

Supplemental Listing Document

If you are in any doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and for quotation of the Certificates (as defined below). The SGX-ST takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of UBS AG, acting through its London branch, the Certificates, or the Company (as defined below).

**5,000,000 European Style Cash Settled Long Certificates relating to
the ordinary shares of City Developments Limited
with a Daily Leverage of 5x**

UBS AG

(Incorporated with limited liability in Switzerland)

acting through its London Branch

Issue Price: S\$0.48 per Certificate

This document is published for the purpose of obtaining a listing of all the above certificates (the “**Certificates**”) to be issued by UBS AG (the “**Issuer**”) acting through its London branch, and is supplemental to and should be read in conjunction with a base listing document dated 28 June 2025 (the “**Base Listing Document**”), including its supplements and addenda as executed from time to time, for the purpose of giving information with regard to the Issuer and the Certificates. Information relating to the Company (as defined below) is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Certificates or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration the Certificates or other securities of the Issuer. Restrictions have been imposed on offers and sales of the Certificates and on distributions of documents relating thereto in the United States, the United Kingdom, the European Economic Area, Singapore and Hong Kong (see “**Placing and Sale**” contained herein).

The Certificates are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Certificates may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. The price of the Certificates also depends on the supply and demand for the Certificates in the market and the price at which the Certificates is trading at any time may differ from the underlying valuation of the Certificates because of market inefficiencies. It is not possible to predict the secondary market for the Certificates. Although the

Issuer and/or any of its affiliates may from time to time purchase the Certificates or sell additional Certificates on the market, the Issuer and/or any of its affiliates are not obliged to do so. Investors should also note that there are leveraged risks because the Certificates integrate a leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock (as defined below) and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock.

For the purpose of section 309B(1) of the Securities and Futures Act 2001 of Singapore (the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A of the SFA) that the Certificates are classified as capital markets products other than prescribed capital markets products¹ and Specified Investment Products (SIPs)², and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.

Prospective purchasers should therefore ensure that they understand the nature of the Certificates and carefully study the risk factors set out in the Base Listing Document and pages 5 to 9 of this document before they invest in the Certificates.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 6 May 2026.

As at the date hereof, the Issuer's long term credit rating by S&P Global Ratings Europe Limited is A+, by Moody's Investors Service Ltd. is Aa2 and by Fitch Ratings Ireland Limited is AA-.

The Issuer is regulated by, among others, the Swiss Federal Banking Commission. In the United Kingdom, it is authorised by the Prudential Regulatory Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulatory Authority.

5 May 2026

¹ As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.

² As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Subject as set out below, the Issuer accepts full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to itself and the Certificates. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which it accepts responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and does not omit anything likely to affect the import of such information. The information with regard to the Company as set out herein is extracted from publicly available information. The Issuer accepts responsibility only for the accurate reproduction of such information. No further or other responsibility or liability in respect of such information is accepted by the Issuer.

No persons have been authorised to give any information or to make any representation save as contained in this document or otherwise authorised by the Issuer in connection with the Certificates and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer. Neither the delivery of this document nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer or its subsidiaries and associates since the date hereof.

This document does not constitute an offer or solicitation by or on behalf of the Issuer to purchase or subscribe for any of the Certificates. The distribution of this document and the offering of the Certificates may, in certain jurisdictions, be restricted by law. The Issuer requires persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, the Certificates have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, Certificates, or interests therein, may not at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act) or to others for offering, sale or resale in the United States or to any such U.S. person. Offers and sales of Certificates, or interests therein, in the United States or to U.S. persons would constitute a violation of United States securities laws unless made in compliance with registration requirements of the Securities Act or pursuant to an exemption therefrom. A further description of certain restrictions on offering and sale of the Certificates and distribution of this document is given in the section headed "Placing and Sale" contained herein.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the merits of investing in the Certificates, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer and/or any of its affiliates may repurchase Certificates at any time on or after the date of issue and any Certificates so repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer and/or any of its affiliates. Investors should not therefore make any assumption as to the number of Certificates in issue at any time.

References in this document to the "**Conditions**" shall mean references to the Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

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RISK FACTORS

The following risk factors are relevant to the Certificates:-

- (a) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer will be unable to satisfy its obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;
- (b) the Certificates constitute direct, general and unsecured contractual obligations of the Issuer and if you purchase the Certificates you are relying upon the creditworthiness of the Issuer and have no rights under the Certificates against any other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates you are relying upon the creditworthiness of the Issuer and have no rights under the Certificates against the Company which has issued the Underlying Stock (as defined below). The Issuer has substantially no obligation to a Certificate Holder (as defined in the Conditions) other than to pay amounts in accordance with the terms thereof as set forth herein and in the Base Listing Document. The Issuer does not in any respect underwrite or guarantee the performance of any Certificate. Any profit or loss realised by a Certificate Holder in respect of a Certificate upon exercise or otherwise due to changes in the value of such Certificate or the Underlying Stock is solely for the account of such Certificate Holder. In addition, the Issuer shall have the absolute discretion to put in place any hedging transaction or arrangement which it deems appropriate in connection with any Certificate or the Underlying Stock. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by any one of its rating agencies could result in a reduction in the trading value of the Certificates;
- (c) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has fallen sharply;
- (d) in the event that the Company is subject to any sanction by governmental authorities, (i) such sanction may impact general investor interest in the Underlying Stock, which may in turn affect the liquidity and market price of the Underlying Stock, and (ii) investors should consult their own legal advisers to check whether and to what extent investing in the Certificates will be in violation of applicable laws and regulations;
- (e) in the event that the Company is controlled through weighted voting rights, certain individuals who own shares of a class which is being given more votes per share may have the ability to determine the outcome of most matters, and depending on the action taken by the Company, the market price of the Certificates could be adversely affected;
- (f) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry and the creditworthiness of the Issuer;

- (g) fluctuations in the price of the Underlying Stock will affect the price of the Certificates but not necessarily in the same magnitude and direction, therefore, prospective investors intending to purchase Certificates to hedge their market risk associated with investing in the Underlying Stock which may be specified herein, should recognise the complexities of utilising the Certificates in this manner;
- (h) a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;
- (i) if, whilst any of the Certificates remain unexercised, trading in the Underlying Stock is suspended or halted on the relevant stock exchange, trading in the Certificates may be suspended for a similar period;
- (j) investors should note that the Issuer's obligations to pay amounts in accordance with the terms thereof as set forth herein shall be discharged by delivery of the aggregate Cash Settlement Amount (if positive) to all Certificate Holders in accordance with the agreement with the Warrant Agent;
- (k) investors should note that in the event of there being a Market Disruption Event (as defined in the Conditions) determination or payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;
- (l) certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions;
- (m) the Certificates are only exercisable on the expiry date and may not be exercised by Certificate Holders prior to such expiry date. Accordingly, if on such expiry date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;
- (n) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);
- (o) investors holding their position overnight should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Strategy (as described below) including the Funding Cost (as defined below) and the Rebalancing Cost (as defined below);
- (p) investors should note that there are leveraged risks because the Certificates integrate a leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock;
- (q) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous trading day. This process, referred to as compounding, may lead to a performance difference from 5 times the performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideways trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;

- (r) the Air Bag Mechanism (as defined below) is triggered only when the Underlying Stock is calculated or traded, which may not be during the trading hours of the Relevant Stock Exchange for the Certificates (as defined below);
- (s) investors should note that the Air Bag Mechanism reduces the impact on the Leverage Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;
- (t) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight fall in the Underlying Stock, where there is a 20% or greater gap between the previous trading day closing price and the opening price of the Underlying Stock the following trading day, as the Air Bag Mechanism will only be triggered when the market (in respect of which the Underlying Stock is listed) opens the following trading day (including pre-opening session or opening auction, as the case may be) or (ii) a sharp intraday fall in the Underlying Stock of 20% or greater during the observation period compared to the reference price, being: (a) if air bag event has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (b) if one or more air bag events have been previously triggered on the same day, the latest new observed price. Investors may refer to pages 40 to 41 of this document for more information;
- (u) certain events may, pursuant to the terms and conditions of the Certificates, trigger (A) the implementation of methods of adjustment or (B) the early termination of the Certificates. The Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of the Certificate less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The performance of this commitment shall depend on (A) general market conditions and (B) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be less than the amount initially invested. Investors may refer to Condition 13 on pages 27 to 28 of this document for more information;
- (v) investors should note that it is not possible to predict the price at which the Certificates will trade in the secondary market or whether such market will be liquid or illiquid. To the extent Certificates of a particular issue are exercised, the number of Certificates of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Certificates of such issue. A decrease in the liquidity of an issue of Certificates may cause, in turn, an increase in the volatility associated with the price of such issue of Certificates. The Issuer may, but is not obligated to, at any time, purchase Certificates at any price in the open market or by tender or private agreement. Any Certificates so purchased may be held or resold or surrendered for cancellation. To the extent that an issue of Certificates becomes illiquid, an investor may have to exercise such Certificates to realise value;
- (w) two or more risk factors may simultaneously have an effect on the value of a Certificate such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Certificate;
- (x) investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time. Investors should refer to the Taxation Section in the Base Listing Document;

- (y) investors should note that the Issuer may enter into discount, commission or fee arrangements with brokers and/or any of its subsidiaries or affiliates with respect to the primary or secondary market in the Certificates. The arrangements may result in the benefit to investors in Certificates buying and selling Certificates through nominated brokers by reducing or eliminating the commission payable by such Certificate Holders. In the event that the commission payable by Certificate Holders is eliminated, fee arrangements between the Issuer and brokers and/or any of its subsidiaries or affiliates will continue to apply. Investors in the Certificates should note that any brokers with whom the Issuer has a commission arrangement does not, and cannot be expected to, deal exclusively in the Certificates, therefore any broker and/or any of its subsidiaries or affiliates may from time to time engage in transactions involving the Underlying Stock and/or structured products of other issuers over the Underlying Stock as the Certificates for their proprietary accounts and/or accounts of their clients. The fact that the same broker may deal simultaneously for different clients in competing products in the market place may affect the value of the Certificates and present certain conflicts of interests;
- (z) various potential and actual conflicts of interest may arise from the overall activities of the Issuer and any of its subsidiaries and affiliates.

