, strategy, and financial planning. In line with Appendix C2 to the GEM Listing Rules, we categorise climate-related risks into two primary types:

- Physical risks: which is event-driven or longer-term shifts in climate patterns that can impact our assets and operations.

- Transition risks: which arise from the shift towards a lower-carbon economy, encompassing policy and market risks. The assessment specifically focuses on carbon tax as a key policy risk and electricity costs as a market risk, primarily due to their relevance and data availability.

To proactively understand these impacts and build up our strategic resilience, we have conducted a qualitative climate scenario analysis. This analysis focused on identifying climate-related risks, and an assessment was conducted using climate scenarios from the Fifth Assessment Report ("**AR5**") released by the Intergovernmental Panel on Climate Change ("**IPCC**") and from the Network for Greening the Financial Systems ("**NGFS**").

We considered two IPCC Representative Concentration Pathways ("**RCP**") and two NGFS scenarios across short-term (2030), mid-term (2050), and long-term (beyond 2050) horizons, aligning with China's Dual Carbon Goals. NGFS scenarios were selected for their broader coverage of hazards. However, for hazards like floods, cyclones, and sea level rise, a higher level of granularity is required. Thus, the IPCC RCP scenarios were also utilised, as they offer detailed, asset-specific analyses of these significant physical risks. As data tools mature, we aim to adopt a single source for scenarios. For now, this dual approach enables a comprehensive assessment and provides the necessary granularity to understand impacts.

4. OUR COMMITMENT TO THE ENVIRONMENT (CONTINUED)

F. Acts to manage climate change risks (Continued)

Strategy (Continued)

Nonetheless, RCP 4.5 and the NGFS Nationally Determined Contributions ("**NDCs**") represent practical scenarios, while RCP 8.5 and the NGFS Current Policies prepare us for worst-case scenarios. Together, these pathways provide a balanced, science-based view of climate risks. This approach allows us to anticipate changes brought by climate-driven events and prepare for various outcomes in an uncertain environment.

Given our capabilities and data availability, we acknowledge the limitations of our model's reliance on high-level, publicly available data tools. While these tools pose constraints, our focus on qualitative scenario analysis provides valuable strategic insights. As our capabilities mature, we plan to enhance our risk assessment through quantification. In future reports, we will update stakeholders on our progress and any refined assessments as they develop.

We assess risks by evaluating asset exposure and operational vulnerability alongside hazard severity, using the best available information and reasonable assumptions. The risk level, calculated as the product of these factors and based on internally determined thresholds, serves as a qualitative metric to guide our analysis. Detailed definitions are provided below.

- Negligible: No significant impact is anticipated under the assessed scenarios. Potential impact on operations is considered negligible and requires no dedicated response.

- Low: Risks that are unlikely to occur and would cause minor, short-term effects. The Group can adapt quickly and recover with minimal resources and time.

- Medium: Risks with moderate likelihood and could cause moderate disruptions to operations. The Group can manage these with proactive adjustment and moderate resource allocation.

- High: Risks with a high likelihood of occurrence with significant disruptions to operations. These would require substantial, rapid adoption efforts and major resource commitments for recovery.

4. OUR COMMITMENT TO THE ENVIRONMENT (CONTINUED)

F. Acts to manage climate change risks (Continued)

Strategy (Continued)

The analysis refined our identification of material physical risks. The results, alongside our ongoing assessment of transition risks, are summarised below.

		NGFS NDCs Risk level			NGFS Current Policies Risk level		
Physical Risks	**Relevance**	**Short-term**	**Mid-term**	**Long-term**	**Short-term**	**Mid-term**	**Long-term**
Heatwaves	Prolonged periods of extreme heat may reduce outdoor labour productivity and increase cooling-related energy expenses at facilities	Low	Low	Low	Low	Low	Low
Wildfires	Increased wildfire frequency and intensity directly damage asset and disrupt supply chain	Low	Low	Low	Low	Low	Low
Precipitation	More frequent and intense rainfall may trigger landslides potentially damaging asset locations	Low	Medium	Medium	Low	Medium	Medium
Mean air temperature	Rising ambient temperatures increase reliance on air conditioning and refrigeration, leading to higher energy consumption and operating cost	Low	Low	Low	Low	Low	Medium
Water stress	Long-term freshwater scarcity could raise sourcing cost or restrict high-water operations, potentially leading to community conflicts or curtailments	Low	Low	Low	Low	Low	Low

		IPCC AR5 RCP 4.5 Risk level			IPCC AR5 RCP 8.5 Risk level		
Physical Risks	**Relevance**	**Short-term**	**Mid-term**	**Long-term**	**Short-term**	**Mid-term**	**Long-term**
Floods	Increased frequency and intensity of flooding may cause direct physical damage for low-lying leased locations and disrupt supply chain infrastructure, leading to operational shutdown	Low	Low	Low	Low	Low	Low
Cyclones	Tropical cyclones pose a recurring threat to our operations, with potential for asset damage, business interruption, and supply chain disruption	Medium	Medium	Medium	Medium	Medium	Medium
Sea level rise	Long-term coastal inundation threatens permanent asset loss or devaluation for any waterfront-adjacent locations, higher insurance costs, and relocation pressures	Negligible	Negligible	Negligible	Negligible	Negligible	Negligible

4. OUR COMMITMENT TO THE ENVIRONMENT (CONTINUED)

F. Acts to manage climate change risks (Continued)

Strategy (Continued)

Building on these identified climate risks, we are committed to minimising adverse impacts while capitalising on emerging opportunities through targeted preventive and mitigation measures.

Climate risks	Potential Impact on Business Operations	Potential Impact on Value Chain	Mitigation and Response
Physical Risks			
Acute Physical Risks: Heatwaves, Wildfires, Precipitation, Floods and Cyclones	• Employee safety: risk to staff safety during severe events while commuting • Operational disruption: decrease in revenue due to temporary restaurant closure • Asset damage: direct harm to facilities, leading to increased maintenance/ repair cost and potential insurance premium hikes	• Logistics disruption: interruptions to inbound supply and outbound delivery services, affecting cuisine offering • Agricultural supply: extreme weather can compromise crop yield and quality, leading to supply shortages and volatile input costs	• Explore opportunities to collaborate with landlords on climate resilience measures • Assess landlord's climate resilience for new leases as needed • Diversify supply chain sourcing options • Adjust operations proactively and communicate transparently with customers during uncontrollable events
Chronic Physical Risks: Mean air temperature and Water stress	• Energy & efficiency: increased operational cost due to energy consumption for cooling • Food & safety: elevated spoilage risk during storage and in-transit	• Supply chain integrity: higher risk of spoilage • Supplier welfare: health and safety challenges for agricultural and logistics partners, potentially affecting their operational reliability	• Strengthen food inspection protocols • Invest in regular maintenance and upgrades of refrigeration systems for energy efficiency • Enhance supply chain operations and research the sources of climate-resilient ingredients

4. OUR COMMITMENT TO THE ENVIRONMENT (CONTINUED)

F. Acts to manage climate change risks (Continued)

Strategy (Continued)

Climate risks	Potential Impact on Business Operations	Potential Impact on Value Chain	Mitigation and Response
Transition Risks			
Policy Risks	• Compliance cost: increased capital and operational expenditures in response to new climate requirements • Carbon price: implementation of carbon tax mechanism could increase operation cost through direct taxation on greenhouse gas emission from restaurant activities	• Supplier compliance: suppliers may face their own regulatory costs or operational changes, leading to increased input costs or availability constraints	• Strengthen governance and transparency in sustainability disclosure • Monitor regulatory landscape and strengthen internal compliance checks • Manage carbon emissions proactively
Market Risks	• Cost increase: volatility and potential long-term increase in raw materials, electricity driven by climate policies, supply chain disruptions, and energy market shifts • Competitive positioning: Lower revenue if not aligned with customer preferences for low-carbon or plant-based options; higher costs for alternative ingredients require to maintain relevance and market share	• Upstream transformation: consumer demand creates opportunities and pressure for producers to supply sustainable, traceable, and alternative protein products, which ultimately translates into increased input cost	• Monitor trends and customer feedback for menu development • Actively explore low-carbon and plant-based menu options • Promote sustainable offerings through targeted marketing • Consider implementing sourcing policies that emphasise sustainable and ethically produced ingredients

Climate-related issues can present both risks, as discussed above. However, we also recognise opportunities that can enhance our strategic positioning. We optimise our food offerings in response to the changing needs of our customers, and our spirit of innovation has helped us to make a strong impression on consumers. For example, during this reporting year, we offered a low-carbon vegetarian option, plant-based OMNI delights, to attract more potential customers to our restaurants. By integrating climate resilience into our operations, such as by supply chain adjustments and energy-efficient upgrades, we turn risks into avenues for operational refinement and sustainable development, securing both stability and competitive differentiation whilst minimising environmental impacts and safeguarding the well-being of our stakeholders. The Group embeds climate consideration into its strategy and long-term planning. While no separate, identifiable fund is dedicated to climate-related issues, all associated financial implications are actively managed within our operational expenditures. We closely monitor emerging climate risks on an ongoing basis and implement targeted responses and measures across our business. The Group has not yet formulated a formal, standalone transition plan for the shift to a low-carbon economy. This ensures that our future strategy is fully aligned with evolving industry benchmarks, long-term strategic resource allocation, and our advancing climate impact quantification capabilities. The Group remains committed to developing a comprehensive transition plan as our internal methodologies and external standards mature.

4. OUR COMMITMENT TO THE ENVIRONMENT (CONTINUED)

F. Acts to manage climate change risks (Continued)

Risk Management

The Group has integrated climate-related risks into its established risk management framework with the assistance of third-party experts. A climate-specific risk assessment, informed by peer research and international frameworks, ensured comprehensive risk identification across all business sites.

Through the scenario analysis, we identified and assessed climate-related risks using qualitative evaluations of their potential impact based on hazard, exposure, and vulnerability of each risk, then prioritised them based on the risk level. These risks are managed and monitored as part of our existing comprehensive risk management framework, rather than as a standalone category, with the management updating these risks to the Board annually.

This integrated approach ensures that climate considerations are evaluated in the context of their potential impact on our strategy and operations. Since this integration aligns with our pre-existing risk management structure, no significant changes were made to our risk management process during this reporting period.

Metrics and Targets

To enhance transparency, we disclose our GHG emissions for Scope 1 and Scope 2. Scope 1 emissions mainly come from stationary fuel combustion. Scope 2 emissions are from purchased electricity and Towngas consumption for our operations. We have also begun mapping our Scope 3 emissions and have identified relevant category that are supported by readily available information throughout our supply chain, which include Category 5: Waste generated in operations.

The Group adopts a financial control approach for GHG emission accounting. This methodology defines the accounting scope based on the Group's financial control over our operations, accurately reflecting actual responsibilities and ensuring alignment with sustainability goals.

The Group recognises that there are still gaps in the reported data, primarily due to challenges in collecting complete data from suppliers across tiers. To address this, we will explore the need to enhance our data collection methodologies, expand coverage to additional Scope 3 categories. All emissions units are expressed in tonnes of carbon dioxide equivalent ("**tCO_2e**").

4. OUR COMMITMENT TO THE ENVIRONMENT (CONTINUED)

F. Acts to manage climate change risks (Continued)

Metrics and Targets (Continued)

During the year, the summary of GHG emissions of the Group is illustrated below

GHG Emission and Intensity[1]	Unit	2025	2024
Direct Emissions (Scope 1)	tCO_2e	**42**	45*
Indirect Emissions (Scope 2)	tCO_2e	**1,715**	1,916*
Other Indirect Emissions (Scope 3) — Category 5: Waste generated in operations	tCO_2e	**72**	73
Total GHG Emissions	tCO_2e	**1,829**	2,034*
Emission Intensity	tCO_2e per HK$ million of revenue	**4.20**	4.33*

* *Restated data*

In the future, we will explore the development of indicators and targets for assessing and managing climate-related risks, including potential emission management targets. To guide our actions, we will also consider cross-industry and sector-specific indicators while developing climate-related disclosures and emission reduction strategies. Specific long-term reduction plans and quantitative targets will be considered and communicated as needed once they are finalised.

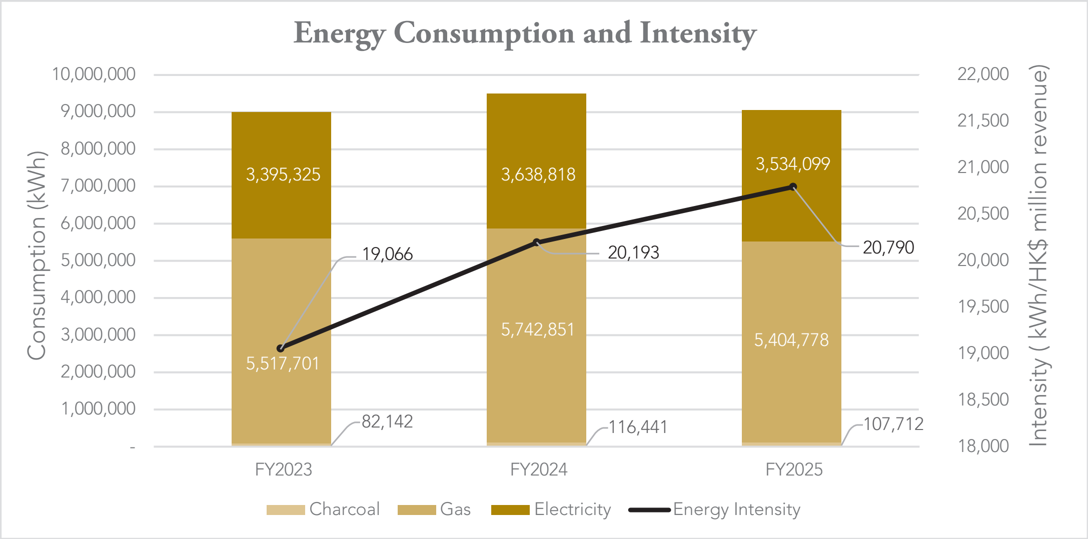
We have not yet incorporated internal carbon pricing or linked remuneration to climate targets, as these elements are not yet materially relevant to our current operational priorities. We will continue to monitor industry best practices for future integration.

[1] The emission factors and calculation methodology are referenced to the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)", the "Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)", and "Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEX.

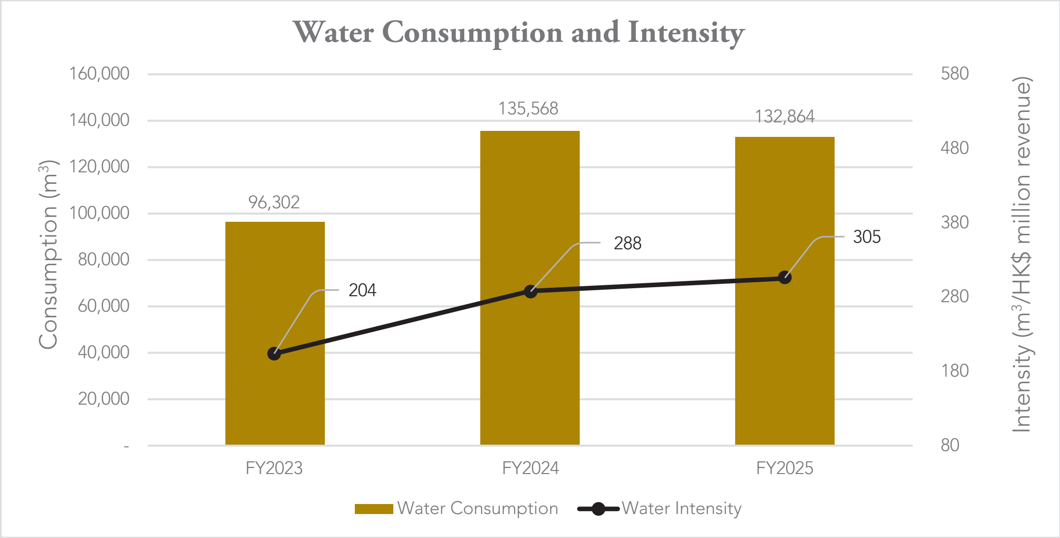
4. OUR COMMITMENT TO THE ENVIRONMENT (CONTINUED)

G. Consumption and emission data

Gas, electricity and charcoal are the major types of energy resources consumed by the Group. In 2025, the Group consumed 3,534,099 kilowatt-hours ("**kWh**") of gas, 5,404,778 kWh of electricity and 13,265 kg of charcoal (equivalent to 107,712 kWh). The total energy consumption was 9,046,588 kWh, which represents a decrease of 5% compared to the previous year.



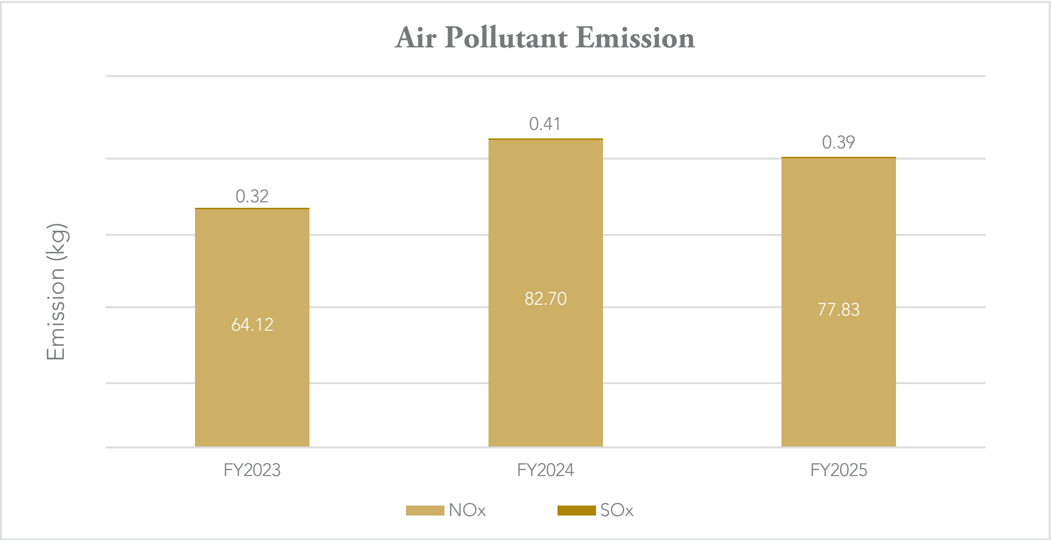
Water is another key resource consumed by the Group. In 2025, total water consumption amounted to 132,864 cubic meters ("**m³**"), reflecting a decrease of 2% compared to 135,568 m^3 in 2024. Water intensity was 305 m^3 per HK$ million of revenue. The Group continues to source water that is fit for purpose, with no issues identified during the reporting period.



4. OUR COMMITMENT TO THE ENVIRONMENT (CONTINUED)

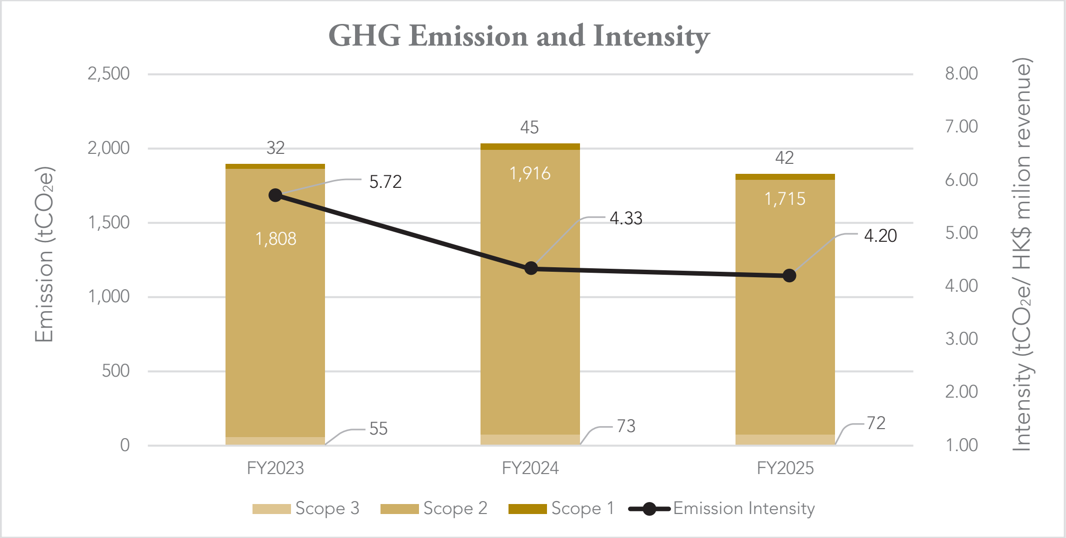
G. Consumption and emission data (Continued)

The Group's gas consumption generates approximately 77.83 kg of nitrogen oxides ("**NOx**") and 0.39 kg of sulphur oxides ("**SOx**") as shown in the below diagram.



In 2025, the total GHG emissions amounted 1,829 tCO_2e. This comprised 42 tCO_2e of direct emissions (Scope 1), 1,715 tCO_2e of indirect emissions (Scope 2), and 72 tCO_2e of other indirect emissions (Scope 3), which included emissions from water consumption. The overall emission intensity was 4.20 tCO_2e per HK$ million of revenue.

During the reporting period we refined our emission calculation approach. We have updated the FY2023 and FY2024 GHG data to reflect these adjustments and ensure consistency.



4. OUR COMMITMENT TO THE ENVIRONMENT (CONTINUED)

H. Performance and goal

The consumptions and emissions data cover all restaurants that are under the Group's financial control for the year ended 31 December 2025. Compared to last year, we have observed decreases across all resource categories. This improvement reflects our continued commitment and collective impact of our ongoing green office and sustainable restaurant initiatives, including water conservation measures, waste reduction efforts, and employee engagement programmes implemented across our restaurant network, all while maintaining high standards of food quality and service. That said, we recognise that resource intensities have shown a slight increase, primarily due to a decline in revenue, this reflects changes in the activity base rather than higher absolute resource use and does not indicate a reversal of our efficiency gains.

In addition to focusing on environmental performance, the Company maintains that food quality, customer satisfaction, and hygiene are non-negotiable, especially given the current challenges facing the industry. We are committed to balancing these essential factors while striving for improved sustainability.

Going forward, we will reduce unnecessary consumption and to further enhance our environmental performance by promoting energy and water conservation through signage and stakeholder engagement, and by regularly reviewing emissions and waste hotspots to maximise resource efficiency.

5. OUR COMMITMENT TO QUALITY

To retain customers and protect their health, we prioritise quality control in our services. We have identified several material issues and implemented relevant policies to effectively address these concerns.

Material Issues Identified and Related Policies to Address Quality Concerns

Concerned issue	Related policies
Food quality	A. Procurement policy B. Internal safety and hygiene policy C. Food nutrition and health
Customer dining experience	D. Protecting intellectual property rights E. Our care to customers F. Data protection and privacy policies

5. OUR COMMITMENT TO QUALITY (CONTINUED)

A. Procurement policy

The creation of high-quality dishes begins with sourcing premium, responsibly produced ingredient. To uphold the highest standards of sustainability, quality, and ethical integrity across supply chain, the Group maintains a rigorous, multi-layered approach to supplier management. We have established clear internal guidelines for supplier selection that prioritise consistent ingredient quality, hygiene standards, traceability, and overall reputation. During onboarding and ongoing evaluation, we verify suppliers' food safety certifications, hygiene protocols, and relevant qualifications to minimise environmental and social risks. We also tailor assessments to each supplier's unique operations, ensuring alignment with our Group's specific needs and values. Beyond evaluating suppliers' backgrounds, we also prioritise ethical practices. Our approved partners must not be involved in any offenses related to animal cruelty, environmental pollution, child labour, forced labour, or any form of human rights violation.

Even after approval, supplier performance is subject to continuous monitoring through a comprehensive procurement and quality assurance framework. This includes conducting thorough checks on the quality of ingredients upon their arrival at our restaurants. We assess factors such as freshness, appearance, and overall quality to ensure they meet our high standards. If the ingredients are less than satisfactory, not fresh or defective, we promptly communicate our concerns to the supplier and request a replacement. This proactive approach not only helps maintain the integrity of our dishes but also reinforces our commitment to quality, food safety and customer satisfaction. Also, through regular visits to factories and workshops, we assess the conditions of our suppliers, such as by evaluating the quality of the products and the overall hygiene and cleanliness of establishments. If there are any problems discovered, a meeting with the respective supplier will be held promptly to discuss solutions and improvement. We will consider removing the suppliers from our list of suppliers if the supplier again violates the Company's supplier selection criteria. During the reporting period, we traded with 195 suppliers. All of them were Hong Kong-incorporated companies that could supply us foreign products.

B. Internal safety and hygiene policy

Workplace hygiene and safety are of our highest priorities for the restaurants' operations. The Group strives to provide high-ended dishes and experience to customers in a clean and safe environment that employees are comfortable with. To ensure our servings are in a consistently satisfactory standard, we follow not only the internal hygiene standard, but also the official supervising scheme as stated by the government. The Food and Environmental Hygiene Department (the "**FEHD**") has introduced the Hygiene Manager and Hygiene Supervisor Scheme (the "**Scheme**") under which all large food establishments and food establishments producing high-risk food is required to appoint a hygiene manager and a hygiene supervisor. Under the Scheme, all large food establishments producing high-risk food are required to be monitored by them on the hygiene level of the environment as well as the way food is handled.

The manager and supervisor of each restaurant are also responsible to promote and support hygiene and health regulations. They participate in extra courses to enhance their food safety knowledge of avoiding any food poisoning and foodborne illnesses. All employees must strictly follow the instructions regarding cleaning, storage and food processing at all times.

We strictly comply with Food Business Regulation in Hong Kong and all our central kitchens in Hong Kong have a food factory license issued by the FEHD. At any stage of food production, we implement good hygiene practices to prevent food contamination hazards and ensure that the food we serve is ultimately safe for use.

5. OUR COMMITMENT TO QUALITY (CONTINUED)

B. Internal safety and hygiene policy (Continued)

Food Production Stages	Hygiene Measures
Raw Material Procurement Stage	• Purchase raw materials that meet hygiene standards and avoid that are old, spoiled or have an odour
Storage Stage	• Inbound inspection and acceptance of raw materials from suppliers; • Ensure effective ventilation and prompt removal of raw materials to prevent moisture, mould, and deterioration; and • Food is stored apart from harmful and non-food items to avoid cross-contamination.
Production Processing Stage	For our restaurant food processors: • Strictly follow the process flow and avoid processing raw materials that have been spoiled or have an odour; • Maintain good personal hygiene, wear neat and clean working clothes and hats, avoid bringing personal belongings into the production workshop; and • Keep the processing equipment, tools and containers clean and sanitised, and clean and disinfect them regularly.
Cooking Stage	• Equip with professional equipment and tools to prevent contamination of ingredients; • Hand hygiene is maintained for raw food ingredient handling; • Cook thoroughly for food that needs to be fully cooked; • Avoid odorous, contaminated and unclean seasonings and food additives; and • Keep cooking equipment clean and hygienic to avoid contamination of food by grease and smoke.
Food Consumption Stage	• Strict inspection of meals before serving; • Use designated tableware and containers and avoid the use of unclean tableware; and • Avoid prolonged exposure of food to air to avoid contamination for meals that require high freshness.

5. OUR COMMITMENT TO QUALITY (CONTINUED)

C. Food nutrition and health

We are dedicated to delivering high-quality food and beverage services that align with our brand's core values. Our restaurants prioritise dietary health by offering meals crafted from carefully selected, high-quality ingredients. Additionally, we adjust portion sizes based on customer preferences to minimise waste and enhance satisfaction. Through regular market research and peer analysis, we continually innovate new, healthy dishes.

In 2025, we continued our partnership with OMNI, a plant-based meat brand. The dishes were designed based on the characteristics of OMNI's plant-based meat ingredients, including new pork, new beef, new fish fillet, and new crab meat. The menu features various types of vegetarian Huaiyang dishes including Appetiser/Soup and Main with plant-based meat as the main ingredient. Fresh fruits and vegetables such as pineapple, lettuce, straw mushrooms and vegetable meat are used in the dishes to ensure that the meals are nutritious, healthy and tasty.

Innovative Delight: Plant-based Meat for Nutrition and Health

Old Shanghainese Style Soup with OMNI Classic Fillet and Pickled Cabbage

Spicy Sautéed Vermicelli with OMNI Pork

Eggplant with OMNI Pork in Casserole

Glutinous Rice Dumplings with OMNI Pork, Mushrooms and Bamboo Shoots

5. OUR COMMITMENT TO QUALITY (CONTINUED)

D. Protecting intellectual property rights

Each of our restaurants has its own dining concept, and we provide a great dining environment by merging the interior design and restaurant view together. Our Company respects the effort of every designer and artist; therefore, we comply with relevant laws and regulations to observe and protect intellectual property rights.

The intellectual property protection of our restaurants involves trademark registration to protect brand image, patent application to protect innovations, trade secret confidentiality to protect core competitiveness, and copyright protection to ensure the rights and interests of creative works, as well as contractual clauses to specify the obligations of intellectual property protection, so as to comprehensively safeguard our intellectual property rights and ensure its sustainable and stable development. We are currently operating restaurants under five self-owned brands and three franchises or sub-licensed brands. We took measures to protect all trademarks and other intellectual property rights by making the necessary filling and registration. Apart from that, recipes are significant assets of our Group. Strict regulations in the kitchen and effective management to prevent disclosure of the recipes are in place. Any requests or enquiries from outside news organisations, magazines, competitors and other members of the public regarding our restaurants, their plans, sales procedures, team members or other matters should be referred immediately to the director of marketing communication.

E. Our care to customer

Building strong partnerships begins with understanding and meeting customer needs. We value and actively seek customer feedback through multiple channels, ensuring we remain responsive and customer-centric in a competitive dining landscape. Our frontline employees are well-trained to be detail-oriented and proactive in accommodating customers' needs. This approach fosters a warm and comfortable atmosphere in our restaurants, helping to retain our valued customers through meaningful interactions.

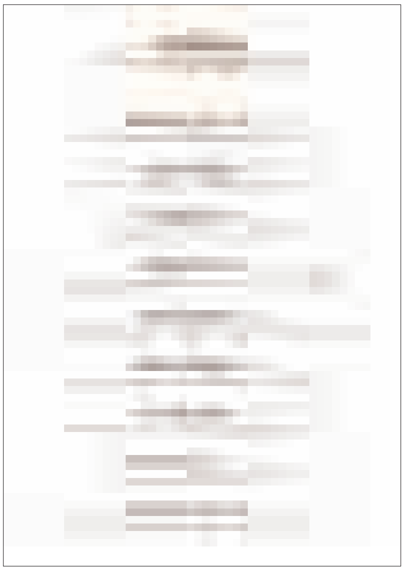
All frontline employees are required to have a comprehensive understanding of the food and beverages items on our menus. We provide training in areas such as menu tasting, wine tasting, negotiation, and service techniques to ensure our team delivers excellent and consistent service. Additionally, our staff is trained to inform customers about allergy-prone substances to enhance their safety and dining experience. We clearly indicate relevant allergens on the menu and encourage customers to consult with our staff before placing their orders.

We continuously innovate our menu to align with evolving customer's taste, health trends, and sustainability preferences. Our Shanghainese restaurants including the 10 Shanghai restaurant and Modern Shanghai restaurants introduced vegetarian dishes incorporating plant-based meats, meeting the nutritional requirements of vegetarians while giving other patrons more options. Our restaurants have diversified menus, from dim sum to main courses, giving customers a wide range of choices to satisfy diners of different tastes and cultures. We have received positive feedback from our customers and continued their offering to customers since the introduction in 2023.

5. OUR COMMITMENT TO QUALITY (CONTINUED)

E. Our care to customer (Continued)

Quality Customer Service: Diversified Menus

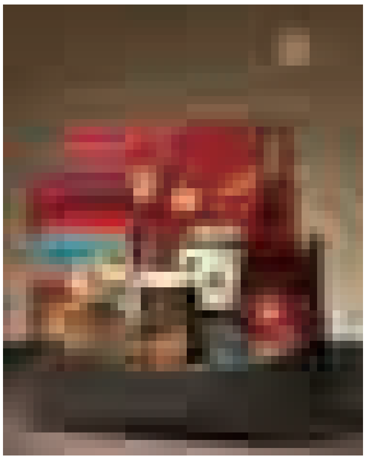


10 Shanghai's Plant-Based Meat Menu

We understand and fulfil the importance of customer requests. When we launch new dishes, we keep variety, inclusion and cultural diversity in mind, and publish dish details and service availability across social platforms such as Facebook, Instagram, Rednote and media newspapers, to keep customer informed.

We not only keep our customers updated through online platforms, but also offer exclusive e-shop specials, such as discounts, bundle deals, and early access to seasonal products. Our goal is to make every customer feel valued and connected, whether they are exploring our e-shop or visiting us in person. By combining special offers with proactive communication, we aim to deliver a seamless and delightful shopping experience that enhances customer satisfaction.

Enhancing Customer Experience: Seasonal Delight Offers in Our E-Shop



Seasonal Delight — Mid-Autumn Gift Basket

Seasonal Delight — Poon Choi (盆菜)

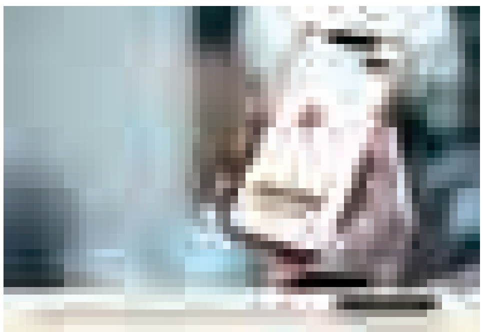
5. OUR COMMITMENT TO QUALITY (CONTINUED)

E. Our care to customer (Continued)

In 2025, we continued to enhance our Loyalty Programme to show our deep care and appreciation for our valued customers. This programme is designed to reward our customers for their continued support and trust in us. With every purchase, customers earn points that can be redeemed for exclusive discounts and unlock dining rewards. Through the app, members can conveniently access their points balance, monitor expiry dates, view their membership category, and redeem coupons directly at any time, greater flexibility and ease of use. This digital transformation enhances accessibility, streamlines benefit management, and ensures the programme continues to meet evolving customer expectations. Looking ahead, we plan to further enhance the programme by incorporating e-shop functionality within the app, creating a more integrated and seamless customer experience.