The Issuer and any of its subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer and any of its subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Underlying Stock. Such activities and information may involve or otherwise affect issuers of the Underlying Stock in a manner that may cause consequences adverse to the Certificate Holders or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer and any of its subsidiaries and affiliates have no obligation to disclose such information about the Underlying Stock or such activities. The Issuer and any of its subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the issue of Certificates by the Issuer or the effect that such activities may directly or indirectly have on any Certificate;

- (aa) in the ordinary course of their business, including without limitation in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer and any of its respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Stock and/or related derivatives. In addition, in connection with the offering of any Certificates, the Issuer and any of its respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the Underlying Stock and/or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and any of its respective subsidiaries and its affiliates, the Issuer and any of its respective subsidiaries and affiliates may enter into transactions in the Underlying Stock and/or related derivatives which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;
- (bb) the value of the Certificates depends on the Leverage Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Strategy last closing level and a calculation tool available to the investors on a website;

- (cc) certain risks relating to the Issuer's operating environment and strategy, including those as set out in Appendix 2 of the Base Listing Document, may impact the Issuer's ability to execute its strategy and directly affect its business activities, financial condition, results of operations and prospects. As a broad-based international financial services firm, the Issuer is inherently exposed to risks that become apparent only with the benefit of hindsight, risks of which it is not presently aware or which it currently does not consider to be material could also materially affect its business activities, financial condition, results of operations and prospects. The sequence in which the risk factors are set out in Appendix 2 of the Base Listing Document is not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences;
- (dd) as the Certificates are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited ("**CDP**"):-
- (i) investors should note that no definitive certificate will be issued in relation to the Certificates;
 - (ii) there will be no register of Certificate Holders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates by way of interest (to the extent of such number) in the global warrant certificate in respect of those Certificates represented thereby shall be treated as the holder of such number of Certificates;
 - (iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Certificates; and
 - (iv) notices to such Certificate Holders will be published on the website of the SGX-ST. Investors will need to check the website of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;
- (ee) investing in the Certificates may involve risks related to the discontinuance, changes or adjustments to benchmarks generally.

Discontinuance of, or changes to, benchmarks may require adjustments to the Issuer's agreements, systems and processes. The interbank offered rate(s) and other interest rate, equity, commodity, foreign exchange and other types of indices which are deemed to be "benchmarks", are the subject of national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be or may be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Certificates referencing such a benchmark. Investors should consult their own independent advisers and make their own assessment about the potential risks or any of the international or national reforms in making any investment decision with respect to any Certificates referencing a benchmark.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the Base Listing Document.

The Conditions are set out in the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Certificates:	5,000,000 European Style Cash Settled Long Certificates relating to the ordinary shares of City Developments Limited (the “ Underlying Stock ” or the “ Underlying ”)
ISIN:	CH1465034333
Company:	City Developments Limited (RIC: CTDM.SI)
Underlying Price ³ and Source:	S\$8.18 (Bloomberg)
Calculation Agent:	UBS AG acting through its London Branch
Strike Level:	Zero
Daily Leverage:	5x (within the Leverage Strategy as described below)
Notional Amount per Certificate:	SGD 0.48
Management Fee (p.a.) ⁴ :	0.40%
Gap Premium (p.a.) ⁵ :	16.00%, is a hedging cost against extreme market movements overnight.
Funding Cost ⁶ :	The annualised costs of funding, referencing a publically published reference rate plus spread.
Rebalancing Cost ⁶ :	The transaction costs (if applicable), computed as a function of leverage and daily performance of the Underlying Stock.
Launch Date:	27 April 2026
Closing Date:	5 May 2026
Expected Listing Date:	6 May 2026

³ These figures are calculated as at, and based on information available to the Issuer on or about 5 May 2026. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after 5 May 2026.

⁴ Please note that the Management Fee is calculated on a 360-day basis and may be increased up to a maximum of 3% p.a. on giving one month’s notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to “Fees and Charges” below for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.

⁵ Please note that the Gap Premium is calculated on a 360-day basis.

⁶ These costs are embedded within the Leverage Strategy.

Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 24 July 2028
Expiry Date:	31 July 2028 (if the Expiry Date is not a Business Day, then the Expiry Date shall fall on the preceding Business Day and subject to adjustment of the Valuation Date upon the occurrence of Market Disruption Events as set out in the Conditions of the Certificates)
Board Lot:	100 Certificates
Valuation Date:	28 July 2028 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Exercise:	<p>The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.</p>
Cash Settlement Amount:	<p>In respect of each Certificate, shall be an amount (if positive) payable in the Settlement Currency equal to:</p> <p>Closing Level multiplied by the Notional Amount per Certificate</p> <p>Please refer to the “Information relating to the European Style Cash Settled Long Certificates on Single Equities” section on pages 32 to 46 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.</p>
Hedging Fee Factor:	<p>In respect of each Certificate, shall be an amount calculated as: Product (for t from Expected Listing Date to Valuation Date) of $(1 - \text{Management Fee} \times (\text{ACT}(t-1;t) \div 360)) \times (1 - \text{Gap Premium}(t-1) \times (\text{ACT}(t-1;t) \div 360))$, where:</p> <p>“t” refers to “Observation Date” which means each Exchange Business Day (subject to Market Disruption Event) from (and</p>

including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation Date; and

ACT (t-1;t) means the number of calendar days between the Exchange Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).

Please refer to the “Information relating to the European Style Cash Settled Long Certificates on Single Equities” section on pages 32 to 46 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

Closing Level: In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

Initial Reference Level: 1,000

Final Reference Level: The closing level of the Leverage Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Strategy is set out in the “Specific Definitions relating to the Leverage Strategy” section on pages 14 to 18 below.

Initial Exchange Rate: 1

Final Exchange Rate: 1

Air Bag Mechanism: The “**Air Bag Mechanism**” refers to the mechanism built in the Leverage Strategy and which is designed to reduce the Leverage Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock falls by 15% or more (“**Air Bag Trigger Price**”) during the trading day (which represents approximately 75% loss after a 5 times leverage), the Air Bag Mechanism is triggered and the Leverage Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses.

Trading of Certificates is suspended for at least 30 minutes of continuous trading after the Air Bag is triggered. The resumption of trading is subject to the SGX-ST’s requirements of at least 15 minutes after the SGX-ST approves the request from the Issuer to resume trading on the Certificates, rounded to the next quarter of an hour.

The Leverage Strategy is floored at 0 and the Certificates cannot be valued below zero.

Please refer to the “Air Bag Mechanism” section on page 18 below and the “Description of Air Bag Mechanism” section on pages 38 to 39 of this document for further information of the Air Bag Mechanism.

Adjustments and Extraordinary Events:	The Issuer has the right to make adjustments to the terms of the Certificates if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Certificates) occur in respect of the Underlying Stock. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.
Underlying Stock Currency:	Singapore Dollar (“ SGD ”)
Settlement Currency:	SGD
Exercise Expenses:	Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.
Relevant Stock Exchange for the Certificates:	The Singapore Exchange Securities Trading Limited (“ SGX-ST ”)
Relevant Stock Exchange for the Underlying Stock:	The SGX-ST
Business Day, Settlement Business Day and Exchange Business Day:	A “ Business Day ”, a “ Settlement Business Day ” or an “ Exchange Business Day ” is a day (excluding Saturdays, Sundays and public holidays) on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.
Warrant Agent:	The Central Depository (Pte) Limited (“ CDP ”)
Clearing System:	CDP
Fees and Charges:	<p>Normal transaction and brokerage fees shall apply to the trading of the Certificates on the SGX-ST. Investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.</p> <p>Investors holding position overnight would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Strategy including the Funding Cost and the Rebalancing Cost. The Management Fee may be increased</p>

up to a maximum of 3% p.a. on giving one month's notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET.

Further Information:

Please refer to the website at <http://dlc.ubs.com> for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium.

Specific Definitions relating to the Leverage Strategy

Description of the Leverage Strategy

The Leverage Strategy is designed to track a 5 times daily leveraged exposure to the Underlying Stock.

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Strategy to the Underlying Stock is reset within the Leverage Strategy in order to retain a daily leverage of 5 times the performance of the Underlying Stock (excluding costs) regardless of the performance of the Underlying Stock on the preceding day. This mechanism is referred to as the Daily Reset.

The Leverage Strategy incorporates an air bag mechanism which is designed to reduce exposure to the Underlying Stock during extreme market conditions, as further described below.

Leverage Strategy Formula

LSL_t means, the Leverage Strategy Level as at the Leverage Reset Time (t), calculated in accordance with the following formulae:

On Leverage Reset Time (1):

$$LSL_1 = 1000$$

On each subsequent Leverage Reset Time (t):

$$LSL_t = \text{Max} \left[LSL_{r(t)} \times \left(1 + LR_{r(t),t} - FC_{r(t),t} - RC_{r(t),t} \right), 0 \right]$$

Leverage Reset Time (t)

means

- 1) the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date; and
- 2) end of any Intraday Restrike Event Observation Period.

Leverage Reset Time (1) is the scheduled close for the Relevant Stock Exchange for the Underlying Stock on Issue Date.

Leverage Reset Time r(t)

means the Leverage Reset Time immediately preceding the Leverage Reset Time (t).

LR_{r(t),t} means the Leveraged Return of the Underlying Stock between Leverage Reset Time r(t) and Leverage Reset Time (t), calculated as follows:

$$LR_{r(t),t} = \text{Leverage} \times \left(\frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right)$$

FC_{r(t),t} means, the Funding Cost between the Leverage Reset Time r(t) (included) and the Leverage Reset Time (t) (excluded) calculated as follows:

If the Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date,

$$FC_{r(t),t} = (\text{Leverage} - 1) \times \frac{\text{Rate}_{r(t)} \times \text{ACT}(r(t), t)}{\text{DayCountBasisRate}}$$

Otherwise, $FC_{r(t),t} = 0$

RC_{r(t),t} means the Rebalancing Cost of the Leverage Strategy as at Leverage Reset Time (t), calculated as follows:

$$RC_{r(t),t} = \text{Leverage} \times (\text{Leverage} - 1) \times \left(\left| \frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right| \right) \times \text{TC}$$

TC means the Transaction Costs applicable as determined by the Calculation Agent (including Stamp Duty and any other applicable taxes, levies and costs which may be levied on the stock transactions on the Relevant Stock Exchange for the Underlying Stock by the applicable regulatory authorities from time to time) that are currently equal to:

0.04%

“Stamp Duty” refers to the applicable rate of stamp duty on the stock transactions in the jurisdiction of the Relevant Stock Exchange for the Underlying Stock, which may be changed by the applicable regulatory authorities from time to time.

Leverage 5

S_t means the Underlying Stock Price as of Leverage Reset Time (t) computed as follows, subject to the adjustments and provisions of the Conditions:

If the Leverage Reset Time (t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date,

S_t is the Closing Price of the Underlying Stock as of such Observation Date.

Otherwise,

S_t is the lowest price of the Underlying Stock during the respective Intraday Restrike Observation Period.

Rfactor_t means an amount determined by the Calculation Agent, according to the following formula, subject to the adjustments and provisions of the Conditions:

If in respect of the Leverage Reset Time (t), the immediately preceding Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date,

$$\text{Rfactor}_t = 1 - \frac{\text{Div}_t}{S_{r(t)}}$$

Otherwise,

$$\text{Rfactor}_t = 1$$

Where

Div_t is the dividend to be paid out in respect of the Underlying Stock on the Observation Date of the Leverage Reset Time (t) if such Observation Date is an ex-dividend date, otherwise is zero. The dividend shall be considered net of any applicable withholding taxes.

Rate_t means, in respect of the Observation Date of Leverage Reset Time (t), a rate calculated as of such day in accordance with the following formula:

$$\text{Rate}_t = \text{CashRate}_t + \% \text{SpreadLevel}_t$$

CashRate_t means, in respect of each Observation Date of Leverage Reset Time (t), the daily Singapore Overnight Rate Average (SORA) provided by the Monetary Authority of Singapore as administrator of the benchmark (or a successor administrator), as published on Refinitiv Screen (SORA=MAST) or any successor page, being the rate as of day (t) at 09:00 Singapore time, provided that if such rate is not available, then such rate shall be determined by reference to the last available rate that was published on the relevant Refinitiv page.

%SpreadLevel_t means, in respect of the Observation Date of the Leverage Reset Time (t), a rate which shall be determined with respect to such Valuation Date(t) by the Calculation Agent as the difference between (1) the 12-month CME Term SOFR Reference Rate, as published on Refinitiv RIC .SR1Y and (2) the US SOFR Secured Overnight Financing Rate, as published on Reuters RIC USDSOFR= or any successor page, each being the rate as of the calendar day immediately preceding the Leverage Reset Time (t), provided that if any of such rates is not available, then that rate shall be determined by reference to the latest available rate that was published on the relevant Refinitiv page. Upon the occurrence or likely occurrence, as determined by the Calculation Agent, of a Benchmark Event, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.

Provided that if such difference is negative, **%SpreadLevel_t** should be 0%.

Benchmark Event means:

- (a) the relevant reference rate has ceased to be published on the relevant screen page as a result of such benchmark ceasing to be calculated or administered; or
- (b) a public statement by the administrator of the relevant reference rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such reference rate) it has ceased publishing such reference rate permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**"); or
- (c) a public statement by the supervisor of the administrator of the relevant reference rate that such reference rate has been or will, by a specified future date (the "**Specified Future Date**"), be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the relevant reference rate as a consequence of which Reference Rate will, by a specified future date (the "**Specified Future Date**"), be prohibited from being used, or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Certificates; or
- (e) a public statement by the supervisor of the administrator of the relevant reference rate that, in the view of such supervisor, such reference rate is or will, by a specified future date (the "**Specified Future Date**"), be no longer representative of an underlying market or the methodology to calculate such reference rate has materially changed; or
- (f) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any holder of the Certificates using the relevant reference rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the subparagraphs above, where the relevant Benchmark Event is a public statement within subparagraphs (b), (c), (d) or (e) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed occur until the date falling six months prior to such Specified Future Date.

ACT(r(t),t)

ACT(r(t),t) means the number of calendar days between the Observation Date of the Leverage Reset Time r(t) (included) and the Observation Date of the Leverage Reset Time (t) (excluded).

DayCountBasisRate 365

Air Bag Mechanism

- Intraday Restrike Event** means in respect of an Observation Date, the decrease at any Calculation Time of the Underlying Stock price by 15% or more compared with the amount of $S_{r(t)} \times Rfactor_t$ where $r(t)$ means the immediately preceding Leverage Reset Time prior to such Calculation Time.
- Calculation Time** means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Strategy Level.
- TimeReferenceOpening** means the scheduled opening time (including pre-opening session or opening auction, as the case may be) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
- TimeReferenceClosing** means the scheduled closing time (including closing auction session) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
- Intraday Restrike Event Observation Period** means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes of continuous trading after the Intraday Restrike Event Time and (2) the TimeReferenceClosing.
- Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.
- Intraday Restrike Event Time** means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.

The Conditions set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Certificates.

TERMS AND CONDITIONS OF

THE EUROPEAN STYLE CASH SETTLED LONG/SHORT CERTIFICATES ON SINGLE EQUITIES

1. Form, Status, Transfer and Title

- (a) *Form.* The Certificates (which expression shall, unless the context otherwise requires, include any further certificates issued pursuant to Condition 11) are issued subject to and with the benefit of:-
- (i) a master instrument by way of deed poll (the "**Master Instrument**") dated 28 June 2025, made by UBS AG (the "**Issuer**") acting through its London Branch; and
 - (ii) a warrant agent agreement (the "**Master Warrant Agent Agreement**" or "**Warrant Agent Agreement**") dated any time on or before the Closing Date, made between the Issuer and the Warrant Agent for the Certificates.

Copies of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The Certificate Holders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement.

- (b) *Status.* The Certificates constitute direct, general and unsecured contractual obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Certificates provide for cash settlement on exercise and, in particular, the Certificates will not be secured by any underlying assets. The Certificates do not entitle Certificate Holders to the delivery of any Underlying Stock, are not secured by the Underlying Stock and do not entitle Certificate Holders to any interest in any Underlying Stock.
- (c) *Transfer.* The Certificates are represented by a global warrant certificate ("**Global Warrant**") which will be deposited with The Central Depository (Pte) Limited ("**CDP**"). Certificates in definitive form will not be issued. Transfers of Certificates may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) *Title.* Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates shall be treated by the Issuer and the Warrant Agent as the holder and absolute owner of such number of Certificates, notwithstanding any notice to the contrary. The expression "**Certificate Holder**" shall be construed accordingly.

2. Certificate Rights and Exercise Expenses

- (a) *Certificate Rights.* Every Certificate entitles each Certificate Holder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The "**Cash Settlement Amount**", in respect of each Certificate, shall be an amount (if positive) payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The "**Closing Level**", in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

If the Issuer determines, in its sole discretion, that on the Valuation Date or any Observation Date a Market Disruption Event has occurred, then that Valuation Date or Observation Date shall be postponed until the first succeeding Exchange Business Day or Underlying Stock Business Day, as the case may be, on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days or Underlying Stock Business Days, as the case may be, immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date or an Observation Date. In that case:-

- (i) that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, shall be deemed to be the Valuation Date or the Observation Date notwithstanding the Market Disruption Event; and
- (ii) the Issuer shall determine the Final Reference Level or the relevant closing level on the basis of its good faith estimate of the Final Reference Level or the relevant closing level that would have prevailed on that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, but for the Market Disruption Event provided that the Issuer, if applicable, may, but shall not be obliged to, determine such Final Reference Level or the relevant closing level by having regard to the manner in which futures contracts relating to the Underlying Stock are calculated.

"**Market Disruption Event**" means the occurrence or existence of (i) any suspension of trading on the Relevant Stock Exchange of the Underlying Stock requested by the Company if that suspension is, in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Underlying Stock if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange, if that disruption is, in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism.

- (b) *Exercise Expenses.* Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates (the "**Exercise Expenses**"). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Certificate Holders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Certificate Holders in accordance with Condition 4.
- (c) *No Rights.* The purchase of Certificates does not confer on the Certificate Holders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Stock or otherwise) which the holder of an Underlying Stock may have.

3. **Expiry Date**

Unless automatically exercised in accordance with Condition 4(b), the Certificates shall be deemed to expire at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day (as defined below), the immediately preceding Business Day.

4. **Exercise of Certificates**

- (a) *Exercise.* Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in accordance with Condition 4(b).
- (b) *Automatic Exercise.* Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
- (c) *Settlement.* In respect of Certificates which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the Warrant Agent who will then pay to the relevant Certificate Holder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be dispatched by the Warrant Agent as soon as practicable and no later than five Settlement Business Days (as defined in the relevant Supplemental Listing Document) following the Expiry Date (subject to extension upon the occurrence of a Market Disruption Event (as defined above) by way of crossed cheque or other payment in immediately available funds drawn in favour of the Certificate Holder only (or, in the case of joint Certificate Holders, the first-named Certificate Holder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Certificate Holder and posted to the Certificate Holder's address appearing in the records maintained by CDP (or, in the case of joint Certificate Holders, to the address of the first-named Certificate Holder appearing in the records maintained by CDP). If

the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

The Issuer's obligations to pay the Cash Settlement Amount shall be discharged by payment to the Warrant Agent in accordance with the Master Warrant Agent Agreement or Warrant Agent Agreement.

- (d) *CDP not liable.* CDP shall not be liable to any Certificate Holder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Certificates or otherwise pursuant to or in connection with these Conditions.
- (e) *Business Day.* In these Conditions, a "**Business Day**" shall be a day (excluding Saturdays, Sundays and public holidays) on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

- (a) *Warrant Agent.* The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Certificates are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Certificate Holders in accordance with Condition 9.
- (b) *Agent of Issuer.* The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Certificate Holders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Certificate Holders.

6. Adjustments

- (a) *Potential Adjustment Event.* Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Underlying Stock are traded.
- (b) *Definitions.* "*Potential Adjustment Event*" means any of the following:
 - (i) a subdivision, consolidation, reclassification or other restructuring of the Underlying Stock (excluding a Merger Event) or a free distribution or dividend of any such Underlying Stock to existing holders by way of bonus, capitalisation or similar issue;

- (ii) a distribution or dividend to existing holders of the Underlying Stock of (1) such Underlying Stock, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Underlying Stock, or (3) share capital or other securities of another issuer acquired by the Company as a result of a “spin-off” or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;
 - (iii) an extraordinary dividend;
 - (iv) a call by the Company in respect of the Underlying Stock that is not fully paid;
 - (v) a repurchase by the Company of the Underlying Stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
 - (vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a “poison pill” being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
 - (vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock.
- (c) *Merger Event, Tender Offer, Nationalisation and Insolvency.* If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Underlying Stock, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Underlying Stock traded on that options exchange;
 - (ii) cancel the Certificates by giving notice to the Certificate Holders in accordance with Condition 9. If the Certificates are so cancelled, the Issuer will pay an amount to each Certificate Holder in respect of each Certificate held by such Certificate Holder which amount shall be the fair market value of a Certificate taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9; or

- (iii) following any adjustment to the settlement terms of options on the Underlying Stock on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Underlying Stock are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Certificate Holders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Certificate Holders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

- (d) *Definitions.* “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Underlying Stock of that Company is required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Stock of that Company become legally prohibited from transferring them. “**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. “**Merger Event**” means, in respect of the Underlying Stock, any (i) reclassification or change of such Underlying Stock that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Stock outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Stock outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Stock of the Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Stock (other than such Underlying Stock owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Stock outstanding but results in the outstanding Underlying Stock (other than Underlying Stock owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Stock immediately following such event, in each case if the Merger Date is on or before the Valuation Date. “**Nationalisation**” means that all the Underlying Stock or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. “**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other

event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.