The Loyalty Programme reflects our commitment to putting customers first. By offering meaningful rewards and creating a more personalised experience, we aim to strengthen our relationship with our customers and make them feel truly valued. It's our way of saying thank you for choosing us and being a part of our journey.

Elevating Customer Loyalty: Rewards Program for Lasting Connections



1957 & Co. Membership App and Privileges

We prioritise customer feedback by actively listening through various social media platforms and on-site interactions. In our restaurants, customers can communicate directly with our frontline staff and managers regarding their experiences with food and service. We also value comments on social media and food review websites, using this feedback to adjust our service and menu to better meet customer needs. We welcome engagement with our customer relations team, responding positively to those who seek information or wish to share their praise or concerns about our food and service.

During the year, there were no major complaints regarding product or service quality. Nonetheless, we remain committed to upholding high standards in customer interactions and have established comprehensive procedures for addressing any feedback received. Our principles for handling guest opinions are encapsulated in the "LEADER" framework. "LEADER" stands for "Listen", "Empathise", "Apologise", "Do offer 2 solutions and ask guest which one he/she prefers", "Explain what you will do and go do it", and "Re-check and follow up on guest satisfaction". To support this framework, detailed and comprehensive training was provided for our employees to improve efficiency. Furthermore, according to our regulations, all complaints must be reported to the managerial level within 24 hours. These rules ensure we maintain our high standards of service and provide an accessible channel for suggestions and complaints, and ensure the opinions are effectively communicated and addressed to improve our competitiveness and win the market.

5. OUR COMMITMENT TO QUALITY (CONTINUED)

E. Our care to customer (Continued)

We provide training for our employees on how to handle complaints. We believe that these training opportunities play an important role in improving our staff's professionalism, service quality and efficiency, teamwork and communication skills, and are one of the most important means for us to improve our competitiveness and win the market.

No products sold subject to recalls for safety and health reasons were identified in 2025.

F. Data protection and privacy policies

The Group places great emphasis on the data protection and privacy security of our customers. The Group strictly follows the guidance of the employee handbook and restricts any unauthorised usage of personal data. We have a "1957 & Co. Loyalty Programme" (the "**Programme**") for our frequent guests to earn and redeem points across our restaurants and enjoy exclusive privileges. We understand the importance of our customers' concerns about personal data collection, hence, we have fully instructed our employees that they must only collect and use personal data in accordance with applicable data protection laws, as well as the Group's policy on Personal Data Governance and local policies of the Telecommunications division.

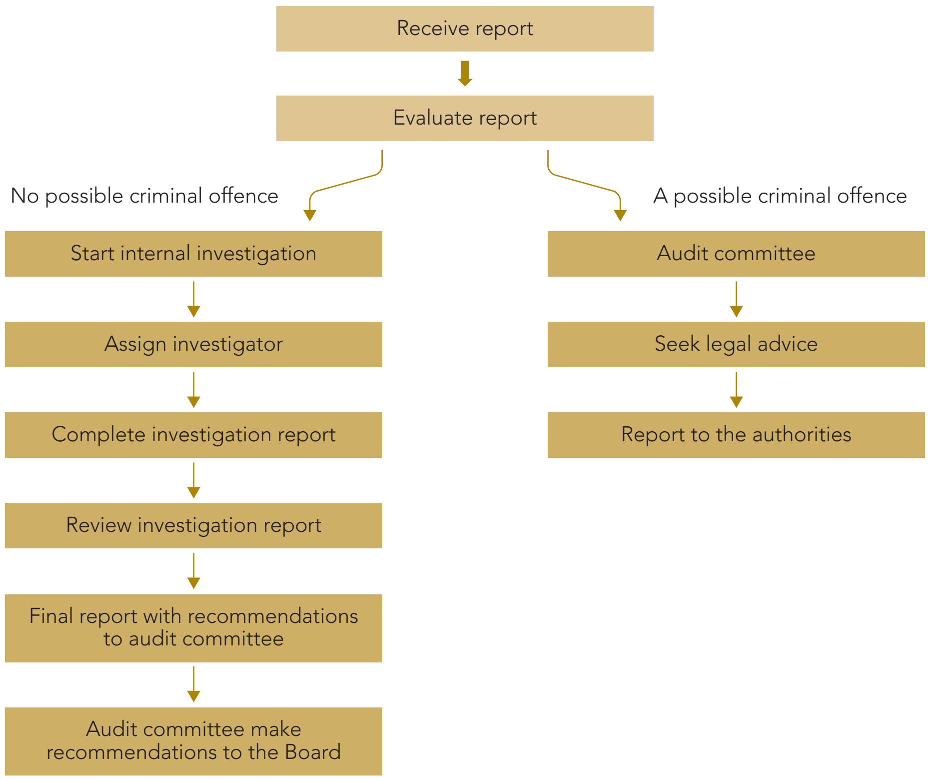
All our personal data collection complies strictly with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong), including that for the operation and management of the Programme, and are collected solely for activities related to the Programme.

6. POLICY AND MEASURES ON ANTI-CORRUPTION

Our Group believes that loyalty, integrity, and fairness are core assets to our business. Therefore, all employees of the Group, from the top management to our frontline employees, must strive to ensure that the reputation of the Group is not damaged by dishonesty, disloyalty or corruption. We maintained zero tolerance to corruption and fraud. We have implemented a strict internal control policy and regulation towards bribery or dishonesty, as outlined in our Code of Business Conduct and Anti-Corruption Policy. The policies apply to all employees, including permanent and part-time staff. Structured processes for purchasing, sales, operations and finance are clearly outlined to avoid potential corruption.

Our Company's whistleblowing policy is available on our website and encourages employees to report any suspected misconduct. We prioritise confidentiality in all reports and safeguard whistleblowers against any form of retaliation. The Group will acknowledge receipt of the report within seven working days. A designated senior officer, company secretary, will manage the report and oversee an investigation according to our established procedures. We regularly review our policies to ensure they remain up-to-date and compliant with legal requirements and best practices. There were no concluded legal cases regarding corruption brought against the Group or our employees during the year.

6. POLICY AND MEASURES ON ANTI-CORRUPTION (CONTINUED)



Flowchart of Anti-Corruption Report Management

7. OUR COMMITMENT TO OUR PEOPLE

A. Introduction

Employees are the cornerstone of our success in the competitive Hong Kong restaurant. The Group places the highest priority on protecting employees' rights and interest, fostering a safe, healthy, fair, and supportive working environment that promotes productivity, motivation, and long-term commitment. We strictly comply with all relevant laws, including but not limited to Employment Ordinance (Cap. 57 of the Laws of Hong Kong), Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong), Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong), Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong) and Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong).

Every employee is engaged with an employment contract through our Human Resources ("**HR**") department. The employee handbook is provided to every employee. The standard employment policy covers all aspects from recruitment to termination, including employee safety, prevention of food poisoning, handling of food contamination, and treatment of employee or guest injuries. These policies are detailed in the employee handbook and are regularly reviewed and updated to reflect best practice, regulatory changes, and feedback from staff and industry benchmarks. All employees could refer to the employee handbook under different situations at work promptly as the policies are based on scientifically proven and time-tested results.

7. OUR COMMITMENT TO OUR PEOPLE (CONTINUED)

B. Labour standards and equal opportunity

As an equal opportunity employer, our Group welcomes talented and enthusiastic candidates to join our family regardless of their backgrounds, ages, genders and nationalities. Inclusiveness, fairness and integrity are always embedded in our recruitment policy. Discrimination and harassment are strictly prohibited in our Group. Any verbal, visual and physical conduct of discrimination or harassment will subject the employee to disciplinary action, up to and including dismissal. The fair and equal concepts are also integrated into our promotion ladder. We provide equal opportunities for our employees who are looking for a chance to make a career in one of the best award-winning restaurants in town. We believe in internal promotion and performance excellence reward mechanism. Employees with satisfactory professionalism and exhibit passion to serve our customers have a chance to be promoted.

The employee handbook clearly outlines the general rules regarding compensation, dismissal, recruitment, promotion, working hours, annual leave, anti-discrimination, employment certificates, and more. We provide sick leave, annual leave, maternity leave, paternity leave, birthday leave, marriage leave and funeral leave to our employees. All full-time employees have participated in the Mandatory Provident Fund scheme after completion of 60 days of continuous employment.

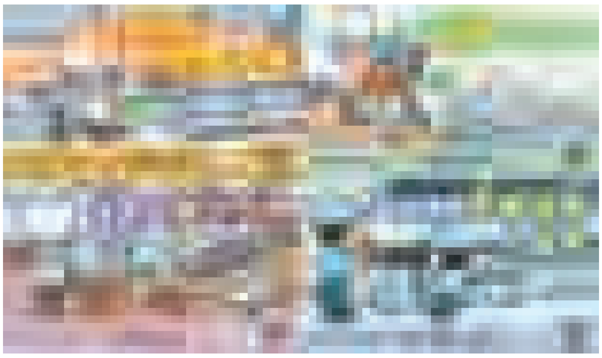
Our Group does not tolerate any forced or child labour in support of human rights and labour standards. We strictly comply with the statutory requirement of the Employee's Compensation Ordinance (Cap. 282 of the Laws of Hong Kong). All related job duties, including the number of working hours, over-time working arrangement and employee welfare and allowance are clearly stated in the employment contract. During the recruitment process, the HR department is responsible for ensuring the candidate has reached the legal working age by inspecting the candidate's Hong Kong identity card or valid travel document. If any child or forced labour is discovered, employee can report to us through phone, mail and email. The reported case will be followed up with an immediate investigation. During the reporting period, there were no related violation cases discovered.

7. OUR COMMITMENT TO OUR PEOPLE (CONTINUED)

C. Occupational health and safety

We care about both the physical and mental health of our employees and apply a "team building and career development" management philosophy. Our Company makes every effort to provide a healthy, efficient and safe working environment. Emergency plans and drills, employee safety training and appraisals, on-site inspections and safety forums are conducted on a regular basis to ensure safe operations. The Group makes every effort to provide and maintain the optimal working environment for our employees. Related practices that we have adopted are as below:

Policies and Procedures	Physical Environment Security
• Develop and continually improve safety policies and procedures that all employees are informed of; • Arrange the injured person to be examined by certified first aiders and sent to the nearest hospital or clinic for immediate medical treatment whenever work injury occurred on the premises; • Ensure that department heads conduct accident reporting, investigation, treatment, and improvement, including submitting a comprehensive "Workplace Incident & Accident Report" form to the HR department within 24 hours of the incident; and • Equip each restaurant with a safety supervisor who is responsible for conducting regular inspections of employee behaviour and kitchen sanitation in the restaurant and making recommendations or suggestions for improvement.	• Take employee mobility into consideration when designing the restaurants; • Place First Aid Box at every restaurant for immediate access in case of injury; • Equip each restaurant with adequate fire-fighting equipment, such as fire extinguishers and fire hydrants. Place reminders and schedule regular inspections to ensure all equipment remains fully operational; • Keep safety exits and evacuation routes clear at all times to enable quick evacuation during emergency; • Maintain dry and tidy floor conditions throughout dining areas, kitchens, and toilets to prevent slipping hazards. Install non-slip mats and floor tiles where needed, and display signage encouraging attentive behaviour; • Store all restaurant utensils in a safe location, with knives and sharp tools kept in designated box. Place safety reminders near food preparation areas advising careful knife handling and use of cut-resistant gloves; and • Equip restaurant staff with safety equipment, such as masks, heat protective gloves and aprons. • Display Occupational Health and Safety Council ("**OHSC**")–aligned signage detailing proper equipment handling.



OHSC-Aligned Equipment-Handling Signage in Kitchen Area

7. OUR COMMITMENT TO OUR PEOPLE (CONTINUED)

C. Occupational health and safety (Continued)

We attach great importance to the occupational health and safety of our staff and to this end we have developed a comprehensive safety training programme. The training is provided to all restaurant staff, including new and existing employees. The training focuses on food safety practices, emergency response measures and safety precautions in daily work. We use various forms of training, including theoretical lectures, practical exercises and case studies, to ensure that our employees are fully equipped with the necessary knowledge and skills needed to provide customers with a safe environment and positive experiences. Through these measures, we are committed to creating a safe and healthy working environment for our employees and ensuring that every employee is fully protected at work.

During the reporting period, there were no reported cases of work-related fatalities (2024, 2023, and 2022: 0), although there were 956 days lost to work-related injuries (2024: 237 days; 2023: 83 days). All employees who were hurt were given their insurance claims and paid sick leaves in accordance with labour laws and regulations. We consider putting more attention on how to reduce the occurrence of work-related injuries by measures such as emphasising occupational safety during the employee orientation.

Team building activity

We have implemented policies to support our employee's mental health, foster team spirit, and encourage effective communication. By fostering open dialogue and nurturing high morale among team members and management, we cultivate an environment where issues and opinions can be shared freely. Establishing a positive and enjoyable work atmosphere is a top priority, and we pursue this through various initiative. One key example is the annual Christmas party, where we celebrate the hard work and dedication of our employees throughout the year. This event not only boosts morale but also reinforces our commitment to employee well-being and strengthens relationships among colleagues. Through such gatherings, we aim to create lasting memories that contribute to a supportive workplace, enhancing our collective spirit and teamwork.

Annual Christmas Party

7. OUR COMMITMENT TO OUR PEOPLE (CONTINUED)

D. Employee data

As of 31 December 2025, there were a total of 490 employees. Male employees comprised 45% while female employees made up 55%. During the reporting period, the overall employee turnover rate was 55%, compared to 44% in 2024. The turnover rates for male and female employees were 108% and 12% respectively, compared to 48% and 39% respectively in 2024[1].

Other details related to the employee's data in this reporting year are illustrated in the below tables:

Employee Data and Turnover Rate (Office)

Office staff	Current employees	Departed employees	Turnover rate[1]
Total number of employees	42	16	38%
By Gender			
Male	15	5	33%
Female	27	11	41%
By Age			
Aged below 35	16	5	31%
Aged 36–55	21	10	48%
Aged 56 or above	5	1	20%
By Level			
General staff	34	14	41%
Managerial staff	8	2	25%
By type			
Full-time	40	16	40%
Part-time	2	0	0%
By Geography			
Hong Kong	42	16	38%
Mainland China	0	0	0%

[1] The methodology for calculating the turnover rate (per category) refers to the guidelines provided in "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" published by HKEX.

7. OUR COMMITMENT TO OUR PEOPLE (CONTINUED)

D. Employee data (Continued)

Employee Data and Turnover Rate (Restaurant)

Restaurant staff	Current employees	Departed employees	Turnover rate
Total number of employees	448	254	57%
By Gender			
Male	206	234	114%
Female	242	20	8%
By Age			
Aged below 35	77	20	26%
Aged 36–55	303	183	60%
Aged 56 or above	68	51	75%
By Level			
General staff	183	250	137%
Managerial staff	265	4	2%
By type			
Full-time	348	254	73%
Part-time	100	0	0%
By Geography			
Hong Kong	436	240	55%
Mainland China	12	14	117%

7. OUR COMMITMENT TO OUR PEOPLE (CONTINUED)

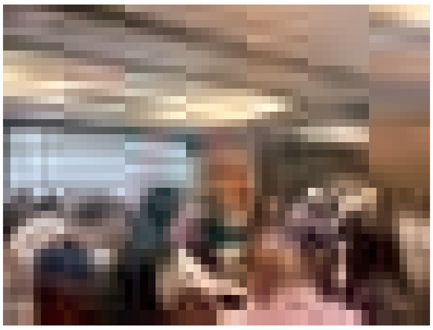
E. Employee development and training

Catering is an industry that provides both services and products to our guests, and the quality of both depends on the quality of our employees. We believe that we cannot grow unless the quality of our employees grows. We provide training for all levels of employee, including both knowledge and skill-based training workshops, on areas such as anti-corruption, food safety and industry insights. The training sessions help employees gain new knowledge and skills, which in turn foster the growth of the Company.

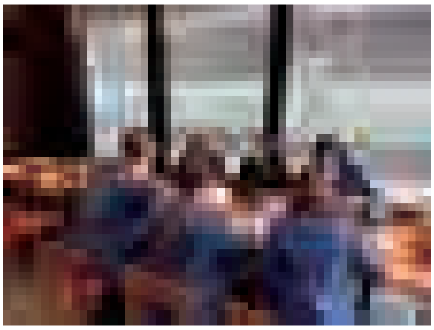
The table below shows the various themes of training held during the reporting period:

Employee Development and Training Held in 2025

Training date	Training theme	Target employee	Training content
Day one of work	New Joiner Orientation	New Joiners	• Introduce group's organisational chart and the Group's concept • Introduce outlets specific rules & regulations, equipment orientation
May 2025	Sales Training Workshop	Restaurant Managers	• Enhance product sales capabilities at restaurants
November 2025	HR Training Session	Managerial Staff	• Provide detailed guidance and practical exercise to improve operational efficiency



Improving Operational Efficiency Through HR Training Session



Enhancing Product Sales Capabilities for Restaurant Managers

After attending the relevant training, our managers and head chefs will convey the relevant core points to our frontline staff, thereby enhancing their business level and overall quality to better serve our customers. Through continuous training and learning, employees can make continuous progress and lay a solid foundation for the long-term development of the Group.

7. OUR COMMITMENT TO OUR PEOPLE (CONTINUED)

F. Number of trained employees and hours of training received by our employees

Employees' growth and development are essential in helping the Group's journey as it translates into an efficient and smooth operation. We support and encourage employees to climb up the career ladder. To ensure the quality and knowledge enhancement for our employees, all employees are encouraged to participate in training that suit their needs, regardless of age, gender and employment level. During the reporting period, all new joiners were provided an employee orientation, which included training relevant to their individual roles. During this reporting year, all our employees are trained. The average training hours for both office and restaurant staff are 2 hours, in line with our training policies. Other relevant breakdowns are shown below.

Trained Employees by Gender and Employment Type (Office)

Office staff	Number of trained employees	Percentage of trained employees	Total hour trained	Average training hour completed per employee
Total	42	100%	84	2
By gender				
Male	15	36%	30	2
Female	27	64%	54	2
By level				
General staff	34	81%	68	2
Managerial staff	8	19%	16	2

Trained Employees by Gender and Employment Type (Restaurant)

Restaurant staff	Number of trained employees	Percentage of trained employees	Total hour trained	Average training hour completed per employee
Total	448	100%	896	2
By gender				
Male	206	46%	412	2
Female	242	54%	484	2
By level				
General staff	183	41%	366	2
Managerial staff	265	59%	530	2

8. OUR CONNECTION WITH THE LOCAL COMMUNITY

A. Donation, venue and media support

During the reporting period, the Group maintained its commitment to social responsibility, although no monetary sponsorship or charitable events were undertaken. This temporary pause reflects a strategic alignment of resources as we continue to navigate the evolving operational landscape of the F&B industry.

While no formal donations were made this year, we remain dedicated to supporting the community where possible. We continue to monitor opportunities for meaningful engagement and look forward to resuming our contributions to charitable causes and community initiatives in the near future. Our commitment to creating positive social impact remains an integral part of our values, and we will seek appropriate to reaffirm this dedication in the coming years.

9. AWARDS AND RECOGNITION

We are pleased to share the most honourable awards that we received in 2025 regarding the below scope:

A. Recognition on food quality and customer service

Throughout 2025, the Group's commitment to culinary excellence and customer satisfaction has been met with overwhelming positive feedback. Our restaurants, celebrated across social platforms for their exceptional dish quality, reflect our dedication to diverse cuisines. Notably, Paper Moon was honoured with the "U Favorite Food Award" as "My Favorite Italian Restaurant 2025" and recognised among the "OpenRice Best 100 Restaurants". Additionally, Modern Shanghai and An Nam received the prestigious "Must-Try Restaurant Award" from Weekendhk. All our brands received "Asian King of Catering Award", reflecting our comprehensive commitment to quality. These recognitions highlight our dedication to providing an exceptional dining experience, reinforcing our care for customers through high-quality cuisine, attentive service. By consistently striving for excellence, we aim not only to meet but exceed our customer's expectations, fostering a loyal customer base.

Award Ceremony of Paper Moon Restaurant

10. LAWS AND POLICIES

A. Laws and policies

ESG subject area	Related laws and regulations which we have been in compliance with during the reporting period, including but not limited to:
Environment	• The Environmental Protection Law of the People's Republic of China • Law of the People's Republic of China on Environmental Impact Assessment • Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution • Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution • Law of the People's Republic of China on Prevention and Control of Water Pollution • Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes • Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong) • Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong) • Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong) • Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong)
Employment	• Labour Law of the People's Republic of China • Labour Contract Law of the People's Republic of China • Employment Promotion Law of the People's Republic of China • Employment Ordinance (Cap. 57 of the Laws of Hong Kong) • Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong) • Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong) • Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong) • Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong) • Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong) • Mandatory Provident Fund Scheme Ordinance (Cap. 485 of the Laws of Hong Kong)

10. LAWS AND POLICIES (CONTINUED)

A. Laws and policies (Continued)

ESG subject area	Related laws and regulations which we have been in compliance with during the reporting period, including but not limited to:
Product responsibility	• Product Quality Law of the People's Republic of China • Construction Law of the People's Republic of China • Anti-Unfair Competition Law of the People's Republic of China • Law of the People's Republic of China on the Protection of Consumer Rights and Interests • Trademark Law of the People's Republic of China • Advertising Law of the People's Republic of China • Food Safety Ordinance (Cap. 612 of the Laws of Hong Kong) • Public Health and Municipal Service Ordinance (Cap. 132 of the Laws of Hong Kong) • Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong) • Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) • Trade Marks Ordinance (Cap. 559 of the Laws of Hong Kong)
Anti-corruption	• Anti-Money Laundering Law of the People's Republic of China • Criminal Law of the People's Republic of China • Anti-Unfair Competition Law of the People's Republic of China • Regulation on the Implementation of the Bidding Law of the People's Republic of China • Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) • Sale of Goods Ordinance (Cap. 26 of the Laws of Hong Kong) • Supply of Services (Implied Terms) Ordinance (Cap. 457 of the Laws of Hong Kong)

11. REPORT DISCLOSURE INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section in the Report
A. Environmental		
Aspects A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. *Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.* *Hazardous wastes are those defined by national regulations.*	4. Our Commitment to the Environment
KPI A1.1	The types of emissions and respective emissions data.	4G. Consumption and emission data
KPI A1.2	Repealed 1 January 2025	The line item repealed from Part C has been elaborated in part D of new ESG Reporting Code, relevant disclosure is available in 4F. Acts to manage climate change risks
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4D. Active waste recycling to minimise disposal
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4D. Active waste recycling to minimise disposal
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	4D. Active waste recycling to minimise disposal
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	4. Our Commitment to the Environment

11. REPORT DISCLOSURE INDEX (CONTINUED)

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section in the Report
Aspects A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. *Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.*	4. Our Commitment to the Environment
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	4G. Consumption and emission data
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4G. Consumption and emission data
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	4. Our Commitment to the Environment
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	4. Our Commitment to the Environment
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	4D. Active waste recycling to minimise disposal
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	4. Our Commitment to the Environment
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4. Our Commitment to the Environment
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	4F. Acts to manage climate change risks
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	

11. REPORT DISCLOSURE INDEX (CONTINUED)

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section in the Report
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	7. Our Commitment to Our People
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	7D. Employee data
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	7D. Employee data
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	7C. Occupational health and safety
KPI B2.1	Number and the rate of work-related fatalities occurred in each of the past three years including the reporting year.	7C. Occupational health and safety
KPI B2.2	Lost days due to work injury.	7C. Occupational health and safety
KPI A2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	7C. Occupational health and safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. *Note: Training refers to vocational training. It may include internal and external courses paid by the employer.*	7E. Employee development and training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	7F. Number of trained employees and hours of training received by our employees
KPI B3.2	The average training hours completed per employees by gender and employee category.	7F. Number of trained employees and hours of training received by our employees

11. REPORT DISCLOSURE INDEX (CONTINUED)

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section in the Report
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	7B. Labour standards and equal opportunity
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	7B. Labour standards and equal opportunity
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	7B. Labour standards and equal opportunity
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of supply chain.	5A. Procurement policy
KPI B5.1	Number of suppliers by geographical region.	5A. Procurement policy
KPI B5.2	Description of practices relating to engaging suppliers, numbers suppliers where the practices are being implemented, and how they are implemented and monitored.	5A. Procurement policy
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5A. Procurement policy
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5A. Procurement policy
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	5. Our Commitment to Quality
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	5E. Our care to customer
KPI B6.2	Number of products and service-related complaints received and how they are death with.	5E. Our care to customer
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	5D. Protecting intellectual property rights
KPI B6.4	Description of quality assurance process and recall procedures.	5. Our Commitment to Quality
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	5F. Data protection and privacy policies

11. REPORT DISCLOSURE INDEX (CONTINUED)

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section in the Report
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	6. Policy and Measures on Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	6. Policy and Measures on Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	6. Policy and Measures on Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	7E. Employee development and training
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	8. Our Connection with the Local Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	8. Our Connection with the Local Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	8. Our Connection with the Local Community

羅兵咸永道

To the Shareholders of 1957 & Co. (Hospitality) Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of 1957 & Co. (Hospitality) Limited (the "**Company**") and its subsidiaries (the "**Group**"), which are set out on pages 109 to 176, comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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KEY AUDIT MATTERS

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

The key audit matter identified in our audit is related to the impairment of property, plant and equipment and right-of-use assets.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of property, plant and equipment and right-of-use assets Refer to notes 4(i) and 13 to the consolidated financial statements. The Group has a portfolio of leased properties used as outlets for its restaurants. As at 31 December 2025, net book value of the Group's property, plant and equipment ("**PPE**") and right-of-use assets ("**RoU**") of approximately HK$31,628,000 and HK$90,580,000 respectively, of which majority of the PPE and the RoU assets were attributable to its restaurant respectively. The carrying amount of the restaurant assets is written down to its recoverable amount if in excess of its estimated recoverable amount. Management considers each individual restaurant as a separate identifiable cash generating unit (CGU), and reviews the performance of individual restaurant at the end of each reporting period to identify any impairment indicators for the PPE and RoU of each CGU.	Our procedures for testing the impairment assessment of PPE and RoU included: • Understanding and evaluating management's key internal controls over the impairment assessment of PPE and RoU; and • Enquiring management on their basis of identifying restaurants with impairment indicators and challenging the appropriateness of these judgements

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
For a CGU with an impairment indicator, management estimates the recoverable amount of the PPE and RoU by value-in-use calculations using discounted cash flow projections based on the management's forecast covering the remaining tenure of the lease, with major assumptions including revenue growth rate and pre-tax discount rate. An impairment loss of PPE and RoU of approximately HK$3,246,000 was recognised in the consolidated income statement in accordance with management's impairment assessment for the year ended 31 December 2025. We focused on this area because the balance of PPE and RoU is material to the consolidated financial statements, and the estimation of recoverable amount of PPE and RoU requires management judgement when performing the impairment assessment.	For CGUs with an impairment indicator, we performed procedures on value-in-use calculations to assess the key inputs to their respective discounted cash flows ("**DCF**") forecast used to determine the recoverable amount of the PPE and RoU, including: • Comparing the actual results of the CGU with the historical DCF of the CGU to assess the accuracy of management's forecasting process; • Checking the tenure of the leases of the restaurants to the lease agreements; • Assessing reasonableness of the projected revenue growth rate and operating margin of the relevant restaurant used in the DCF with reference to management's development plans and past results of operations of the CGU; • Involving our internal expert to assess the reasonableness of discount rate applied in the DCF; and • Testing mathematical accuracy of the DCF. Based on the procedures performed above, we found that the significant judgements and assumptions used by management in the impairment assessment were supportable by available evidence.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in 1957 & Co. (Hospitality) Limited 2025 Annual Report (the "**annual report**") other than the consolidated financial statements and our auditor's report thereon. We have obtained some of the other information including corporate information, financial highlights, chairman's statement, management discussion and analysis, directors and senior management and report of the directors prior to the date of this auditor's report. The remaining other information, including corporate governance report, environmental, social and governance report and the other sections to be included in the annual report, is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the remaining other information to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee and take appropriate action considering our legal rights and obligations.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is 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. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is LAM Chun Yee, Johnny (practising certificate number: P06566).

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 27 March 2026

Consolidated Income Statement

For the year ended 31 December 2025

	Note	2025 HK$'000	2024 HK$'000
Revenue	6	**435,151**	470,350
Other income, net	7	**749**	496
Cost of inventories sold		**(110,440)**	(119,664)
Employee benefit expenses	10	**(157,913)**	(171,462)
Depreciation and amortisation		**(74,494)**	(89,237)
Royalty fees		**(5,650)**	(5,911)
Rental expenses	13(b)	**(14,303)**	(11,684)
Utilities		**(13,243)**	(13,309)
Impairment loss on trade receivables	3.1(ii)	**(1,883)**	–
Impairment loss on property, plant and equipment and right-of-use assets	13(a)	**(3,246)**	(2,145)
Other operating expenses	9	**(47,074)**	(45,634)
Operating profit		**7,654**	11,800
Finance income		**755**	1,470
Finance costs		**(7,661)**	(9,956)
Finance costs, net	8	**(6,906)**	(8,486)
Share of losses of joint ventures	16	**(530)**	(483)
Profit before income tax		**218**	2,831
Income tax expense	11	**(1,750)**	(443)
(Loss)/profit for the year		**(1,532)**	2,388
(Loss)/profit for the year attributable to:			
— Owners of the Company		**(1,008)**	(1,165)
— Non-controlling interests		**(524)**	3,553
		(1,532)	2,388
Loss per share attributable to owners of the Company for the year (HK cents)			
— Basic and diluted	12	**(0.26)**	(0.30)

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	2025 HK$'000	2024 HK$'000
(Loss)/profit for the year	**(1,532)**	2,388
Other comprehensive income/(loss)		
Items that may be reclassified to profit or loss		
— Currency translation differences	**158**	(116)
Total comprehensive (loss)/income for the year	**(1,374)**	2,272
Total comprehensive (loss)/income for the year attributable to:		
— Owners of the Company	**(850)**	(1,281)
— Non-controlling interests	**(524)**	3,553
	(1,374)	2,272

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 HK$'000	2024 HK$'000
Assets			
Non-current assets			
Property, plant and equipment	13(a)	**122,208**	175,039
Intangible assets	14	**501**	621
Other non-current deposit and prepayment	17	**21,031**	20,196
Investment in an insurance contract	17	**2,478**	2,371
Interest in associates and joint ventures	16	**4,827**	2,957
Deferred income tax assets	24	**15,931**	16,937
		166,976	218,121
Current assets			
Inventories	18	**3,166**	3,240
Trade receivables	17	**8,248**	7,485
Prepayments, deposits and other receivables	17	**13,413**	18,058
Amount due from associates and joint ventures	28(b)	**–**	1,155
Tax recoverable		**1,141**	860
Pledged bank deposits	19	**3,103**	3,037
Cash and cash equivalents	19	**53,810**	53,082
		82,881	86,917
Total assets		**249,857**	305,038
Equity			
Capital and reserves attributable to owners of the Company			
Share capital	20	**38**	38
Share premium	20	**100,980**	100,980
Capital reserve		**(2,983)**	(2,983)
Exchange reserve		**(464)**	(622)
Accumulated losses		**(41,312)**	(40,304)
		56,259	57,109
Non-controlling interest	15(a)	**9,071**	13,735
Total equity		**65,330**	70,844

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 HK$'000	2024 HK$'000
Liabilities			
Non-current liabilities			
Lease liabilities	13(b)	**50,938**	80,345
Provision for reinstatement costs	21	**8,610**	8,310
Provision for long service payments	21	**1,187**	1,481
		60,735	90,136
Current liabilities			
Trade payables	21	**17,783**	21,196
Accruals and other payables	21	**24,236**	25,746
Lease liabilities	13(b)	**50,590**	54,195
Contract liabilities	22	**835**	2,603
Amount due to associates and joint ventures	28(b)	**1,754**	–
Income tax payable		**50**	857
Loan from non-controlling shareholders	28(b)	**2,900**	4,600
Bank borrowings	23	**25,644**	34,861
		123,792	144,058
Total liabilities		**184,527**	234,194
Total equity and liabilities		**249,857**	305,038

The financial statements on pages 109 to 176 were approved by the Board of Directors on 27 March 2026 and were signed on its behalf.