- (e) *Subdivision or Consolidation of the Certificates.* The Issuer reserves the right to subdivide or consolidate the Certificates, provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).
- (f) *Other Adjustments.* Except as provided in this Condition 6 and Conditions 10 and 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events (including the events as contemplated in Conditions 6(a) to 6(e)) occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) and irrespective of, in substitution for, or in addition to the provisions contemplated in Conditions 6(a) to 6(e) should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such adjustment or as the case may be, amendment provided that such adjustment or as the case may be, amendment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).
- (g) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Certificate Holders. The Issuer will give, or procure that there is given notice as soon as practicable of any adjustment and of the date from which such adjustment is effective in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

7. Purchases

The Issuer or its related corporations may at any time purchase Certificates at any price in the open market or by tender or by private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation.

8. Meetings of Certificate Holders; Modification

- (a) *Meetings of Certificate Holders.* The Master Warrant Agent Agreement or Warrant Agent Agreement contains provisions for convening meetings of the Certificate Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Warrant Agent Agreement or Warrant Agent Agreement) of a modification of the provisions of the Certificates or of the Master Warrant Agent Agreement or Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Certificate Holders.

Such a meeting may be convened by the Issuer or by Certificate Holders holding not less than ten per cent. of the Certificates for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Certificates for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Certificate Holders whatever the number of Certificates so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Certificate Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Certificate Holders shall be binding on all the Certificate Holders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Certificate Holders, effect (i) any modification of the provisions of the Certificates or the Master Instrument which is not materially prejudicial to the interests of the Certificate Holders or (ii) any modification of the provisions of the Certificates or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Certificate Holders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Certificate Holder or to which a Certificate Holder is entitled or which the Issuer shall have agreed to deliver to a Certificate Holder may be delivered by hand or sent by post addressed to the Certificate Holder at his address appearing in the records maintained by CDP or, in the case of joint Certificate Holders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Certificate Holder.
- (b) *Notices.* All notices to Certificate Holders will be validly given if published in English on the website of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the website of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Certificate, give notice of the date of expiry of such Certificate in the manner prescribed above.

10. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Certificates will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or

judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Certificate Holders, to create and issue further certificates so as to form a single series with the Certificates.

12. Delisting

- (a) *Delisting.* If at any time, the Underlying Stock ceases to be listed on the Relevant Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Certificates as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Certificate Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Certificate Holder or the tax or other consequences that may result in any particular jurisdiction).
- (b) *Issuer's Determination.* The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Certificate Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Certificate Holders in accordance with Condition 9 as soon as practicable after they are determined.

13. Early Termination

- (a) *Early Termination for Illegality etc.* The Issuer shall have the right to terminate the Certificates if it shall have determined in its absolute discretion that a Regulatory Event (as defined below) has occurred and, for reasons beyond its control its performance thereunder shall have become unlawful in whole or in part under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power ("**Applicable Law**").

For the purposes of this Condition:

"**Regulatory Event**" means, following the occurrence of a Change in Law (as defined below) with respect to the Issuer and/or any of its affiliates involved in the issue of the Certificates (hereafter the "**Relevant Affiliates**" and each of the Issuer and the Relevant Affiliates, a "**Relevant Entity**") that, after the Certificates have been issued, (i) any Relevant Entity would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, liability, penalty, expense, fee, cost or regulatory capital charge however defined or collateral requirements for performing its obligations under the Certificates or hedging the Issuer's obligations under the Certificates, including, without limitation, due to clearing requirements of, or the absence of, clearing of the transactions entered into in connection with the issue of, or hedging the Issuer's obligation under, the Certificates, (ii) it is or will become for any Relevant Entity impracticable, impossible (in each case, after using commercially reasonable efforts), unlawful, illegal or otherwise prohibited or contrary, in whole or in part, under any law, regulation, rule, judgement, order or directive of any governmental, administrative or judicial authority, or power, applicable to such Relevant Entity (a) to hold, acquire, issue, reissue, substitute, maintain, settle, or as the case may be, guarantee, the Certificates,

(b) to acquire, hold, sponsor or dispose of any asset(s) (or any interest thereof) of any other transaction(s) such Relevant Entity may use in connection with the issue of the Certificates or to hedge the Issuer's obligations under the Certificates, (c) to perform obligations in connection with, the Certificates or any contractual arrangement entered into between the Issuer and any Relevant Affiliate (including without limitation to hedge the Issuer's obligations under the Certificates) or (d) to hold, acquire, maintain, increase, substitute or redeem all or a substantial part of its direct or indirect shareholding in the Issuer's capital or the capital of any Relevant Affiliate or to directly or indirectly sponsor the Issuer or any Relevant Affiliate, or (iii) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Certificates.

"Change in Law" means (i) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) after the Certificates have been issued, (ii) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force when the Certificates have been issued but in respect of which the manner of its implementation or application was not known or unclear at the time, or (iii) the change of any applicable law, regulation or rule existing when the Certificates are issued, or the change in the interpretation or application or practice relating thereto, existing when the Certificates are issued of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing when the Certificates are issued).

- (b) *Early Termination for other reasons.* The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to terminate the Certificates in accordance with Condition 13(c) where an event or events occur which it believes in its sole discretion should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such termination provided that such termination is considered by the Issuer not to be materially prejudicial to the interests of Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such termination in any particular jurisdiction).
- (c) *Termination.* If the Issuer terminates the Certificates early, then the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by the Applicable Law, pay to each Certificate Holder in respect of each Certificate held by such Certificate Holder an amount calculated by it as the fair market value of the Certificate immediately prior to such termination (ignoring such illegality) less the cost to the Issuer of unwinding any related hedging arrangements. Payment will be made to the Certificate Holder in such manner as shall be notified to the Certificate Holder in accordance with Condition 9.

14. Governing Law

The Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and each Certificate Holder (by its purchase of the Certificates) shall be deemed to have submitted for all purposes in connection with the Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore.

15. Prescription

Claims against the Issuer for payment of any amount in respect of the Certificates will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Certificates shall be forfeited and shall revert to the Issuer.

16. Contracts (Rights of Third Parties) Act 2001 of Singapore

Unless otherwise expressly provided in the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

SUMMARY OF THE ISSUE

The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.

Issuer:	UBS AG acting through its London Branch
Company:	City Developments Limited
The Certificates:	European Style Cash Settled Long Certificates relating to the Underlying Stock
Number:	5,000,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 28 June 2025 (the “ Master Instrument ”) and executed by the Issuer and a master warrant agent agreement dated 27 February 2008 (the “ Master Warrant Agent Agreement ”) and made between the Issuer and the Warrant Agent.
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to: Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Exercise and Trading Currency:	SGD
Board Lot:	100 Certificates

- Transfers of Certificates:** Certificates may only be transferred in Board Lots (or integral multiples thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.
- Listing:** Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 6 May 2026.
- Governing Law:** The laws of Singapore
- Warrant Agent:** The Central Depository (Pte) Limited
4 Shenton Way
#02-01 SGX Centre 2
Singapore 068807
- Further Issues:** Further issues which will form a single series with the Certificates will be permitted.

The above summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.

**INFORMATION RELATING TO
THE EUROPEAN STYLE CASH SETTLED LONG CERTIFICATES ON SINGLE EQUITIES**

What are European Style Cash Settled Long Certificates on Single Equities?

European style cash settled long certificates on single equities (the “**Certificates**”) are structured products relating to the Underlying Stock and the return on a Certificate is linked to the performance of the Leverage Strategy.

A) Cash Settlement Amount Payable upon the Exercise of the Certificates at Expiry

Upon the exercise of the Certificates at expiry, the Certificate Holders would be paid a Cash Settlement Amount in respect of each Certificate.

The Cash Settlement Amount, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The Closing Level, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to (1) divided by (2) less (3) subject to any adjustments such as (4), where:

(1) is the Final Reference Level multiplied by the Final Exchange Rate;

(2) is the Initial Reference Level multiplied by the Initial Exchange Rate;

(3) is the Strike Level; and

(4) is the Hedging Fee Factor.

If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised and investors will receive a Cash Settlement Amount. If the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired. Please refer to the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” for further details on the calculation of the Cash Settlement Amount.

The Certificates are only suitable for investors who believe that the price of the Underlying Stock will increase and are seeking short-term leveraged exposure to the Underlying Stock.

B) Trading the Certificates before Expiry

If the Certificate Holders want to cash out their investments in the Certificates before the expiry of the Certificates, they may sell the Certificates in the secondary market during the life of the Certificates, and would be subject to the following fees and charges:

- (i) For Certificate Holders who trade the Certificates intraday: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and
- (ii) For Certificate Holders who hold the Certificates overnight: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Strategy including the Funding Cost and the Rebalancing Cost.

Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees
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Daily Fees	=	Daily Management Fee Adjustment	
		1 – Management Fee x ACT (t-1;t) / 360	
		x	
		Daily Gap Premium Adjustment	
		1 – Gap Premium (t-1) x ACT (t-1;t) / 360	

Illustration of the Calculation of Cash Settlement Amount

Cash Settlement Amount = Final Value of Certificates – Strike Level (zero)

Value of Certificates	=	<table border="1" style="width: 100%;"> <tr><td style="text-align: center;">t⁷=0</td></tr> <tr><td style="text-align: center;">Notional Amount</td></tr> </table>	t ⁷ =0	Notional Amount	x	<table border="1" style="width: 100%;"> <tr><td style="text-align: center;">t=1</td></tr> <tr><td>Leverage Strategy daily performance⁸ x Daily Fees</td></tr> </table>	t=1	Leverage Strategy daily performance ⁸ x Daily Fees	x	<table border="1" style="width: 100%;"> <tr><td style="text-align: center;">t=2</td></tr> <tr><td>Leverage Strategy daily performance x Daily Fees</td></tr> </table>	t=2	Leverage Strategy daily performance x Daily Fees	x ...	<table border="1" style="width: 100%;"> <tr><td style="text-align: center;">t=i</td></tr> <tr><td>Leverage Strategy Daily performance x Daily Fees</td></tr> </table>	t=i	Leverage Strategy Daily performance x Daily Fees
t ⁷ =0																
Notional Amount																
t=1																
Leverage Strategy daily performance ⁸ x Daily Fees																
t=2																
Leverage Strategy daily performance x Daily Fees																
t=i																
Leverage Strategy Daily performance x Daily Fees																