Lau Ming Fai
Director

Kwok Chi Po
Director

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to the owners of the Company							
	Share capital (Note 20) HK$'000	Share premium (Note 20) HK$'000	Capital reserve HK$'000	Exchange reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interest HK$'000	Total equity HK$'000
Balance at 1 January 2024	38	100,980	(2,983)	(506)	(39,139)	58,390	12,954	71,344
Comprehensive income								
(Loss)/profit for the year	–	–	–	–	(1,165)	(1,165)	3,553	2,388
Other comprehensive loss								
Currency translation differences	–	–	–	(116)	–	(116)	–	(116)
Total comprehensive (loss)/income	–	–	–	(116)	(1,165)	(1,281)	3,553	2,272
Transaction with shareholder								
Repayment of shareholder loans	–	–	–	–	–	–	(2,772)	(2,772)
Balance at 31 December 2024	38	100,980	(2,983)	(622)	(40,304)	57,109	13,735	70,844

	Attributable to the owners of the Company							
	Share capital (Note 20) HK$'000	**Share premium (Note 20) HK$'000**	**Capital reserve HK$'000**	**Exchange reserve HK$'000**	**Accumulated losses HK$'000**	**Total HK$'000**	**Non-controlling interest HK$'000**	**Total equity HK$'000**
Balance at 1 January 2025	**38**	**100,980**	**(2,983)**	**(622)**	**(40,304)**	**57,109**	**13,735**	**70,844**
Comprehensive loss								
Loss for the year	**–**	**–**	**–**	**–**	**(1,008)**	**(1,008)**	**(524)**	**(1,532)**
Other comprehensive income								
Currency translation differences	**–**	**–**	**–**	**158**	**–**	**158**	**–**	**158**
Total comprehensive income/(loss)	**–**	**–**	**–**	**158**	**(1,008)**	**(850)**	**(524)**	**(1,374)**
Transaction with shareholder								
Repayment of shareholder loans	**–**	**–**	**–**	**–**	**–**	**–**	**(2,940)**	**(2,940)**
Dividend paid	**–**	**–**	**–**	**–**	**–**	**–**	**(1,200)**	**(1,200)**
Total transactions with owners	**–**	**–**	**–**	**–**	**–**	**–**	**(4,140)**	**(4,140)**
Balance at 31 December 2025	**38**	**100,980**	**(2,983)**	**(464)**	**(41,312)**	**56,259**	**9,071**	**65,330**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Note	2025 HK$'000	2024 HK$'000
Cash flows from operating activities			
Profit before income tax		**218**	2,831
Adjustments for:			
— Depreciation and amortisation		**74,494**	89,237
— Loss on disposal of property, plant and equipment		**22**	6
— Impairment loss on property, plant and equipment and right-of-use assets		**3,246**	2,145
— Impairment loss on trade receivables		**1,883**	–
— Change in surrender value of insurance contract		**(85)**	(55)
— Share of losses of joint ventures		**530**	483
— Finance income		**(755)**	(1,470)
— Finance expenses		**7,661**	9,956
Operating cash flows before changes in working capital		**87,214**	103,133
Changes in working capital:			
— Inventories		**74**	(603)
— Trade and other receivables		**1,694**	94
— Trade and other payables		**(4,796)**	(4,786)
— Contract liabilities		**(1,768)**	407
— Amount due from associates and joint ventures		**2,909**	(1,016)
Cash generated from operations		**85,327**	97,229
Interest paid		**(7,576)**	(9,418)
Income tax paid		**(1,832)**	(5,750)
Net cash generated from operating activities		**75,919**	82,061
Cash flows from investing activities			
Purchase of property, plant and equipment		**(611)**	(9,410)
Investment in an insurance contract		**–**	(2,316)
Acquisition of interest in joint ventures	16	**(2,400)**	(3,440)
Proceeds from disposal of property, plant and equipment		**128**	–
Interest received		**118**	695
Net cash used in investing activities		**(2,765)**	(14,471)

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Note	2025 HK$'000	2024 HK$'000
Cash flows from financing activities			
Repayment of bank borrowings		**(9,217)**	(8,555)
Payment of lease liabilities		**(57,461)**	(66,870)
(Release)/payment for pledged bank deposits		**(66)**	2,039
Repayment of shareholders loan		**(5,840)**	(5,772)
Net cash used in financing activities		**(72,584)**	(79,158)
Net increase/(decrease) in cash and cash equivalents		**570**	(11,568)
Cash and cash equivalents at 1 January		**53,082**	64,766
Currency translation differences on cash and cash equivalents		**158**	(116)
Cash and cash equivalents at 31 December		**53,810**	53,082

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

The reconciliation of liabilities arising from financing activities is as follows:

	Borrowings HK$'000	Lease liabilities HK$'000	Loan from non-controlling shareholders HK$'000	Total HK$'000
At 1 January 2024	43,416	146,396	7,600	197,412
Cash flows				
— Outflow from financing activities	(8,555)	(66,870)	(3,000)	(78,425)
— Outflow from operating activities	(2,293)	(7,125)	–	(9,418)
Non-cash changes				
— Finance cost	2,293	7,125	–	9,418
— Lease modification	–	(23)	–	(23)
— Addition to lease liabilities	–	55,037	–	55,037
At 31 December 2024	34,861	134,540	4,600	174,001
At 1 January 2025	**34,861**	**134,540**	**4,600**	**174,001**
Cash flows				
— Outflow from financing activities	**(9,217)**	**(57,461)**	**(1,700)**	**(68,378)**
— Outflow from operating activities	**(1,410)**	**(6,166)**	**–**	**(7,576)**
Non-cash changes				
— Finance cost	**1,410**	**6,166**	**–**	**7,576**
— Addition to lease liabilities	**–**	**24,449**	**–**	**24,449**
At 31 December 2025	**25,644**	**101,528**	**2,900**	**130,072**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

1.1 General information

1957 & Co. (Hospitality) Limited (the "**Company**") was incorporated in the Cayman Islands on 3 February 2016 as an exempted company with limited liability under Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is 33/F, Times Tower, 391–407 Jaffe Road, Hong Kong.

The Company is an investment holding company and its subsidiaries (together, the "**Group**") are principally engaged in operation of restaurants and catering management and consultancy services in Hong Kong.

These financial statements are presented in thousands of Hong Kong dollars ("**HK$'000**"), unless otherwise stated.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(i) Compliance with HKFRS Accounting Standards and disclosure requirements of HKCO

The consolidated financial statements of the Company have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis.

(iii) Amendments to existing standards adopted by the Group

The following amendments to existing standards are mandatory for the first time for the financial year beginning on 1 January 2025 and have been adopted by the Group:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability

The above newly adopted amendments to existing standards did not have any material impact on the results and financial position of the Group.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation (Continued)

(iv) New standards, amendments to existing standards and interpretation not yet adopted by the Group

The following new standards, amendments to existing standards and interpretation have been issued but are not effective for the financial year beginning on 1 January 2025 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Improvements to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
Amendments to HK Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated statements of profit or loss and providing management-defined performance measures within the financial statements.

The Group is in the process of assessing the impact of adoption of such new standards, amendments to existing standards and interpretation on the results and financial position of the Group. The Group will adopt the above new standards, amendments to existing standards and interpretation when they become effective.

As at 31 December 2025, the Group's current liabilities exceeded its current assets by approximately HK$40,911,000, and incurred a loss for the year of approximately HK$1,532,000. The Group was in a net current assets position of approximately HK$10,514,000 by taking out lease liabilities of approximately HK$50,590,000 and contract liabilities of approximately HK$835,000 included in the current liabilities respectively. In addition, bank borrowings of approximately HK$25,644,000 included a portion of HK$15,968,000 that are contractually due for repayment after one year, but contain a repayable on demand clause and are therefore classified as current liabilities. Setting aside the lease liabilities, contract liabilities and bank borrowings contractually due for repayment after one year mentioned above, the Group's current assets exceeded its current liabilities by approximately HK$26,482,000 as at 31 December 2025.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation (Continued)

(iv) New standards, amendments to existing standards and interpretation not yet adopted by the Group (Continued)

As at 31 December 2025, the Group had cash and cash equivalents of approximately HK$53,810,000 (2024: HK$53,082,000). The directors of the Company have reviewed the Group's cash flow projections prepared by management covering a period of not less than twelve months from 31 December 2025, and considered that the lease assets correspond to the lease liabilities stated above will generate sufficient cash inflows to cover the relevant lease liabilities under normal circumstances.

The directors of the Company are of the opinion that, taking into account the anticipated cash flows generated from the Group's operations, the Group will have sufficient working capital to fulfil its financial obligations as and when they fall due in the coming twelve months from 31 December 2025. No material uncertainties related to the Group's ability to continue as a going concern were identified, and accordingly the directors of the Company prepared these consolidated financial statements on a going concern basis.

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to consolidated financial statements, are disclosed in Note 4.

2.2 Summary of material accounting policies

2.2.1 Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest ("**NCI**") in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS Accounting Standards.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.1 Subsidiaries (Continued)

(a) *Business combinations (Continued)*

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 in profit or loss.

Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.2 Non-controlling interests

Non-controlling interests at the date of statement of financial position, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated statement of financial position separately from equity attributable to owners of the Company. The results of the Group are presented on the face of the consolidated income statement as an attribution of the Group's profit or loss for the year between non-controlling interests and owners of the Company.

2.2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit of investments accounted for using equity method in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in the income statement.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.4 Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognized at cost in the consolidated balance sheet.

2.2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Leasehold improvements	Shorter of 5 years or remaining lease term
Furniture and fixture	5 years
Kitchen and operating equipment	3 to 5 years
Computer equipment	3 to 5 years
Motor vehicle	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.2.7).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised in "Other income, net" in the consolidated income statement.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.6 Intangible assets

Separately acquired franchise and licences rights are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

2.2.7 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.2.8 Financial assets

(i) Classification

The Group classifies its financial assets to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.8 Financial assets (Continued)

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.

(iv) Impairment

The Group has the following types of financial assets subject to HKFRS 9's expected credit loss model:

- Trade receivables
- Deposits and other receivables
- Pledged bank deposits
- Cash and cash equivalents
- Amount due from associates and joint ventures

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires lifetime losses to be recognised from initial recognition of the receivables.

Impairment on financial assets other than trade receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition, then impairment is measured as lifetime expected credit losses.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories is determined using the first-in first-out (FIFO) method. The cost of inventories comprises purchase costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.2.10 Trade and other receivables

Trade receivables are amounts due from customers for catering services or management and consultancy services provided in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.2.11 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and bank overdrafts, if applicable.

2.2.12 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.2.13 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.2.15 Borrowing costs

All borrowing costs are recognised in the consolidated income statement in the period in which they are incurred since no borrowing costs are directly attributable to the acquisition, construction or production of qualifying assets.

2.2.16 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of statement of financial position in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.16 Current and deferred income tax (Continued)

(ii) Deferred income tax (Continued)

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Investment allowances and similar tax incentives
Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure. The group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

2.2.17 Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of service rendered by employees up to the date of statement of financial position.

Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

(ii) Bonus entitlement

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.17 Employee benefits (Continued)

(iii) *Pension obligation*

The Group contributed to a mandatory provident fund scheme (the "**MPF Scheme**") which is a defined contribution plan and is available to all employees in Hong Kong. Contributions to the MPF Scheme by the Group and employees are calculated as a percentage of employees' basic salaries. The MPF Scheme cost charged to profit or loss represents contributions payable by the Group to the MPF Scheme.

The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

(iv) *Long service payments*

In Hong Kong, employees who have completed a required number of years of service to the Group are eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment, provided that such termination meet the circumstances specified in the Hong Kong Employment Ordinance.

2.2.18 Provision

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.2.19 Revenue recognition

(i) *Revenue from operation of restaurants*

The Group operates restaurants to provide catering services. Revenue from catering services is recognised in the consolidated income statement at the point of sale to customers or when a group entity has delivered products to the customer.

Payment of the transaction is due immediately when the catering services are provided to customers.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.19 Revenue recognition (Continued)

(ii) Revenue from catering management and consultancy services

The Group provides catering management and consultancy services to other restaurant operators. For catering management and consultancy services, revenue is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided up to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(iii) Customer loyalty programme

The Group maintains a customer loyalty programme which grants customer loyalty award credits to members of the customer loyalty programme based on the relevant members' spending at the Group's restaurants. The award credits entitle the customers to discount on future spending.

Amounts received in the sales transaction that grants the customer loyalty award credits are allocated to the loyalty award credits earned by members of the Group's customer loyalty programme and other components of the sales transaction on a relative standalone selling price basis. The standalone selling price per credit is estimated on the basis of the discount granted when the credits are redeemed and on the basis of the likelihood of redemption, based on past experience. The value attributed to the customer loyalty award credits is deferred as a contract liability. Revenue from the award credits is recognised when the credits are redeemed or when they expire.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.20 Earnings per share

(a) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

— the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares

— by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

— the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares

— by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

2.2.21 Leases

The Group leases various properties to operate its restaurants. Property leases are typically made for fixed periods of one to six years. Lease terms are negotiated on an individual basis and contain various different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Property leases are recognised as right-of-use assets (included in property, plant and equipment) and the corresponding liabilities at the date of which the respective leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.21 Leases (Continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

— fixed payments (including in-substance fixed payments), less any lease incentives receivable

— variable lease payment that are based on an index or a rate

— amounts expected to be payable by the lessee under residual value guarantees

— the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and

— payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of less than 12 months.

Extension options are included in a number of property leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. All extension options held are exercisable only by the Group and not by the respective Lessor. The Group considers all facts and circumstances that create an economic incentive to exercise an extension option in determining the lease term. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects the assessment.

2.2.22 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Further information on how the Group accounts for government grants is set out in Note 7 to the financial statements.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of other accounting policies

2.3.1 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company's Executive Directors, who make strategic decisions.

2.3.3 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the Company's functional currency and the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents and all other foreign exchange gains and losses are presented in the income statement within 'other operating expenses'.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of other accounting policies (Continued)

2.3.3 Foreign currency translation (Continued)

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting currency translation differences are recognised in other comprehensive income.

2.3.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.3.5 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.3.6 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the company's shareholders or directors, where appropriate.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks factors: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management procedures focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's financial performance. The management monitors and manages the financial risks through internal risk assessment which analyses exposures by degree and magnitude of risks.

(i) Market risk

(a) Foreign exchange risk

The Group mainly operates in Hong Kong and the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Renminbi ("**RMB**") and United States dollars ("**US$**").

Foreign exchange risk arises mainly from future commercial transactions, recognised assets and liabilities.

The Group manages its foreign exchange risks by performing regular review and monitoring its foreign exchange exposure. The Group currently does not have a foreign currency hedging policy.

At 31 December 2025, if HK$ had strengthened/weakened by 5% against the RMB with all other variables held constant, post-tax profit/(loss) for the year would have been approximately HK$171,000 lower/higher (2024: HK$182,000 lower/higher), mainly as a result of foreign exchange losses/gains on translation of bank deposits denominated in the RMB.

The foreign exchange exposure for the US$ is considered minimal as HK$ is pegged with the US$.

(b) Interest rate risk

The Group's interest rate risk arises from bank borrowings. Bank borrowings obtained at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash at banks held at variable rates. As at 31 December 2025, the Group's borrowings at variable rate were denominated in HK$ (2024: same).

At 31 December 2025, if interest rates on Hong Kong dollar-denominated borrowings had been 50 basis (2024: 50 basis) higher/lower with all other variables held constant, post-tax profit/(loss) for the year would have been HK$107,000 lower/higher (2024: HK$146,000 lower/higher), respectively, mainly as a result of higher/lower interest expense on floating rate borrowings. The interest rate exposes on cash is considered immaterial as the interest rate of cash is low.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(ii) Credit risk

(a) Risk management

The credit risk of the Group mainly arises from trade receivables, deposits and other receivables, cash and cash equivalents and pledged bank deposits (2024: same).

To manage the risk arising from cash and cash equivalents and pledged bank deposits, the Group only transacts with reputable banks which are all high-credit-quality financial institutions. There has no recent history of default in relation to these financial institutions.

The Group has no significant concentration of credit risk with respect to trade receivables as the Group mainly sells to a large number of customers.

(b) Impairment of financial assets

The Group has the following financial assets that are subject to the expected credit loss model:

— trade receivables

— other financial assets carried at amortised cost

While cash and cash equivalents and pledged bank deposits are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

Trade receivables and contract assets
The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Future cash flows for each group of receivables are estimated on the basis of historical default rates, adjusted to reflect the effects of existing market conditions as well as forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivable. Trade receivables with known insolvencies are assessed individually for impairment allowances and are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a prepayment plan with the Company, and a failure to make contractual payments.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(ii) Credit risk (Continued)

(b) Impairment of financial assets (Continued)

Trade receivables and contract assets (Continued)

Trade receivables of the Group represent amounts due from various financial institutions and amounts due from associates and joint ventures. Amount due from various institutions is as a result of credit cards payment arrangement. Taking into account the high credit rating of these counterparties, who also has no recent history of default and that the Group is not contractually exposed to the risk of default by the ultimate customer arising from these payment arrangements, management assessed the expected credit loss rate of these trade receivables is insignificant. Therefore, the credit loss allowance for these balances was not significant and no provision was recognised. For amounts due from associates, management assessed the expected credit loss rate of these trade receivables and has provided HK$3,373,000 (2024: HK$1,490,000) for the impairment loss.

Other financial assets at amortised cost

Other financial assets at amortised cost include deposits, other receivables, amounts due from related parties. Management has closely monitored the credit qualities and the collectability of the other financial assets at amortised cost. As at 31 December 2025, there is no loss allowance in respect of individually assessed receivables. The provision for impairment is determined based on the 12-month expected credit losses, which is insignificant (2024: nil).

The loss allowances for trade receivables as at 31 December reconcile to the opening loss allowances as follows:

	Trade receivables 2025 HK$'000
Opening loss allowance at 1 January	**1,490**
Increase in loss allowance recognised in profit or loss	**1,883**
Closing loss allowance at 31 December	**3,373**

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(iii) Liquidity risk

The liquidity of the Group is adequately managed and monitored by maintaining sufficient cash balance to meet its financial commitments.

The contractual maturity for the Group's financial liabilities at the date of statement of financial position is as follows. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due equal their carrying amounts as the impact of discounting is not significant.