Value of Certificates	=	<table border="1" style="width: 100%;"> <tr><td style="text-align: center;">t=0</td></tr> <tr><td style="text-align: center;">Notional Amount</td></tr> </table>	t=0	Notional Amount	x	<table border="1" style="width: 100%;"> <tr><td colspan="2" style="text-align: center;">Product of the daily Leverage Strategy Performance</td></tr> <tr><td>Leverage Strategy daily performance</td><td style="text-align: center;">x</td><td>Leverage Strategy daily performance</td></tr> </table>	Product of the daily Leverage Strategy Performance		Leverage Strategy daily performance	x	Leverage Strategy daily performance	x	<table border="1" style="width: 100%;"> <tr><td colspan="2" style="text-align: center;">Product of the Daily Fees (Hedging Fee Factor)</td></tr> <tr><td>Daily Fees</td><td style="text-align: center;">x</td><td>Daily Fees</td></tr> </table>	Product of the Daily Fees (Hedging Fee Factor)		Daily Fees	x	Daily Fees
t=0																		
Notional Amount																		
Product of the daily Leverage Strategy Performance																		
Leverage Strategy daily performance	x	Leverage Strategy daily performance																
Product of the Daily Fees (Hedging Fee Factor)																		
Daily Fees	x	Daily Fees																

Final Value of Certificates	=	<table border="1" style="width: 100%;"> <tr><td style="text-align: center;">t=0</td></tr> <tr><td style="text-align: center;">Notional Amount</td></tr> </table>	t=0	Notional Amount	x	<table border="1" style="width: 100%;"> <tr><td style="text-align: center;">Final Reference Level x Final Exchange Rate</td></tr> <tr><td style="text-align: center;">÷</td></tr> <tr><td style="text-align: center;">Initial Reference Level x Initial Exchange Rate</td></tr> </table>	Final Reference Level x Final Exchange Rate	÷	Initial Reference Level x Initial Exchange Rate	x	<table border="1" style="width: 100%;"> <tr><td style="text-align: center;">Hedging Fee Factor</td></tr> </table>	Hedging Fee Factor
t=0												
Notional Amount												
Final Reference Level x Final Exchange Rate												
÷												
Initial Reference Level x Initial Exchange Rate												
Hedging Fee Factor												

Illustration of the applicable fees and charges for an intraday trading scenario

Hedging Fee is implemented overnight in the price of the Certificate. As a consequence, when trading intraday, investors will not bear any Hedging Fee.

Investors will only support bid/ask costs, which are the difference between the price at which the Designated Market Maker purchases (bid) and sells (ask) the Certificate at any point of time.

⁷ "t" refers to "Observation Date" which means each Exchange Business Day (subject to Market Disruption Event) from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation Date.
⁸ Leverage Strategy daily performance is computed as the Leverage Strategy Level on Business Day (t) divided by the Leverage Strategy Level on Business Day (t-1).

Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

The example is purely hypothetical. We include the example to illustrate how the Certificates work, and you MUST NOT rely on them as any indication of the actual return or what the payout on the Certificates might actually be. The example also assumes a product which expires 16 days after listing date, to illustrate the daily calculation of price, costs and fees from listing date to expiry date.

Assuming an investor purchases the following Certificates at the Issue Price:

Underlying Stock:	Ordinary shares of City Developments Limited
Expected Listing Date:	01/02/2021
Expiry Date:	16/02/2021
Initial Reference Level:	1,000
Initial Exchange Rate:	1
Final Reference Level:	1,200
Final Exchange Rate:	1
Issue Price:	0.48 SGD
Notional Amount per Certificate:	0.48 SGD
Management Fee (p.a.):	0.40%
Gap Premium (p.a.):	16.00%
Strike Level:	Zero

Hedging Fee Factor

Hedging Fee Factor on the n^{th} Exchange Business Day after issuance of Certificate ("HFF (n)") is calculated as follows:

$$\text{HFF}(0) = 100\%$$

On Next Calendar Day (assuming it is an Exchange Business Day):

$$\text{HFF}(1) = \text{HFF}(0) \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1; t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1; t)}{360}\right)$$

$$\text{HFF}(1) = 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 16.00\% \times \frac{1}{360}\right)$$

$$\text{HFF}(1) = 100\% \times 99.9989\% \times 99.9556\% \approx 99.9544\%$$

Assuming 2nd Exchange Business Day falls 3 Calendar Days after 1st Exchange Business Day:

$$\text{HFF (2)} = \text{HFF (1)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1;t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1;t)}{360}\right)$$

$$\text{HFF (2)} = 99.9544\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 16.00\% \times \frac{3}{360}\right)$$

$$\text{HFF (2)} = 99.9544\% \times 99.9967\% \times 99.8667\% \approx 99.8178\%$$

The same principle applies to the following Exchange Business Days:

$$\text{HFF (n)} = \text{HFF (n-1)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1;t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1;t)}{360}\right)$$

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.3187% as illustrated below:

Date	HFF
2/1/2021	100.0000%
2/2/2021	99.9544%
2/3/2021	99.9089%
2/4/2021	99.8634%
2/5/2021	99.8179%
2/8/2021	99.6815%
2/9/2021	99.6361%
2/10/2021	99.5907%
2/11/2021	99.5453%
2/12/2021	99.5000%
2/15/2021	99.3640%
2/16/2021	99.3187%

Cash Settlement Amount

In this example, the Closing Level and the Cash Settlement Amount would be computed as follows:

$$\text{Closing Level} = \frac{[(\text{Final Reference Level} \times \text{Final Exchange Rate}) / (\text{Initial Reference Level} \times \text{Initial Exchange Rate}) - \text{Strike Level}] \times \text{Hedging Fee Factor}}$$

$$= \frac{[(1200 \times 1) / (1000 \times 1) - 0] \times 99.3187\%}{}$$

$$= 119.18\%$$

$$\text{Cash Settlement Amount} = \text{Closing Level} \times \text{Notional Amount per Certificate}$$

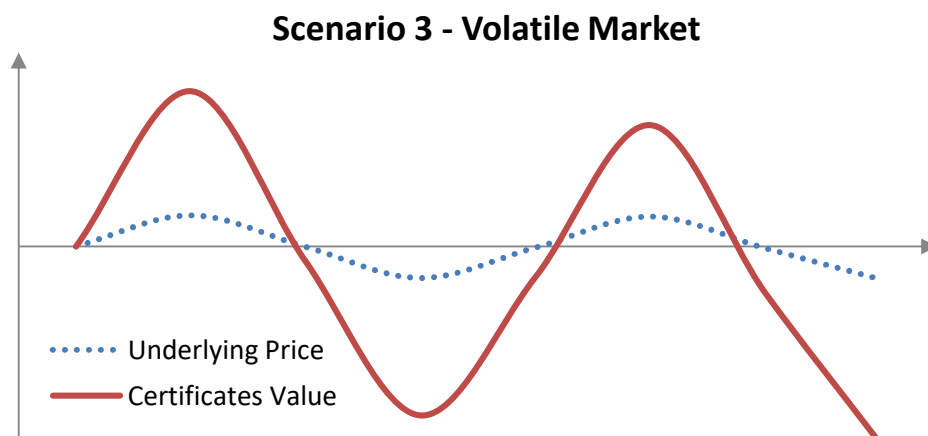
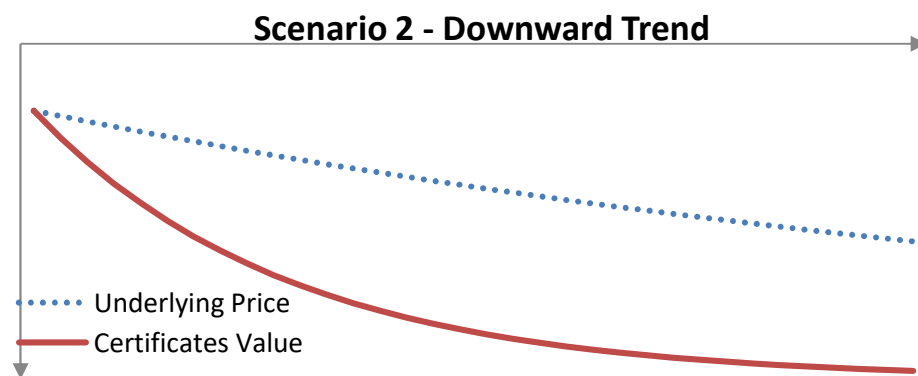
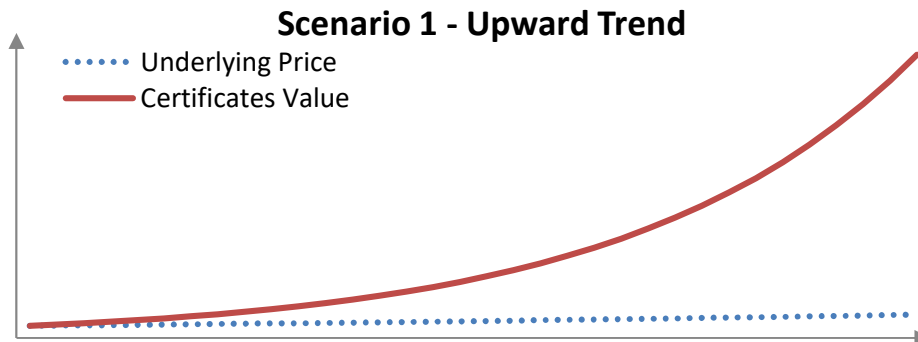
$$= 119.18\% \times 0.48 \text{ SGD}$$

$$= \mathbf{0.572 \text{ SGD}}$$

Illustration on how returns and losses can occur under different scenarios

The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends, or any other market parameters.

1. Illustrative examples



2. Numerical Examples

Scenario 1 – Upward Trend

Underlying						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		2.00%	2.00%	2.00%	2.00%	2.00%
Value at end of day	10,000.00	10,200.00	10,404.00	10,612.08	10,824.32	11,040.81
Accumulated Return		2.00%	4.04%	6.12%	8.24%	10.41%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		10.00%	10.00%	10.00%	10.00%	10.00%
Price at end of day	0.48	0.53	0.58	0.64	0.70	0.77
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

Scenario 2 – Downward Trend

Underlying						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		-2.00%	-2.00%	-2.00%	-2.00%	-2.00%
Value at end of day	10,000.00	9,800.00	9,604.00	9,411.92	9,223.68	9,039.21
Accumulated Return		-2.00%	-3.96%	-5.88%	-7.76%	-9.61%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Price at end of day	0.48	0.43	0.39	0.35	0.31	0.28
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

Scenario 3 – Volatile Market

Underlying						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		2.00%	-2.00%	-2.00%	2.00%	2.00%
Value at end of day	10,000.00	10,200.00	9,996.00	9,796.08	9,992.00	10,191.84
Accumulated Return		2.00%	-0.04%	-2.04%	-0.08%	1.92%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		10.00%	-10.00%	-10.00%	10.00%	10.00%
Price at end of day	0.48	0.53	0.48	0.43	0.47	0.52
Accumulated Return		10.00%	-1.00%	-10.90%	-1.99%	7.81%

Description of Air Bag Mechanism

The Certificates integrate an “Air Bag Mechanism” which is designed to reduce exposure to the Underlying Stock during extreme market conditions.