	Repayable on demand HK$'000	Less than 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Total HK$'000	Carrying amount HK$'000
At 31 December 2025						
Trade payables	**–**	**17,783**	**–**	**–**	**17,783**	**17,783**
Accruals and other payables	**–**	**17,980**	**–**	**–**	**17,980**	**17,980**
Lease liabilities	**–**	**54,685**	**33,691**	**19,567**	**107,943**	**101,528**
Amount due to associates and joint ventures	**–**	**1,754**	**–**	**–**	**1,754**	**1,754**
Loan from non-controlling shareholders (Note 28(b))	**–**	**2,900**	**–**	**–**	**2,900**	**2,900**
Bank borrowings	**25,644**	**–**	**–**	**–**	**25,644**	**25,644**
	25,644	**95,102**	**33,691**	**19,567**	**174,004**	**167,589**
At 31 December 2024						
Trade payables	–	21,196	–	–	21,196	21,196
Accruals and other payables	–	18,138	–	–	18,138	18,138
Lease liabilities	–	60,053	44,937	40,341	145,331	134,540
Loan from non-controlling shareholders (Note 28(b))	–	4,600	–	–	4,600	4,600
Bank borrowings	34,861	–	–	–	34,861	34,861
	34,861	103,987	44,937	40,341	224,126	213,335

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(iii) Liquidity risk (Continued)

The table below summarises the maturity analysis of the Group's bank borrowings, subject to the lenders' rights to demand immediate repayment, based on agreed scheduled repayments set out in the relevant agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the "on demand" time band in the maturity analysis contained in the tables above. Taking into account the Group's financial position, the directors do not consider that it is probable that the relevant banks will exercise their discretion to demand immediate repayment. The directors believe that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the relevant agreements.

	Less than 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash outflow HK$'000
At 31 December 2025					
Bank borrowings	**10,597**	**9,658**	**6,955**	**–**	**27,210**
At 31 December 2024					
Bank borrowings	10,765	10,762	16,826	–	38,353

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the owner to procure adequate financial resumes from the owner. The Group's overall strategy remains consistent during the years ended 31 December 2025 and 2024.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the owner or issue new shares.

The capital structure of the Group consists of shareholders' equity and total borrowings. Capital is managed so as to maximise the return to shareholders while maintaining a capital base to allow the Group to operate effectively in the marketplace and sustain future development of the business. The Group monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the statements of financial position and excluding lease liabilities) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the statements of financial position plus net debt.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management (Continued)

The gearing ratios as at 31 December 2024 and 2025 are as follows:

	2025	2024
	HK$'000	HK$'000
Total borrowings	**28,544**	39,461
Less: cash and cash equivalents	**(53,810)**	(53,082)
Net cash	**(25,266)**	(13,621)
Total equity	**65,330**	70,844
Gearing ratio	**N/A**	N/A

As at 31 December 2025, the Group had a net cash position and its cash and cash equivalents exceeded the total balance of borrowings by HK$25,266,000 (2024: HK$13,621,000) respectively. Accordingly, the analysis on the Group's gearing ratio is not presented in the consolidated financial statements.

3.3 Fair value estimation

The carrying amounts of the Group's financial assets and liabilities (including cash and cash equivalents, pledged bank deposits, trade and other receivables, amounts due from related parties, lease liabilities, contract liabilities, loan from non-controlling shareholders, bank borrowings and trade and other payables) approximate their fair values due to their short maturities.

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may be not recoverable. These impairment indicators included (i) operating losses incurred by restaurants during the financial year, except for new restaurant in its first year of operation; (ii) plans to close a restaurant; (iii) economic performance is worse than expected; or (iv) other external factors. An impairment loss may be recognised if the assets' carrying amounts exceed their recoverable amounts. The recoverable amounts have been determined based on higher of fair value less costs to sell or value-in-use valuations. These calculations require the use of judgements and estimates.

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (CONTINUED)

(i) Impairment of property, plant and equipment (Continued)

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying amount of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are estimated using appropriate revenue growth rate, operating margin, and discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the pre-tax discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial position and results of its operations.

(ii) Customer loyalty award credits

The amount of revenue attributable to the customer loyalty award credits earned by the members of the Group's customer loyalty programmes is estimated based on the fair value of the credits awarded and the expected redemption rate. The fair value of the credits awarded is estimated by reference to revenue. The expected redemption rate was estimated based on historical experience and anticipated redemption pattern.

(iii) Income taxes

The Group recognises deferred income tax assets only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. In assessing the amount of deferred income tax assets that need to be recognised, the Group consider future taxable income and ongoing prudent and appropriate tax planning strategies. In the event that the Group's estimates of projected future taxable income and benefits from available tax strategies are changed, or changes in current income tax regulations are enacted that would impact the timing or extent of the Group's ability to utilise the tax benefits of tax loss carryforwards in the future, adjustments to the recorded amount of net deferred income tax assets and income tax expense would be made.

5 SEGMENT INFORMATION

The chief operating decision-maker (the "**CODM**") has been identified as the executive directors of the Company who review the Group's internal reporting in order to assess performance and allocate resources.

The CODM assesses the performance based the segment profit, which is a measure of adjusted profit before income tax. The adjusted profit before income tax is measured consistently with the Group's profit before income tax by excluding other income, net, finance income, finance costs (excluding the portion related to lease liabilities), head office expenses as well as impairment of property, plant and equipment and right-of-use assets.

5 SEGMENT INFORMATION (CONTINUED)

The Group is principally engaged in operation of restaurants and provision of catering management and consultancy services.

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

Segment revenue and results

Year ended 31 December 2025

	Operation of restaurants and sales of merchandise HK$'000	Catering management and consultancy services HK$'000	Total HK$'000
Total segment revenue	428,812	26,182	454,994
Inter-segment revenue	–	(19,843)	(19,843)
Revenue from external customers	428,812	6,339	435,151
Result			
Segment profit	18,372	6,280	24,652
Other income, net			749
Unallocated staff costs			(20,119)
Unallocated depreciation and amortisation			(1,418)
Unallocated utilities and consumables			(38)
Unallocated other expenses			(3,608)
Profit before income tax			218
Other segment items			
Depreciation and amortisation	(73,076)	–	(73,076)
Cost of inventories sold	(110,440)	–	(110,440)
Staff costs	(137,794)	–	(137,794)
Impairment loss on property, plant and equipment and right-of-use assets	(3,246)	–	(3,246)
Finance income	751	4	755
Finance costs	(7,622)	(39)	(7,661)

5 SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

Year ended 31 December 2024

	Operation of restaurants and sales of merchandise HK$'000	Catering management and consultancy services HK$'000	Total HK$'000
Total segment revenue	467,026	30,413	497,439
Inter-segment revenue	–	(27,089)	(27,089)
Revenue from external customers	467,026	3,324	470,350
Result			
Segment profit	27,934	2,672	30,606
Other income, net			496
Unallocated staff costs			(21,227)
Unallocated depreciation and amortisation			(3,420)
Unallocated utilities and consumables			(43)
Unallocated other expenses			(3,581)
Profit before income tax			2,831
Other segment items			
Depreciation and amortisation	(85,817)	–	(85,817)
Cost of inventories sold	(119,664)	–	(119,664)
Staff costs	(150,235)	–	(150,235)
Impairment loss on property, plant and equipment and right-of-use assets	(2,145)	–	(2,145)
Finance income	1,315	155	1,470
Finance costs	(9,905)	(51)	(9,956)

Information about major customers

There are no single external customers who contributed more than 10% of the revenue of the Group during the year ended 31 December 2025 (2024: same).

5 SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

	Operation of restaurants and sales of merchandise HK$'000	Catering management and consultancy services HK$'000	Unallocated HK$'000	Elimination HK$'000	Total HK$'000
At 31 December 2025					
Segments assets	**288,366**	**85,869**	**4,040**	**(133,245)**	**245,030**
Interest in associates and joint ventures	**4,827**	**–**	**–**	**–**	**4,827**
	293,193	**85,869**	**4,040**	**(133,245)**	**249,857**
Segment liabilities	**250,492**	**65,076**	**2,204**	**(133,245)**	**184,527**
At 31 December 2024					
Segments assets	350,592	88,682	3,352	(140,545)	302,081
Interest in associates and joint ventures	2,957	–	–	–	2,957
	353,549	88,682	3,352	(140,545)	305,038
Segment liabilities	305,047	67,560	2,132	(140,545)	234,194

Geographical information

For the year ended 31 December 2025, the Group's revenue from operation of restaurants and sales of merchandise is mainly derived from customers in Hong Kong, whereas revenue from catering management and consultancy services is mainly derived from customers in Hong Kong, Macau and the PRC (2024: same).

As at 31 December 2025, the principal assets of the Group were also located in Hong Kong (2024: same). Accordingly, no analysis by geographical segment is required.

6 REVENUE

Revenue represents income from operation of restaurants, sales of merchandise and catering management and consultancy services:

	2025 HK$'000	2024 HK$'000
Recognised at a point in time:		
Operation of restaurants	**420,641**	462,395
Sales of merchandise	**8,171**	4,631
Recognised overtime:		
Catering management and consultancy services	**6,339**	3,324
	435,151	470,350

7 OTHER INCOME, NET

	2025 HK$'000	2024 HK$'000
Government grants (Note)	**259**	–
Change in surrender value of insurance contract	**85**	55
Loss on disposal of property, plant and equipment	**(22)**	(6)
Sundry income	**427**	447
	749	496

Note: During the year ended 31 December 2025, the Group recorded approximately HK$259,000 (2024: nil) in government grants under the Technology Voucher Programme to support technology upgrades for two restaurants.

8 FINANCE COSTS, NET

	2025 HK$'000	2024 HK$'000
Finance income		
Interest income	**118**	695
Imputed interest income on deposit paid	**637**	775
	755	1,470
Finance costs		
Interest expenses on bank borrowings	**(1,410)**	(2,293)
Interest expenses on lease liabilities (Note 13(b))	**(6,166)**	(7,125)
Discounting impact on deposit paid	**(85)**	(538)
	(7,661)	(9,956)
Finance costs, net	**(6,906)**	(8,486)

9 OTHER OPERATING EXPENSES

	2025 HK$'000	2024 HK$'000
Auditor's remuneration		
— Audit services	**1,110**	1,110
— Non-audit services	**351**	380
Advertising and promotion	**711**	1,268
Cleaning and laundry expenses	**14,092**	15,679
Credit card charges	**5,866**	6,907
Commission	**10,359**	5,173
Decoration, repairs and maintenance	**3,180**	1,761
Legal and professional fees	**2,341**	3,094
Entertainment	**14**	34
Telecommunication charges	**327**	332
Storage expenses	**420**	307
Motor vehicle expenses	**2**	183
Printing expenses	**653**	914
Restaurant supplies and consumables	**4,795**	5,093
Travelling expenses	**500**	448
Reservation system handling charges	**1,424**	1,291
Others	**929**	1,660
	47,074	45,634

10 EMPLOYEE BENEFIT EXPENSES

	2025 HK$'000	2024 HK$'000
Wages, salaries, bonus and other benefits	**151,321**	164,529
Pension costs — defined contribution	**6,592**	6,933
	157,913	171,462

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2025 included one (2024: two) directors whose remuneration is disclosed in Note 29. The emoluments payable to the remaining four (2024: three) individuals during the year ended 31 December 2025 are as follows:

	2025 HK$'000	2024 HK$'000
Basic salaries, allowances and benefits	**2,784**	2,728
Discretionary bonuses	**107**	88
Employer's contribution to pension	**72**	54
	2,963	2,870

The emoluments fell within the following bands:

	2025	2024
	Number of individuals	
Emolument bands		
HK$500,001–HK$1,000,000	**4**	1
HK$1,000,001–HK$1,500,000	**0**	2

No incentive payment for joining the Group or compensation for loss of office was paid or payable to any of the five highest paid individuals during the year ended 31 December 2025 (2024: same).

11 INCOME TAX EXPENSE

	2025 HK$'000	2024 HK$'000
Current income tax		
— Hong Kong	**1,229**	2,893
— Over provision in prior year	**(485)**	(194)
Deferred income tax (Note 24)	**1,006**	(2,256)
	1,750	443

In accordance with the two-tiered profits tax regime effective from 1 January 2018, Hong Kong profits tax is calculated at 8.25% on the first HK$2,000,000 taxable profit for one of the Group's subsidiaries in Hong Kong, and 16.5% on the remaining estimated assessable profits for the year ended 31 December 2025 (2024: same).

No provision for PRC corporate income tax has been made as the Group has no assessable profit arising from the PRC during the year ended 31 December 2025 (2024: same).

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rate of Hong Kong is as follows:

	2025 HK$'000	2024 HK$'000
Profit before income tax	**218**	2,831
Share of results of joint ventures	**530**	483
	748	3,314
Tax calculated at Hong Kong profits tax rate of 16.5% (2024: 16.5%)	**123**	547
Tax calculated at the two-tiered profits tax rate	**(165)**	–
Effect of different tax rates in other jurisdictions	**(161)**	(47)
Income not subject to tax	**(129)**	(328)
Expenses not deductible for tax purposes	**1,143**	1,068
Over provision in prior year	**(485)**	(194)
Derecognition of deferred income tax asset previously recognised	**1,424**	990
Recognition of previously unrecognised temporary differences in connection with reinstatement provision (Note)	**–**	(1,593)
	1,750	443

Note: On 27 December 2024, the amendment to Inland Revenue Ordinance was gazetted that expenses incurred for reinstating the condition of premises under a lease to their original condition will be deductible. As a result, the Group recognised deferred tax assets of HK$1,593,000 related to the reinstatement provision during the year ended 31 December 2024.

12 LOSSES PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year:

	2025	2024
Loss attributable to owners of the Company (HK$'000)	**(1,008)**	(1,165)
Weighted average number of ordinary shares in issue (in thousands)	**384,000**	384,000
Basic loss per share (HK cents)	**(0.26)**	(0.30)

(b) Diluted

Diluted loss per share for the year ended 31 December 2025 was the same as the basic losses per share as there were no potential dilutive ordinary shares (2024: same).

13(a) PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets HK$'000	Leasehold Improvements HK$'000	Furniture and fixture HK$'000	Kitchen and operating equipment HK$'000	Computer equipment HK$'000	Motor vehicle HK$'000	Total HK$'000
At 1 January 2024							
Cost	428,118	139,048	22,020	16,417	3,912	378	609,893
Accumulated depreciation and impairment	(291,662)	(92,688)	(14,972)	(8,850)	(2,616)	(164)	(410,952)
Net book amount	136,456	46,360	7,048	7,567	1,296	214	198,941
Year ended 31 December 2024							
Opening net book amount	136,456	46,360	7,048	7,567	1,296	214	198,941
Additions	57,978	6,265	450	1,579	1,116	–	67,388
Lease modification	(23)	–	–	–	–	–	(23)
Disposal	–	–	–	(6)	–	–	(6)
Impairment (i)	(989)	(872)	(157)	(123)	(4)	–	(2,145)
Depreciation	(68,901)	(14,813)	(1,686)	(2,814)	(827)	(75)	(89,116)
Closing net book amount	124,521	36,940	5,655	6,203	1,581	139	175,039

13(a) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Right-of-use assets HK$'000	Leasehold Improvements HK$'000	Furniture and fixture HK$'000	Kitchen and operating equipment HK$'000	Computer equipment HK$'000	Motor vehicle HK$'000	Total HK$'000
At 31 December 2024							
Cost	401,260	145,313	21,670	14,941	4,778	378	588,340
Accumulated depreciation and impairment	(276,739)	(108,373)	(16,015)	(8,738)	(3,197)	(239)	(413,301)
Net book amount	124,521	36,940	5,655	6,203	1,581	139	175,039
Year ended 31 December 2025							
Opening net book amount	124,521	36,940	5,655	6,203	1,581	139	175,039
Additions	24,449	–	17	308	285	–	25,059
Written off	–	(120)	–	–	–	–	(120)
Disposal	–	–	–	(10)	(1)	(139)	(150)
Impairment (i)	(1,436)	(1,299)	(327)	(184)	–	–	(3,246)
Depreciation	(56,954)	(12,262)	(1,861)	(2,331)	(966)	–	(74,374)
Closing net book amount	90,580	23,259	3,484	3,986	899	–	122,208
At 31 December 2025							
Cost	381,543	130,869	21,567	14,007	4,807	–	552,793
Accumulated depreciation and impairment	(290,963)	(107,610)	(18,083)	(10,021)	(3,908)	–	(430,585)
Net book amount	90,580	23,259	3,484	3,986	899	–	122,208

13(a) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(i) Impairment

As at 31 December 2025, due to the under-performance of certain restaurants operated in Hong Kong, management of the Group concluded there was indication for impairment and conducted impairment assessment on the relevant property, plant and equipment and right-of-use assets.

Based on the result of the assessment, management determined that the recoverable amount of one CGU is lower than its carrying amount. An impairment of approximately HK$3,246,000 was recognised and has been allocated to each category of property, plant and equipment and right-of-use assets such that the carrying amount of each category of asset is reduced to a level which is not exceeding the higher of its fair value less cost of disposal and its value-in-use. Based on the value-in-use calculation and the allocation, an impairment loss of approximately HK$1,810,000 and HK$1,436,000 (2024: HK$1,156,000 and HK$989,000), respectively, has been recognised against the carrying amount of property, plant and equipment and right-of-use assets.

(ii) Key assumptions

The recoverable amount of each CGU, representing each restaurant, has been determined based on the higher of fair value less cost of disposal and a value in use calculation. Value-in-use calculation uses cash flow projections based on financial budgets approved by management covering the lease terms with pre-tax discount rates of approximately 11.5% as at 31 December 2025 (2024: 13.0%). Another key assumption for the value-in-use calculation is the annual revenue growth rate, which is determined based on the CGU's past performance and management's expectations for the market development.

13(b) LEASES

This note provides information on leases where the Group is a lessee.

(i) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2025 **HK$'000**	2024 HK$'000
Right-of-use assets		
Properties	**90,580**	124,521
Lease liabilities		
Current	**50,590**	54,195
Non-current	**50,938**	80,345
	101,528	134,540

There were HK$24,449,000 additions to the right-of-use assets during the year ended 31 December 2025 (2024: HK$57,978,000).

During the year ended 31 December 2025, there was no lease modification (2024: HK$23,000 decrease of right-of-use assets due to an early renewal of an existing lease).

(ii) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	Note	**2025** **HK$'000**	2024 HK$'000
Depreciation of right-of-use assets			
Properties	13(a)	**56,954**	68,901
Interest expense (included in finance costs)	8	**6,166**	7,125
Expenses relating to variable leases payment		**14,158**	11,440
Expenses relating to short-term leases		**145**	244
		14,303	11,684
		20,469	18,809

The total cash outflows for leases, which include monthly lease payments, turnover rent and short-term leases, were HK$77,930,000 for the year ended 31 December 2025 (2024: HK$85,702,000).

13(b) LEASES (CONTINUED)

(iii) The Group's leasing activities and how these are accounted for

The Group leases various properties to operate its restaurants and these lease liabilities were measured at net present value of the future lease payments during the lease terms. Rental contracts are typically made for fixed periods of two to four years. Extension options are included in a number of property leases across the Group.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(iv) Variable lease payments

Turnover rents determined with reference to the Group's revenue from relevant restaurant operations that are not included in lease liabilities are recognised as "rental expenses". The Group recognised HK$14,158,000 (2024: HK$11,440,000) turnover rent and government rates for the year ended 31 December 2025.

(v) Extension options

Extension options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension options held are exercisable only by the Group and not by the respective lessor.

14 INTANGIBLE ASSETS

	2025 **HK$'000**	2024 HK$'000
At 1 January		
Cost	**2,112**	2,112
Accumulated amortisation	**(1,491)**	(1,370)
Net book amount	**621**	742
Opening net book amount	**621**	742
Amortisation	**(120)**	(121)
Closing net book amount	**501**	621
At 31 December		
Cost	**2,112**	2,112
Accumulated amortisation	**(1,611)**	(1,491)
Net book amount	**501**	621

Intangible assets mainly represent the franchise and licensing rights acquired. The intangible assets have estimated useful lives of 10 to 20 years and are amortised on a straight-line basis over the contractual franchise/license period.

15 SUBSIDIARIES

The following is a list of principal subsidiaries of the Company as at 31 December 2025:

Name of subsidiary	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital	Ownership interest held by the Group 2025	2024
Directly held by group:					
1957 & Co. (BVI) Hospitality Limited	BVI, limited liability company	Investment holding in BVI	1 ordinary share, US$1	**100%**	100%
Indirect Interests:					
1957 & Co. (Hospitality) HK Limited	Hong Kong, limited liability company	Investment holding and ownership of trade marks in Hong Kong	33,500,000 ordinary shares, HK$1,000,000	**100%**	100%
1957 & Co. (Management) Limited	Hong Kong, limited liability company	Restaurant management and consultancy services in Hong Kong	1,000,000 ordinary shares, HK$1,000,000	**100%**	100%
1957 & Co. (Shenzhen) Restaurant Management Limited 一九五七(深圳)餐飲管理有限公司	People's Republic of China, limited liability company*	Restaurant management and consultancy services in the PRC	Registered capital of US$200,000	**100%**	100%
1957 and Partners Limited	Hong Kong, limited liability company	Inactive	100 ordinary shares, HK$100	**51%**	51%
An Nam (Festival Walk) Restaurant Limited	Hong Kong, limited liability company	Investment holding	1,000,000 ordinary shares, HK$1,000,000	**100%**	100%
An Nam Restaurant Limited	Hong Kong, limited liability company	Restaurant operation in Hong Kong	10,000,000 ordinary shares, HK$1,000,000	**100%**	100%
Bella Vita Limited	Hong Kong, limited liability company	Restaurant operation in Hong Kong	8,000,000 ordinary shares, HK$1,000,000	**100%**	100%

15 SUBSIDIARIES (CONTINUED)

Name of subsidiary	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital	Ownership interest held by the Group 2025	2024
Gonpachi Restaurant Limited	Hong Kong, limited liability company	Restaurant operation in Hong Kong	18,000,000 ordinary shares, HK$1,000,000	**100%**	100%
Hokkaidon Restaurant Limited	Hong Kong, limited liability company	Inactive	70,000 ordinary shares, HK$70,000	**60%**	60%
L Garden and Partners Limited	Hong Kong, limited liability company	Inactive	100 ordinary shares, HK$100	**71%**	71%
Mango Tree (HK) Limited	Hong Kong, limited liability company	Restaurant operation in Hong Kong	7,000,000 ordinary shares, HK$1,000,000	**100%**	100%
Mango Tree (Kowloon) Limited	Hong Kong, limited liability company	Restaurant operation in Hong Kong	13,000,000 ordinary shares, HK$1,000,000	**100%**	100%
Modern Shanghai (Hong Kong) Food & Beverage Limited	Hong Kong, limited liability company	Investment holding	9,100,000 ordinary shares, HK$100,000	**60%**	60%
Modern Shanghai (YOHO Midtown) Restaurant Limited	Hong Kong, limited liability company	Restaurant operation in Hong Kong	9,000,000 ordinary shares, HK$100,000	**60%**	60%
Petit An Nam (YOHO Midtown) Restaurant Limited	Hong Kong, limited liability company	Restaurant operation in Hong Kong	7,500,000 ordinary shares, HK$1,000,000	**100%**	100%
Sushi Ta-ke Limited	Hong Kong, limited liability company	Restaurant operation in Hong Kong	8,000,000 ordinary shares, HK$1,000,000	**100%**	100%
1957 & Co. (Overseas) Limited	Hong Kong, limited liability company	Inactive	100 ordinary shares, HK$100	**100%**	100%
1957 Food Supply Chain Company Limited	Hong Kong, limited liability company	Inactive	100 ordinary shares, HK$100	**51%**	51%

* Registered as wholly foreign owned enterprises under the PRC law

15 SUBSIDIARIES (CONTINUED)

(a) Material non-controlling interest

Summarised financial information on subsidiary with material non-controlling interests

Set out below are the summarised financial information for subsidiaries that have non-controlling interests.

Summarised statements of financial position

At 31 December 2025

	Modern Shanghai (Hong Kong) Food & Beverage Limited (Note) HK$'000	Hokkaidon Restaurant Limited HK$'000	1957 and Partners Limited HK$'000	L Garden and Partners Limited HK$'000	Total HK$'000
Current					
Assets	57,310	113	1,240	2,073	60,736
Liabilities	(43,785)	(91)	(245)	(23,211)	(67,332)
Net current assets/(liabilities)	13,525	22	995	(21,138)	(6,596)
Non-current					
Assets	27,357	–	–	–	27,357
Liabilities	(4,119)	–	–	–	(4,119)
Net non-current assets	23,238	–	–	–	23,238
Net assets/(liabilities)	36,763	22	995	(21,138)	16,642
NCI%	40%	40%	49%	29%	
Net assets/(liabilities) attributable to NCI	14,705	9	487	(6,130)	9,071

Note:

The financial information of Modern Shanghai (YOHO Midtown) Restaurant Limited is included here as it is a wholly-owned subsidiary of Modern Shanghai (Hong Kong) Food & Beverage Limited.

15 SUBSIDIARIES (CONTINUED)

(a) Material non-controlling interest (Continued)

Summarised financial information on subsidiary with material non-controlling interests (Continued)

Summarised statements of financial position (Continued)

At 31 December 2024

	Modern Shanghai (Hong Kong) Food & Beverage Limited (Note) HK$'000	Hokkaidon Restaurant Limited HK$'000	1957 and Partners Limited HK$'000	L Garden and Partners Limited HK$'000	Total HK$'000
Current					
Assets	59,072	3,412	12,076	2,109	76,669
Liabilities	(55,630)	(332)	(9,898)	(23,213)	(89,073)
Net current assets/(liabilities)	3,442	3,080	2,178	(21,104)	(12,404)
Non-current					
Assets	49,938	11	2,937	–	52,886
Liabilities	(12,925)	–	(141)	–	(13,066)
Net non-current assets	37,013	11	2,796	–	39,820
Net assets/(liabilities)	40,455	3,091	4,974	(21,104)	27,416
NCI%	40%	40%	49%	29%	
Net assets/(liabilities) attributable to NCI	16,182	1,236	2,437	(6,120)	13,735

Note:

The financial information of Modern Shanghai (YOHO Midtown) Restaurant Limited is included here as it is a wholly-owned subsidiary of Modern Shanghai (Hong Kong) Food & Beverage Limited.

15 SUBSIDIARIES (CONTINUED)

(a) Material non-controlling interest (Continued)

Summarised financial information on subsidiary with material non-controlling interests (Continued)

Summarised statements of comprehensive income

	Modern Shanghai (Hong Kong) Food & Beverage Limited (Note) HK$'000	Hokkaidon Restaurant Limited HK$'000	1957 and Partners Limited HK$'000	L Garden and Partners Limited HK$'000	Total HK$'000
Year ended 31 December 2025					
Revenue	**105,074**	**–**	**11,843**	**–**	**116,917**
Profit/(loss) before income tax	**3,210**	**(58)**	**(1,379)**	**(33)**	**1,740**
Income tax expense	**(503)**	**(11)**	**(1,824)**	**–**	**(2,338)**
Total comprehensive income/(loss) for the year	**2,707**	**(69)**	**(3,203)**	**(33)**	**(598)**
NCI%	**40%**	**40%**	**49%**	**29%**	
Total comprehensive income/(loss) for the year attributable to NCI	**1,083**	**(28)**	**(1,569)**	**(10)**	**(524)**
Year ended 31 December 2024					
Revenue	111,275	6,964	44,228	–	162,467
Profit/(loss) before income tax	7,661	68	2,463	(24)	10,168
Income tax expense	(773)	(665)	(332)	–	(1,770)
Total comprehensive income/(loss) for the year	6,888	(597)	2,131	(24)	8,398
NCI%	40%	40%	49%	29%	
Total comprehensive income/(loss) for the year attributable to NCI	2,755	(239)	1,044	(7)	3,553

Note:

The financial information of Modern Shanghai (YOHO Midtown) Restaurant Limited is included here as it is a wholly-owned subsidiary of Modern Shanghai (Hong Kong) Food & Beverage Limited.

15 SUBSIDIARIES (CONTINUED)

(a) Material non-controlling interest (Continued)

Summarised financial information on subsidiary with material non-controlling interests (Continued)

Summarised statements of cash flows

	Modern Shanghai (Hong Kong) Food & Beverage Limited (Note) HK$'000	Hokkaidon Restaurant Limited HK$'000	1957 and Partners Limited HK$'000	L Garden and Partners Limited HK$'000	Total HK$'000
Year ended 31 December 2025					
Net cash generated from/(used in) operating activities	**24,586**	**2,128**	**1,000**	**(2)**	**27,712**
Net cash (used in)/generated from investing activities	**(122)**	**–**	**5**	**2**	**(115)**
Net cash used in financing activities	**(18,444)**	**(3,000)**	**(6,892)**	**–**	**(28,336)**
Net increase/(decrease) in cash and cash equivalent	**6,020**	**(872)**	**(5,887)**	**–**	**(739)**
Cash and cash equivalents at beginning of year	**9,451**	**913**	**6,261**	**1,613**	**18,238**
	15,471	**41**	**374**	**1,613**	**17,499**
Year ended 31 December 2024					
Net cash generated from operating activities	21,009	6,487	8,373	6	35,875
Net cash generated from investing activities	91	191	72	–	354
Net cash used in financing activities	(20,125)	(8,280)	(7,152)	–	(35,557)
Net increase/(decrease) in cash and cash equivalent	975	(1,602)	1,293	6	672
Cash and cash equivalents at beginning of year	8,476	2,515	4,968	1,607	17,566
	9,451	913	6,261	1,613	18,238

Note:

The financial information of Modern Shanghai (YOHO Midtown) Restaurant Limited is included here as it is wholly-owned subsidiary of Modern Shanghai (Hong Kong) Food & Beverage Limited.

16 INTEREST IN ASSOCIATES AND JOINT VENTURES

	2025 HK$'000	2024 HK$'000
Investment in associates and joint ventures	**4,827**	2,957

Movements of interest in associates and joint ventures during the year ended 31 December 2025 analysed as below:

	2025 HK$'000	2024 HK$'000
As at 1 January	**2,957**	–
Additions	**2,400**	3,440
Share of losses of joint ventures	**(530)**	(483)
As at 31 December	**4,827**	2,957

Particulars of the Group's associated companies as at 31 December 2025 are as follows:

Name of entity	Principal activity	Place of business/ country of incorporation	% of ownership interest As at 31 December 2025	2024	Nature of relationship	Measurement method
Modern Shanghai International Food & Beverage Limited	Investment holding	Hong Kong	**40%**	40%	Associate	Equity method
Modern Shanghai Imperial (Festival Walk) Restaurant Limited	Operation of restaurant	Hong Kong	**40%**	40%	Joint venture	Equity method
Ten Shanghai and Partners Limited	Operation of restaurant	Hong Kong	**40%**	–	Joint venture	Equity method
Guangzhou Mango Tree Food & Beverage Co. Ltd 廣州芒果樹餐飲有限公司	Operation of restaurant	The PRC	**24.9%**	24.9%	Associate	Equity method
Guangzhou Mango Tree (La Perle) Food & Beverage Co. Ltd 廣州芒果樹麗柏餐飲有限公司 (Note (i))	Operation of restaurant	The PRC	**15%**	15%	Associate	Equity method
Guangzhou Ten Shanghai Food & Beverage Co. Ltd 廣州十里弄餐飲有限公司 (Note (ii))	Operation of restaurant	The PRC	**–**	24.9%	Associate	Equity method

Notes:

(i) The Group is able to exercise significant influence over Guangzhou Mango Tree (La Perle) Food & Beverage Co. Ltd because it has the power to appoint one out of four directors of that company under the articles of association of that company.

(ii) The Company is deregistered on 25 November 2025.

16 INTEREST IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The tables below include summarised financial information of the joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statement of the relevant associate and not 1957 & Co. (Hospitality) Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	Modern Shanghai Imperial (Festival Walk) Restaurant Limited	
Summarised statements of financial position	**2025**	2024
	HK$'000	HK$'000
Current assets		
Cash and cash equivalents	**2,535**	4,679
Other current assets	**3,577**	1,838
Total current assets	**6,112**	6,517
Non-current assets	**30,923**	36,922
Current liabilities		
Financial liabilities (excluding trade payables)	**(6,595)**	(6,363)
Other current liabilities	**(1,463)**	(2,971)
Total current liabilities	**(8,058)**	(9,334)
Non-current liabilities	**(21,930)**	(26,713)
Net assets	**7,047**	7,392
Reconciliation to carrying amounts:		
Opening net assets at 1 January	**7,392**	–
Issuance of share capital	**–**	8,600
Loss for the year	**(345)**	(1,208)
Closing net assets at 31 December	**7,047**	7,392
Group's share in %	**40%**	40%
Carrying amount	**2,819**	2,957
Summarised statement of comprehensive income		
Revenue	**40,194**	4,793
Loss before income tax	**(487)**	(1,208)
Loss for the year	**(345)**	(1,208)

16 INTEREST IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Summarised statement of financial position	Ten Shanghai and Partners Limited 2025 HK$'000
Current assets	
Cash and cash equivalents	2,858
Other current assets	4,271
Total current assets	7,129
Non-current assets	25,865
Current liabilities	
Financial liabilities (excluding trade payables)	(5,495)
Other current liabilities	(4,725)
Total current liabilities	(10,220)
Non-current liabilities	(17,754)
Net assets	5,020
Reconciliation to carrying amounts:	
Issuance of share capital	6,000
Loss for the period	(980)
Closing net assets at 31 December	5,020
Group's share in %	40%
Carrying amount	2,008
Summarised statement of comprehensive income	
Revenue	24,005
Loss before income tax	(2,754)
Loss for the period	(980)

17 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 **HK$'000**	2024 HK$'000
Trade receivables		
— Associates and joint ventures	**4,847**	4,115
— Third parties	**6,774**	4,860
	11,621	8,975
Less: Provision for impairment of trade receivables	**(3,373)**	(1,490)
	8,248	7,485
Prepayment, deposit and other receivables		
Non-current portion:		
— Deposits	**21,031**	20,196
— Investment in an insurance contract (Note (i))	**2,478**	2,371
	23,509	22,567
Current portion		
— Deposits	**6,754**	11,148
— Prepayments	**4,239**	4,885
— Other receivables	**2,420**	2,025
	13,413	18,058
	36,922	40,625

Note (i):

As at 31 December 2025, the Group held a life insurance policy for a director of the Group. The Group has the right to surrender the insurance partially or in full at any time after the first policy anniversary at its cash value. Cash value represents the account value net of surrender charges.