In accordance with the Air Bag Mechanism timeline below, when the Air Bag triggers, the following typically occurs:

- Observation Period: the price of the Underlying Stock is observed and its minimum price is recorded (i) during 15 minutes of continuous trading after the Air Bag is triggered, or (ii) until Market Close if there is 15 minutes (or less) of continuous trading until Market Close when the Air Bag is triggered; and
- Reset Period: thereafter, the Leverage Strategy is reset using the minimum price of the Underlying Stock during the Observation Period as the New Observed Price. The New Observed Price replaces the last closing price of the Underlying Stock in order to compute the performance of the Leverage Strategy.

During the Observation Period and Reset Period, trading of Certificates is suspended for a period of **at least** 30 minutes of continuous trading after the Air Bag is triggered, and such suspension will be based on instructions provided by the Issuer to the SGX-ST for suspension of trading. Investors cannot sell or purchase any Certificates during this period.

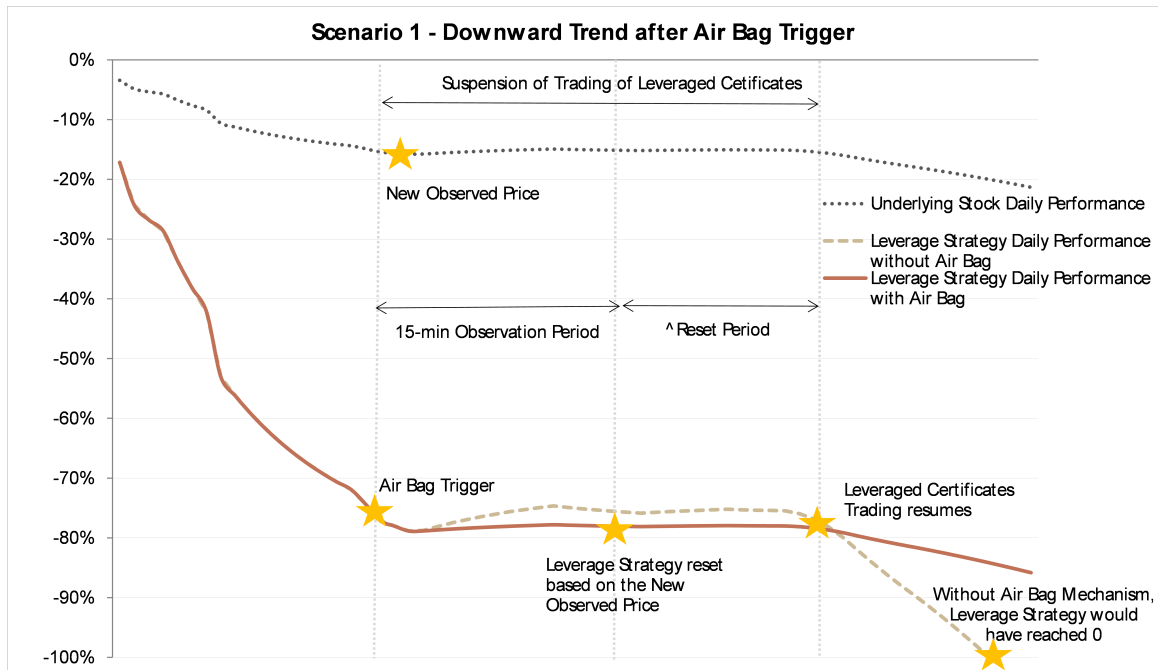
For the avoidance of doubt, if the Air Bag Mechanism was triggered with more than 60 minutes of continuous trading before Market Close, trading of Certificates will resume the same trading day after the Reset Period has elapsed, subject to the SGX-ST’s approval to resume trading. If the Air Bag Mechanism was triggered between 45 minutes and 60 minutes of continuous trading before Market Close, trading of Certificates may or may not resume the same trading day after the Reset Period has elapsed. If the Air Bag Mechanism was triggered with only 45 minutes (or less) of continuous trading before Market Close, trading of Certificates resumes on the next trading day.

The resumption of trading is subject to the SGX-ST’s requirements of at least 15 minutes after the SGX-ST approves the request from the Issuer to resume trading on the Certificates, rounded to the next quarter of an hour. The Issuer will provide at least 15 minutes’ notice of the resumption of trading by making an SGXNET announcement.

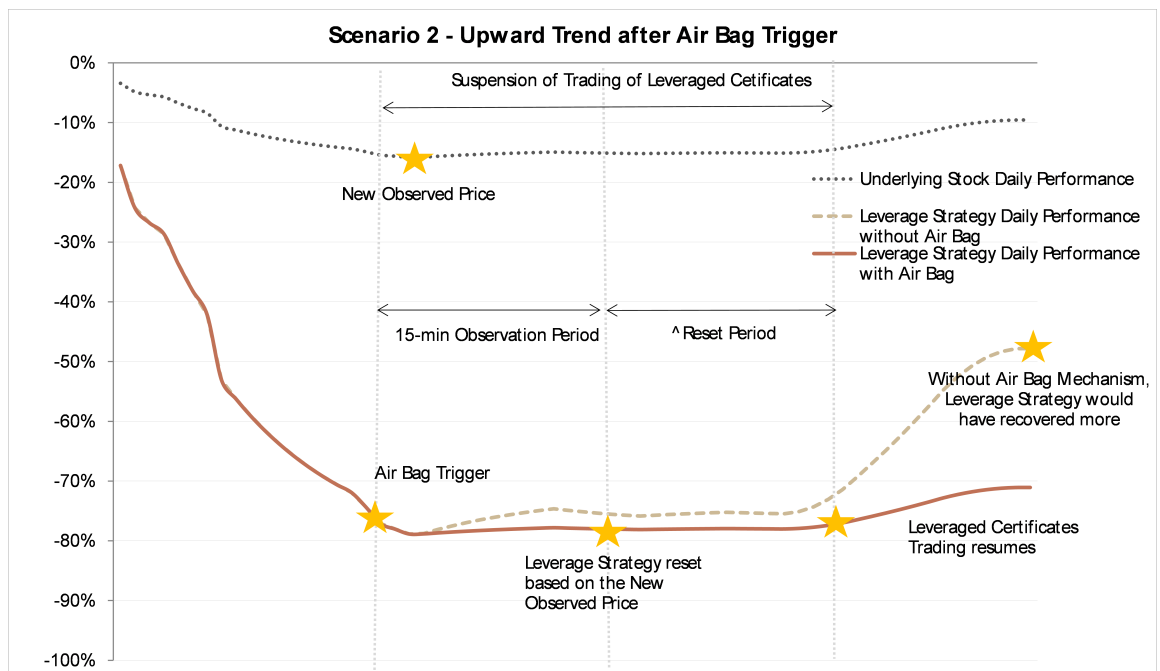
With **Market Close** defined as:

- the Underlying Stock closing time, including the closing auction session, with respect to the Observation Period; and
- the sooner of (i) the Underlying Stock closing time for continuous trading and (ii) the SGX-ST closing time, with respect to the Resumption of Trading

Illustrative examples of the Air Bag Mechanism⁹



^ The resumption of trading is subject to the SGX-ST's requirements of at least 15 minutes after the SGX-ST approves the request from the Issuer to resume trading on the Certificates, rounded to the next quarter of an hour.



^ The resumption of trading is subject to the SGX-ST's requirements of at least 15 minutes after the SGX-ST approves the request from the Issuer to resume trading on the Certificates, rounded to the next quarter of an hour.

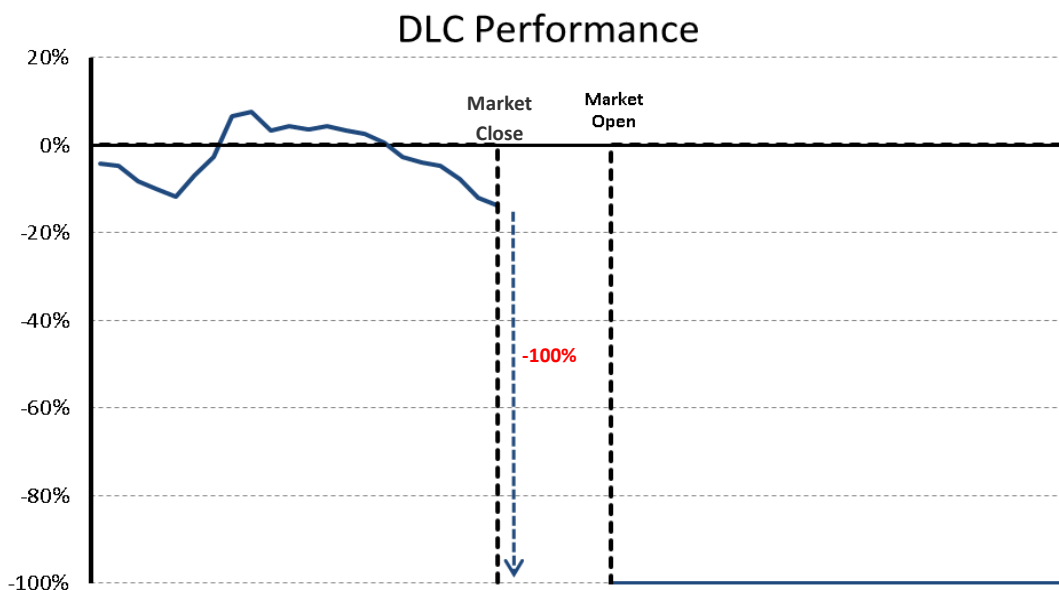
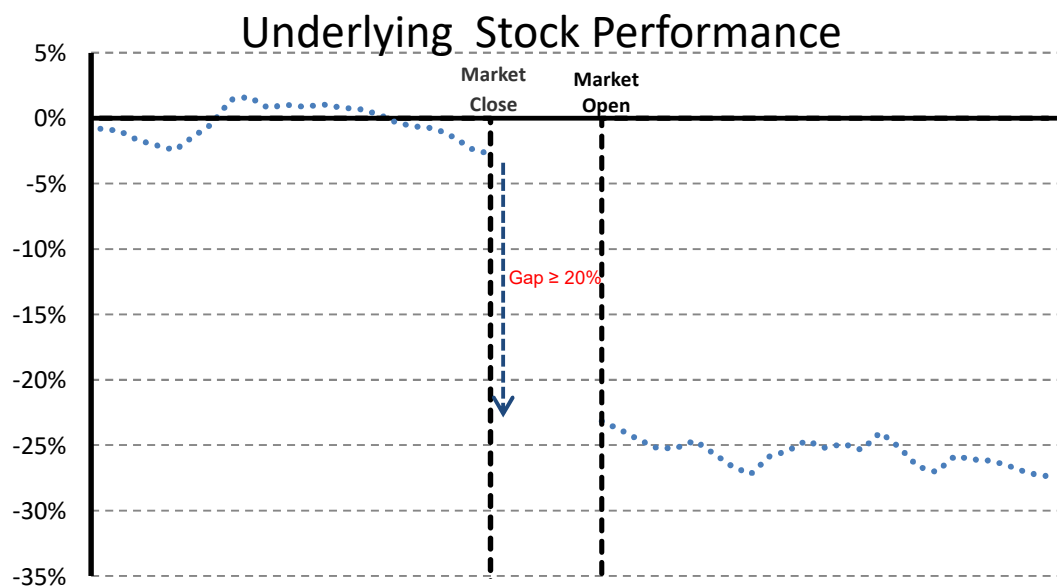
⁹ The illustrative examples are not exhaustive.