17 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

The credit periods granted to customers ranged from 30 to 180 days.

As at 31 December 2025, the carrying amounts of trade receivables, deposits and other receivables approximate their fair values and are denominated in HK$ (2024: same).

Information about the impairment of trade receivable and the Group's exposure to credit risk is set out in Note 3.1 to the financial statements.

The aging analysis of the Group's trade receivables based on invoice date is as follows:

	2025 **HK$'000**	2024 HK$'000
1 to 30 days	**4,336**	4,194
31 to 60 days	**1,469**	305
61 to 90 days	**625**	474
Over 90 days	**1,818**	2,512
	8,248	7,485

18 INVENTORIES

	2025 **HK$'000**	2024 HK$'000
Food and beverages	**3,166**	3,240

The cost of inventories recognised as expense and included in "cost of inventories sold" was approximately HK$110,440,000 for the year ended 31 December 2025 (2024: HK$119,664,000).

19 CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

	2025 HK$'000	2024 HK$'000
Cash at banks	**53,030**	51,605
Cash on hand	**780**	1,477
Cash and cash equivalents	**53,810**	53,082
Pledged bank deposits (Note)	**3,103**	3,037

As at 31 December 2025, the carrying amounts of cash and cash equivalents and pledged bank deposits are denominated in the following currencies:

	2025 HK$'000	2024 HK$'000
HK$	**51,949**	50,990
RMB	**3,429**	3,645
US$	**1,535**	1,484
	56,913	56,119
Maximum exposure on credit risk	**56,133**	54,642

Note: As at 31 December 2025, bank deposits of HK$3,103,000 (2024: HK$3,037,000) were pledged as guarantee pursuant to the requirement of banking facilities for bank borrowings.

20 SHARE CAPITAL AND SHARE PREMIUM

	Number of shares of the Company	**Share capital** HK$'000	**Share premium** HK$'000
Authorised:			
Ordinary shares of HK$0.0001 each as at 1 January 2024, 31 December 2024 and 2025	3,800,000,000	380	–
Issued and fully paid:			
As at 1 January 2024, 31 December 2024 and 2025	384,000,000	38	100,980

21 TRADE AND OTHER PAYABLES

	2025 HK$'000	2024 HK$'000
Trade payables	**17,783**	21,196
Other payables		
Non-current portion		
— Provision for reinstatement costs	**8,610**	8,310
— Provision for long service payments	**1,187**	1,481
	9,797	9,791
Current portion		
— Accrued staff costs	**8,358**	9,290
— Payable for contingent rent	**830**	1,047
— Payable for purchase of property, plant and equipment	**419**	94
— Guest deposit	**822**	1,027
— Other accrued operating expenses	**8,013**	10,428
— Consideration received for disposal of a restaurant business (Note (a))	**3,000**	–
— Other payables	**1,294**	1,514
— Provision for reinstatement costs	**1,500**	2,346
	24,236	25,746
Total trade and other payables	**51,816**	56,733

As at 31 December 2025, the carrying amounts of trade and other payables approximate their fair value and are denominated in HK$ (2024: same).

The payment term on majority of purchase of goods is 30 to 60 days (2024: same).

21 TRADE AND OTHER PAYABLES (CONTINUED)

An aging analysis of trade payables based on invoice date as at 31 December 2025 is as follows:

	2025 **HK$'000**	2024 HK$'000
1 to 30 days	**9,781**	11,435
31 to 60 days	**7,638**	9,431
61 to 90 days	**10**	4
Over 90 days	**354**	326
	17,783	21,196

Note:

(a) Consideration received for disposal of a restaurant business

In July 2025, an indirectly wholly-owned subsidiary of the Company entered into a business transfer agreement for the disposal of the restaurant business under the Akanoshou brand in Causeway Bay for a consideration of HK$5,600,000.

As such, HK$3,000,000 received from the purchaser pursuant to the business transfer agreement was included as other payable as at 31 December 2025.

22 CONTRACT LIABILITIES

Contract liabilities represent the unutilised credits under the customer loyalty programme.

	2025 **HK$'000**	2024 HK$'000
As at 1 January	**2,603**	2,196
Addition	**4,099**	5,280
Redemption	**(3,711)**	(4,333)
Expired	**(2,156)**	(540)
As at 31 December	**835**	2,603

The Group selected to apply a practical expedient and exclude disclosure of remaining performance obligations as all related contracts have a duration of one year or less.

23 BANK BORROWINGS

	2025 HK$'000	2024 HK$'000
Current	**25,644**	34,861

As at 31 December 2025, the Group's bank borrowings were denominated in HK$. The carrying amounts of the Group's bank borrowings approximate their fair values (2024: same).

As at 31 December 2025, the Group's bank borrowings were secured by corporate guarantees provided by the Company (2024: same) and pledged bank deposits of HK$3,103,000 (2024: HK$3,037,000) (Note 19).

The weighted average effective interest rate of the bank borrowings as at 31 December 2025 was 4.5% (2024: 4.6%) per annum.

The contractual repayment schedule of the bank borrowings, without considering the repayable on demand clause, is summarised as follows:

	2025 HK$'000	2024 HK$'000
Within 1 year	**9,676**	9,136
Between 1 and 2 years	**9,185**	9,657
Between 2 and 5 years	**6,783**	16,068
	25,644	34,861

The Group did not breach any financial covenant of the banking facilities during the year ended 31 December 2025 (2024: same).

24 DEFERRED INCOME TAX

The movements in the net deferred income tax assets are as follows:

	2025 HK$'000	2024 HK$'000
At 1 January	**16,937**	14,681
(Charged)/credited to income statement (Note 11)	**(1,006)**	2,256
At 31 December	**15,931**	16,937

Deferred income tax liabilities are calculated in full on temporary differences under the liability method using a principal taxation rate of 16.5% (2024: 16.5%) prevailing at the time when the temporary differences are expected to realise or settle.

24 DEFERRED INCOME TAX (CONTINUED)

Deferred income tax assets are recognised for deductible temporary differences carried forward to the extent that the realisation of the related tax benefit through future taxable profit is probable. As at 31 December 2025, the Group did not recognise deferred income tax assets of approximately HK$8,211,000 (2024: HK$7,995,000) in respect of tax losses of approximately HK$49,766,000 (2024: HK$48,456,000), and did not recognise deferred income tax assets of approximately HK$1,650,000 (2024: HK$1,127,000) in respect of decelerated tax depreciation of approximately HK$10,002,000 (2024: HK$6,829,000) that can be carried forward against future taxable income. There is no expiry date for such unrecognised tax assets.

Movement in deferred income tax assets and liabilities during the year ended 31 December 2025, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Lease assets HK$'000	**Decelerated tax depreciation** HK$'000	**Tax losses** HK$'000	**Reinstatement cost** HK$'000	**Total** HK$'000
At 1 January 2024	374	7,504	6,803	–	14,681
Credited/(charged) to the consolidated income statement	1,129	770	(1,236)	1,593	2,256
At 31 December 2024	1,503	8,274	5,567	1,593	16,937
Credited/(charged) to the consolidated income statement	267	6	(1,139)	(140)	(1,006)
At 31 December 2025	1,770	8,280	4,428	1,453	15,931

25 FINANCIAL INSTRUMENTS BY CATEGORY

	2025 HK$'000	2024 HK$'000
Financial assets		
Financial assets at amortised cost		
— Trade and other receivables excluding prepayments	**37,140**	40,854
— Amount due from associates and joint ventures (Note 28(b))	**–**	1,155
— Pledged bank deposits (Note 19)	**3,103**	3,037
— Cash and cash equivalents (Note 19)	**53,810**	53,082
	94,053	98,128
Financial liabilities		
Financial liabilities at amortised cost		
— Trade and other payables	**35,763**	39,334
— Amount due to associates and joint ventures (Note 28 (b))	**1,754**	–
— Loan from non-controlling shareholders (Note 28 (b))	**2,900**	4,600
— Bank borrowings (Note 23)	**25,644**	34,861
— Lease liabilities (Note 13(b))	**101,528**	134,540
	167,589	213,335

26 COMMITMENT

The Group did not have any significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities as at 31 December 2025 (2024: nil).

27 CONTINGENCIES

The Group did not have any significant contingent liabilities as at 31 December 2025 (2024: nil).

28 RELATED PARTY TRANSACTIONS

The major related parties that had transactions and balances with the Group were as follows:

Name of related parties	Relationship with the Group
Modern Shanghai International Food & Beverage Limited	Associated company
Guangzhou Mango Tree Food & Beverage Co. Ltd	Associated company
Guangzhou Mango Tree (La Perle) Food & Beverage Co. Ltd	Associated company
Guangzhou Ten Shanghai Food & Beverage Co. Ltd	Associated company
Modern Shanghai Imperial (Festival Walk) Restaurant Limited	Joint venture
Ten Shanghai and Partners Limited	Joint venture
Chairman Food & Beverage Management Limited	Non-controlling shareholder of a subsidiary
Food Master (HK) Limited	Non-controlling shareholder of a subsidiary
Jarrett Investments Limited	Non-controlling shareholder of a subsidiary
Barrowgate Limited	Related company controlled by non-controlling shareholder of subsidiaries

(a) Key management compensation

The directors are regarded as the key management of the Group. The compensation paid or payable to the key management for employment services is disclosed in Note 29.

(b) Balances with related parties

	2025 HK$'000	2024 HK$'000
Non-trading balance:		
Amount due from/(to) associates and joint ventures (Note (c))		
— Modern Shanghai Imperial (Festival Walk) Restaurant Limited	**(2,107)**	991
— Modern Shanghai International Food & Beverage Limited	**166**	164
— Ten Shanghai and Partners Limited	**187**	–
Non-trading balance:		
Loans from non-controlling shareholders		
— Chairman Food & Beverage Management Limited (Note (a))	**–**	(1,700)
— Jarrett Investments Limited (Note (b))	**(2,900)**	(2,900)
Trading balances:		
Pre-opening consultancy services and management fee (Note (c))		
— Modern Shanghai Imperial (Festival Walk) Restaurant Limited	**2,204**	688
— Ten Shanghai and Partners Limited	**1,595**	–
— Guangzhou Mango Tree Food & Beverage Co. Ltd	**–**	488
— Guangzhou Ten Shanghai Food & Beverage Co. Ltd	**–**	649
— Guangzhou Mango Tree (La Perle) Food & Beverage Co. Ltd	**–**	800
Trading balances:		
Lease liabilities (Note (d))		
— Barrowgate Limited	**(33,880)**	(44,134)

28 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Balances with related parties (Continued)

Notes:

(a) The loan from the non-controlling shareholder is unsecured, interest-free and repayable six months after the subsidiary achieves net profit position. The loan is denominated in HK$ and was fully repaid during the year ended 31 December 2025.

(b) The loan from the non-controlling shareholder is unsecured, interest-free and repayable one month after the subsidiary achieves net cash inflow. As at 31 December 2025, the carrying amount of such loan approximates its fair value and is denominated in HK$ (2024: same).

(c) These amounts due from/(to) related companies are unsecured, interest-free and repayable in according to the credit terms mutually agreed. The carrying amount of the balance approximates its fair value and is denominated in HK$.

(d) These amounts due to related companies are unsecured, interest-free and repayable in according to the payment terms in the lease agreement. The carrying amount of the balance approximates its fair value and is denominated in HK$.

(c) Transactions with related parties

	2025 **HK$'000**	2024 HK$'000
Pre-opening consultancy fee and management fee (Note (a))		
— Modern Shanghai Imperial (Festival Walk) Restaurant Limited	**1,609**	192
— Ten Shanghai and Partners Limited	**1,655**	–
Royalty fee (Note (b))		
— Modern Shanghai Imperial (Festival Walk) Restaurant Limited	**804**	96
Lease payment (Note (c))		
— Barrowgate Limited	**15,817**	21,643

Notes:

(a) Pre-opening consultancy fee and management fee is charged in accordance with the agreement entered into between the relevant parties.

(b) Royalty fee is charged in accordance with the agreement entered into between the relevant parties.

(c) Lease payment is charged in accordance with the agreement entered into between the relevant parties.

Notes to the Consolidated Financial Statements

29 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remunerations of each director for the year ended 31 December 2025 are set out below:

Name	Fee HK$'000	Salary HK$'000	Discretionary bonuses HK$'000	Housing allowance HK$'000	Estimated money of other benefit HK$'000	Employer's contribution to pension HK$'000	Total HK$'000
Executive directors:							
Wong Chi Wing, Kinson (Note 1)	600	–	–	–	–	–	600
Lau Ming Fai	–	2,142	79	–	–	18	2,239
Lin Huigin	300	–	–	–	–	–	300
Tsui Ngan Fun	300	–	–	–	–	–	300
Non-executive directors:							
Chan Wai Fung	300	–	–	–	–	–	300
Independent non-executive Directors:							
Yim Hong Cheuk Foster	180	–	–	–	–	–	180
Huen, Felix Ting Cheung	180	–	–	–	–	–	180
Lung Pui Ying Amy	180	–	–	–	–	–	180
	2,040	2,142	79	–	–	18	4,279

Note 1: Resigned on 20 January 2026

29 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Directors' emoluments (Continued)

The remunerations of each director for the year ended 31 December 2024 are set out below:

Name	Fee HK$'000	Salary HK$'000	Discretionary bonuses HK$'000	Housing allowance HK$'000	Estimated money of other benefit HK$'000	Employer's contribution to pension HK$'000	Total HK$'000
Executive directors:							
Wong Chi Wing, Kinson	600	–	–	–	–	–	600
Kwok Chi Po (Chief Executive Officer) (Note 1)	–	2,156	107	–	–	15	2,278
Lau Ming Fai	–	1,596	95	–	–	18	1,691
Tsui Ngan Fun	300	–	–	–	–	–	300
Lin Huiqin	300	–	–	–	–	–	300
Non-executive directors:							
Chan Wai Fung	300	–	–	–	–	–	300
Independent non-executive Directors:							
Yim Hong Cheuk Foster	180	–	–	–	–	–	180
Huen, Felix Ting Cheung	180	–	–	–	–	–	180
Cheang Ana (Note 2)	120	–	–	–	–	–	120
Lung Pui Ying Amy (Note 3)	60	–	–	–	–	–	60
	2,040	3,752	202	–	–	33	6,027

Note 1: Resigned on 1 November 2024

Note 2: Resigned on 31 August 2024

Note 3: Appointed on 31 August 2024

The remuneration shown above represents remuneration received from the Group by these directors in their capacity as directors of the companies comprising the Group during the year ended 31 December 2025 (2024: nil).

During the year ended 31 December 2025, no directors waived or agreed to waive any emoluments (2024: nil).

29 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(b) Directors' retirement benefits and termination benefits

None of the directors received or will receive any retirement benefits under a defined benefit scheme or termination benefits during the year ended 31 December 2025 (2024: nil).

(c) Consideration provided to third parties for making available directors' services

The Group did not pay consideration to any third parties for making available directors' services during the year ended 31 December 2025 (2024: nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans and other dealings were made available in favour of directors, controlled bodies corporate by and connected entities with such directors subsisted at the end of the year or at any time during the year ended 31 December 2025 (2024: nil).

(e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Group had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2025 (2024: nil).

30 DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: nil).

31 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of financial position of the Company

	2025 HK$'000	2024 HK$'000
Assets		
Non-current assets		
Investment in a subsidiary	**46,483**	46,483
Current assets		
Prepayments	**203**	348
Amounts due from subsidiaries	**27,451**	27,821
Amount due from an associate	**102**	102
Cash and cash equivalents	**149**	230
	27,905	28,501
Total assets	**74,388**	74,984
Equity		
Capital and reserves attributable to owners of the Company		
Share capital	**38**	38
Share premium	**100,980**	100,980
Accumulated losses	**(47,580)**	(47,217)
Total equity	**53,438**	53,801
Liabilities		
Current liabilities		
Accruals	**37**	270
Amount due to a subsidiary	**20,913**	20,913
	20,950	21,183
Total liabilities	**20,950**	21,183
Total equity and liabilities	**74,388**	74,984

The statement of financial position of the Company was approved by the Board of Directors on 27 March 2026 and was signed on its behalf.

Lau Ming Fai
Director

Kwok Chi Po
Director

31 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Reserve movement of the Company

	Share premium HK$'000	Accumulated losses HK$'000	Total HK$'000
As at 1 January 2024	100,980	(47,086)	53,894
Loss for the year	–	(131)	(131)
As at 31 December 2024	**100,980**	**(47,217)**	**53,763**
Loss for the year	**–**	**(363)**	**(363)**
As at 31 December 2025	**100,980**	**(47,580)**	**53,400**