Scenarios where the investor may lose the entire value of the investment

The scenarios below are purely hypothetical and do not take fees and charges payable by investors into consideration. The scenarios highlight cases where the Certificates may lose 100% of their value.

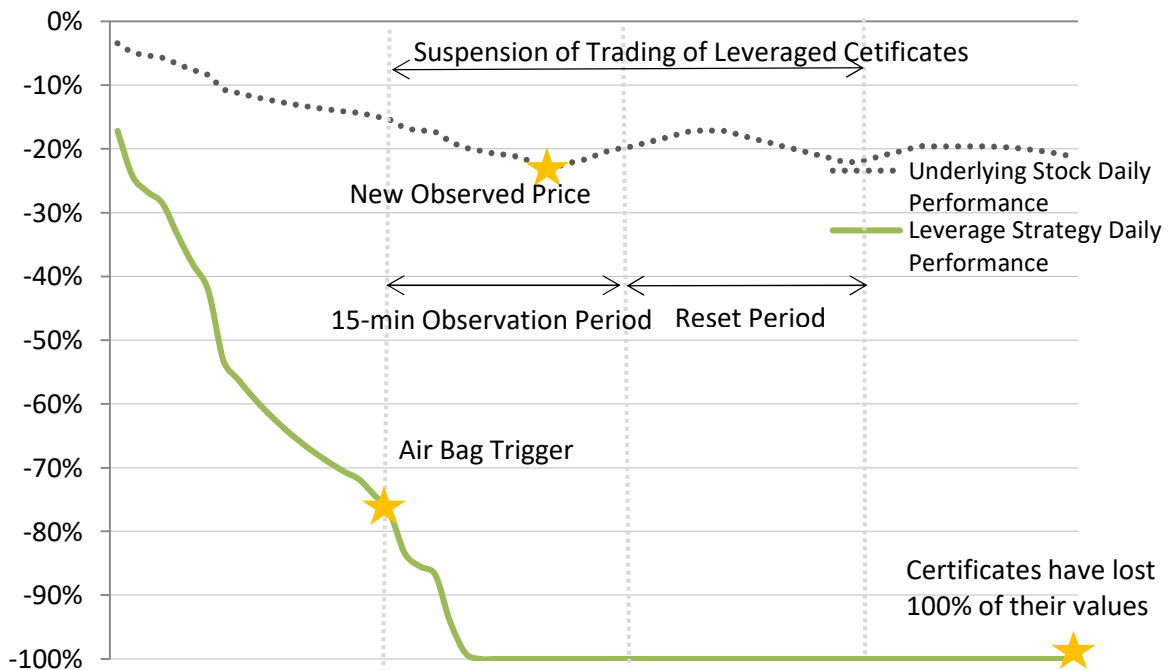
Scenario 1 – Overnight fall of the Underlying Stock

On any Business Day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous trading day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a “gap”. If the opening price of the Underlying Stock is 20% or more below the previous trading day closing price, the Air Bag Mechanism would only be triggered when the market (in respect of which the Underlying Stock is listed) opens the following trading day (including pre-opening session or opening auction, as the case may be), and the Certificates would lose their entire value in such event.



Scenario 2 – Sharp intraday fall of the Underlying Stock

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Stock during extreme market conditions, the Certificate can lose 100% of its value in the event the price of the Underlying Stock falls by 20% or more within the 15 minutes Observation Period compared to the reference price, being: (i) if air bag event has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (ii) if one or more air bag events have been previously triggered on the same day, the latest New Observed Price. The Certificates would lose their entire value in such event.



Examples and illustrations of adjustments due to certain corporate actions

The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of corporate actions on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, or any other market parameters.

In the case of any corporate action on the Underlying Stock, the Calculation Agent will, as soon as reasonably practical after it becomes aware of such event, determine whether such corporate action has a dilutive or concentrative effect on the theoretical value of the Underlying Stock, and if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the Underlying Stock which are used to determine any settlement or payment terms under the Certificates and/or adjust at its discretion any other terms of the Certificates as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Certificates and (b) determine the effective date of such adjustment.

Notwithstanding the foregoing, in the event the Observation Date of the Leverage Reset Time (t) is an ex-date with respect to a corporate action related to the Underlying Stock, and the immediately preceding Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto), the Calculation Agent may, in its sole and absolute discretion, replace the $Rfactor_t$ with respect to such Leverage Reset Time (t) by an amount computed according to the following generic formula :

$$Rfactor_t = \left[1 - \frac{Div_t + DivExc_t - M \times R}{S_{r(t)}} \right] \times \frac{1}{1 + M}$$

This formula is provided for indicative purposes and the Calculation Agent may determine that this formula is not appropriate for certain corporate actions and may apply a different formula instead.

Such adjustment of $Rfactor_t$ would affect the Leveraged Return, the Rebalancing Cost, and the Underlying Reference Price used to determine the Intraday Restrike Event. The Air Bag mechanism would not be triggered if the stock price falls by 15% exclusively because of the dilutive effect of a corporate action.

Where:

$DivExc_t$ is the amount received as an Extraordinary Dividend by a holder of existing Shares for each Share held prior to the Extraordinary Dividend, net of any applicable withholding taxes.

M is the number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe or to receive (positive amount) or the number of existing Shares redeemed or canceled per existing Share (negative amount), as the case may be, resulting from the corporate action.

R is the subscription price per Share (positive amount) or the redemption price per Share (negative amount) including any dividends or other benefits forgone to be subscribe to or to receive (as applicable), or to redeem a Share.

1. Stock split

Assuming the Underlying Stock is subject to a 1 to 2 stock split (i.e. 1 new Share for every 1 existing share):

$$S_{r(t)} = \$100$$

$$S_t = \$51$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

$M = 1$ (i.e. 1 new Shares for 1 existing Share)

$R = \$0$ (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 2 \times 0}{100} \right] \times \frac{1}{1 + 1} = 50\%$$

As a consequence:

$$LR_{r(t),t} = \text{Leverage} \times \left(\frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right) = 5 \times \left(\frac{51}{100 \times 50\%} - 1 \right) = 10\%$$

$S_{r(t)}$	$S_{r(t)} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	50	51	2%

Value of the Certificate r(t)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.48	0.528	10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$42.5, which is 15% below \$50, the Underlying Stock Reference Price.

2. Share Consolidation

Assuming the Underlying Stock is subject to a 2 to 1 share consolidation (i.e. 1 Share canceled for every 2 existing Shares):

$$S_{r(t)} = \$100$$

$$S_t = \$202$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

$M = -0.5$ (i.e. 0.5 Shares canceled for each 1 existing Share)

$R = \$0$ (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - (-0.5) \times 0}{100} \right] \times \frac{1}{1 + (-0.5)} = 200\%$$

As a consequence:

$$LR_{r(t),t} = \text{Leverage} \times \left(\frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right) = 5 \times \left(\frac{202}{100 \times 200\%} - 1 \right) = 5\%$$

$S_{r(t)}$	$S_{r(t)} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	200	202	1%

Value of the Certificate r(t)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.48	0.504	5%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$170, which is 15% below \$200, the Underlying Stock Reference Price.

3. Rights Issues

Assuming there is a rights issue with respect to the Underlying Stock, with a right to receive 1 new Share for every 2 existing Shares, for a subscription price of \$40.

$$S_{r(t)} = \$100$$

$$S_t = \$84$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

$$R = \$40 \text{ (i.e. subscription price of \$40)}$$

$$M = 0.5 \text{ (i.e. 1 new share for every 2 existing shares)}$$

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.5 \times 40}{100} \right] \times \frac{1}{1 + 0.5} = 80\%$$

As a consequence:

$$LR_{r(t),t} = \text{Leverage} \times \left(\frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right) = 5 \times \left(\frac{84}{100 \times 80\%} - 1 \right) = 25\%$$

$S_{r(t)}$	$S_{r(t)} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate r(t)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.48	0.60	25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$68, which is 15% below \$80, the Underlying Stock Reference Price.

4. Bonus Issues

Assuming there is a bonus issue with respect to the Underlying Stock, where shareholders receive 1 bonus share for 5 existing shares:

$$S_{r(t)} = \$100$$

$$S_t = \$85$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

$$R = \$0$$

$M = 0.2$ (i.e. 1 new share for 5 existing shares)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.2 \times 0}{100} \right] \times \frac{1}{1 + 0.2} = 83.33\%$$

As a consequence:

$$LR_{r(t),t} = \text{Leverage} \times \left(\frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right) = 5 \times \left(\frac{85}{100 \times 83.33\%} - 1 \right) = 10\%$$

$S_{r(t)}$	$S_{t(t)} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	83.33	85	2%

Value of the Certificate r(t)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.48	0.528	10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$70.83, which is 15% below \$83.33, the Underlying Stock Reference Price.

5. Extraordinary Dividend

Assuming there is an extraordinary dividend of \$20 (net of taxes) paid in respect of each stock.

$$S_{r(t)} = \$100$$

$$S_t = \$84$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$20$$

$$R = \$0$$

$$M = 0$$

$$Rfactor_t = \left[1 - \frac{0 + 20 - 0 \times 0}{100} \right] \times \frac{1}{1 + 0} = 80\%$$

As a consequence:

$$LR_{r(t),t} = \text{Leverage} \times \left(\frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right) = 5 \times \left(\frac{84}{100 \times 80\%} - 1 \right) = 25\%$$

$S_{r(t)}$	$S_{r(t)-} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate r(t)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.48	0.60	25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$68, which is 15% below \$80, the Underlying Stock Reference Price.

INFORMATION RELATING TO THE COMPANY

All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information which appears on the web-site of the SGX-ST at <http://www.sgx.com>. The Issuer has not independently verified any of such information.

Incorporated in 1963, City Developments Limited (“**CDL**” or the “**Company**”) is a leading residential developer. CDL has built over 15,000 fine homes since 1963. It is also one of Singapore's biggest commercial landlords with more than 30 prime commercial buildings. With a stable of 101 hotels, the CDL Group is a leading hotel owner and operator. Its portfolio includes the Millennium, Copthorne and Kingsgate chains of hotels. Operating in 18 countries, CDL has 7 companies listed on stock exchanges in Singapore, London, Amsterdam, Hong Kong, New Zealand and Manila.

The information set out in Appendix I of this document relates to the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended 31 December 2025 and has been extracted and reproduced from an announcement by the Company released on 31 March 2026 in relation to the same. Further information relating to the Company may be located on the web-site of the SGX-ST at <http://www.sgx.com>.

INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

UBS AG, acting through its London Branch, has been appointed the designated market maker (“DMM”) for the Certificates. The DMM will provide competitive buy and sell quotes for the Certificates continuously during the trading hours of the SGX-ST on the following basis:

- (a) Maximum bid and offer spread : (i) when the best bid price of the Certificate is S\$10 and below: 10 ticks or S\$0.20 whichever is greater; and
(ii) when the best bid price of the Certificate is above S\$10: 5% of the best bid price of the Certificate.
- (b) Minimum quantity subject to bid and offer spread : 10,000 Certificates
- (c) Last Trading Day for Market Making : The date falling 5 Business Days immediately preceding the Expiry Date

In addition, the DMM may not provide a quotation in the following circumstances:

- (i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;
- (ii) if the Certificates are valueless (where the Issuer’s bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);
- (iii) where the Certificates are suspended from trading for any reason;
- (iv) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in the Underlying Stock;
- (v) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;
- (vi) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;
- (vii) in cases where the Issuer has no Certificates to sell, then the DMM will only provide bid quotations. The DMM may provide intermittent offer quotations when it has inventory of the Certificates;
- (viii) if the stock market experiences exceptional price movement and volatility;
- (ix) when it is a public holiday in Singapore and the SGX-ST is not open for dealings; and
- (x) during the suspension of trading of Certificates after an Air Bag Mechanism has been triggered.

The last trading day on which the DMM will provide competitive quotations for the Certificates would be the fifth Business Day immediately preceding the Expiry Date.

PLACING AND SALE

General

No action has been or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

United Kingdom

In relation to each tranche of Certificates, the Issuer has represented, warranted and agreed that:

(a) No deposit-taking: in relation to any Certificates having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Certificates other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Certificates would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;

(b) Financial Promotion: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not or would not, if the Issuer was not an authorised person, apply to the Issuer; and

(c) General Compliance: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

If the applicable Supplemental Listing Document in respect of any Certificates specifies the "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", the Issuer has represented and agreed that it has not offered, sold or otherwise made available such Certificates to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

If the applicable Supplemental Listing Document in respect of any Certificates specifies the "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", the Issuer has represented and agreed that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by the Base Listing Document as completed by this Supplemental Listing Document to the public in the United Kingdom except that it may make an offer of such Certificates to the public in the United Kingdom:

- a) if the Supplemental Listing Document in relation to the Certificates specifies an offer of those Certificates may be made other than pursuant to Article 1(4) of the UK Prospectus Regulation in the United Kingdom (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Certificates which either (i) has been approved by the UK Financial Conduct Authority ("**FCA**"), or (ii) is to be treated as if it had been approved by the FCA in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation); or
- d) at any time in any other circumstances falling within section 86 of the FSMA, provided that no such offer of Certificates to the public referred to in (a) to (c) above shall require the publication of a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation,

provided that no such offer of Certificates referred to in (b) to (d) above shall require the Issuer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "an offer of Certificates to the public" in relation to any products in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates, and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

United States of America

The Certificates have not been, and will not be, registered under the Securities Act. Subject to certain exceptions, Certificates, or interests therein, may not at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offering, sale or resale in the United States or to any such U.S. person. Offers and sales of Certificates, or interests therein, in the United States or to U.S. persons would constitute a violation of United States securities laws unless made in compliance with registration requirements of the Securities Act or pursuant to an exemption therefrom. The Certificates will not be offered, sold or delivered within the United States or to U.S. persons. As used herein, "**United States**" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and "**U.S. person**" means (i) any citizen or resident of the United States, including any corporation, partnership or other entity created or organised in or under the laws of the United States or of any political subdivision thereof, (ii) any estate or trust the income of which is subject to United States income taxation regardless of its source, (iii) "U.S. person" as such term is defined in (a) Regulation S under the Securities Act or (b) the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the U.S. Commodity Futures Trading Commission ("**CFTC**") pursuant to the U.S. Commodity Exchange Act of 1936, as amended, or (iv) a person other than a "Non-United States Person" as defined in CFTC Rule 4.7, in each case, as such definition is amended, modified or supplemented from time to time.

Prohibition of Sales to European Economic Area

If the applicable Supplemental Listing Document in respect of any Certificates specifies the "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", the Issuer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering contemplated by the Base Listing Document as completed by this Supplemental Listing Document to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**");
 - (ii) a customer within the meaning of Directive 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"); and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates.

PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS REGULATION

If the Supplemental Listing Document specifies "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", in relation to each member state of the European Economic Area (each, a "**Relevant State**"), the Issuer has represented, warranted and agreed that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by the Base Listing Document as completed by this Supplemental Listing Document to the public in that Relevant State except that it may make an offer of such Certificates to the public in that Relevant State:

(a) Approved listing document: if the Supplemental Listing Document in relation to the Certificates specifies that an offer of those Certificates may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a "**Non-exempt Offer**"), following the date of publication of a listing document in relation to such Certificates which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such listing document has subsequently been completed by the Supplemental Listing Document contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such listing document or Supplemental Listing Document, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) Qualified investors: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) Fewer than 150 offered: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the Issuer for any such offer; or

(d) Other exempt offers: at any time in any other circumstances falling within Article 3(2) of the Prospectus Regulation,

provided that no such offer of Certificates referred to in (b) to (d) above shall require the Issuer to publish a listing document pursuant to Article 3 of the Prospectus Regulation or supplement a listing document pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Certificates to the public**" in relation to any Certificates in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates, as the same may be varied in that Relevant State by any measure implementing the Prospectus Regulation in that Relevant State.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Certificates may not be circulated or distributed, nor may Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act 2001 of Singapore.

Hong Kong

No person, other than a person permitted to do so under the securities laws of Hong Kong, has issued, or had in its possession for the purposes of issue, or will issue, or have in its possession for the purposes of issue any advertisement, invitation or document relating to the Certificates, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong and any rules made thereunder.

SUPPLEMENTAL INFORMATION RELATING TO THE ISSUER

The information set out in Appendix II of this document relates to the risk factors relating to operating environment and strategy of the Issuer.

The information set out in Appendix III of this document relates to the recent developments in the Issuer's business.

The information set out in Appendix IV of this document is an extract of the unaudited consolidated financial statements of UBS AG and its subsidiaries for the first quarter ended 31 March 2026.

For more information on the Issuer, please see <http://www.ubs.com/>.

Queries regarding the Certificates may be directed to +852 2971 6668 or OL-HKWarrants@ubs.com.

SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 269 of the Base Listing Document.

1. Save as disclosed in the Base Listing Document and herein, there is no litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of the issue of the Certificates to which the Issuer is a party nor, to the best of its knowledge and belief, is there any threatened litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of the issue of the Certificates which would in either case jeopardise its ability to discharge its obligations in respect of the Certificates.
 2. UBS AG, Singapore Branch at 9 Penang Road, Singapore 238459, has been authorised to accept, on behalf of the Issuer, service of process and any other notices required to be served on the Issuer. Any notices required to be served on the Issuer should be sent to UBS AG, Singapore Branch at the above address for the attention of Jeffrey Tan Teck Khim, Legal & Compliance.
 3. Settlement of trades done on a normal “ready basis” on the SGX-ST generally take place on the second Business Day following the transaction. Dealing in the Certificates will take place in board lots of 100 Certificates in Singapore dollars. For further details on the transfer of Certificates and their exercise, please refer to the section headed “Summary of the Issue” above.
 4. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.
 5. There has been no adverse change, material in the context of the issue of the Certificates, in the financial position of the Issuer since 31 March 2026.
 6. The following contracts, relating to the issue of the Certificates, have been or will be entered into by the Issuer and may be material to the issue of the Certificates:
 - (a) the Master Instrument; and
 - (b) the Master Warrant Agent Agreement.
- None of the directors of the Issuer has any direct or indirect interest in any of the above contracts.
7. The Issuer has appropriate risk management capabilities to manage the issue of the Certificates.
 8. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the office of Allen & Gledhill LLP at One Marina Boulevard #28-00, Singapore 018989, during the period of 14 days from the date of this document:

- (a) the articles of association of the Issuer;
- (b) the latest financial reports (including the notes thereto) of the Issuer;
- (c) the Base Listing Document; and
- (d) this document.

APPENDIX I

**REPRODUCTION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 OF
CITY DEVELOPMENTS LIMITED AND ITS SUBSIDIARIES**

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DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members of City Developments Limited (the "Company") together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2025.

In our opinion:

- (a) the financial statements set out on pages 112 to 242 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 (the "Act"), Singapore Financial Reporting Standards (International) and IFRS Accounting Standards as issued by the International Accounting Standards Board; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors in office at the date of this statement are as follows:

Kwek Leng Beng	(Executive Chairman)
Sherman Kwek Eik Tse	(Executive Director)
Lee Jee Cheng Philip	
Ong Lian Jin Colin	
Daniel Marie Ghislain Desbaillets	
Chong Yoon Chou	
Chan Swee Liang Carolina (Carol Fong)	
Tang Ai Ai Mrs Wong Ai Ai	
Young Jennifer Duong	(Appointed on 7 February 2025)
Wong Su Yen	(Appointed on 7 February 2025)

DIRECTORS' INTERESTS

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants and/or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year. The directors of the Company consider Hong Leong Investment Holdings Pte. Ltd. to be the immediate and ultimate holding company of the Company.

According to the register of directors' shareholdings kept by the Company under Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those of their spouses and children below 18 years of age) in shares and/or share options of the Company and in related corporations are as follows:

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS (CONT'D)

	Holdings in which the director, his spouse and children below 18 years of age have a direct interest	
	At beginning of the year/At date of appointment	At end of the year
The Company		
Ordinary Shares		
Kwek Leng Beng	397,226	397,226
Ong Lian Jin Colin	100,000	100,000
Chong Yoon Chou	40,000	40,000
Young Jennifer Duong	10,000	10,000
Preference Shares		
Kwek Leng Beng	144,445	144,445
Immediate and Ultimate Holding Company		
Hong Leong Investment Holdings Pte. Ltd. Ordinary Shares		
Kwek Leng Beng	2,320	2,320
Sherman Kwek Eik Tse	1,174	1,174
Subsidiary Corporation		
Millennium & Copthorne Hotels New Zealand Limited Ordinary Shares		
Kwek Leng Beng	906,000	–
Redeemable Non-voting Preference Shares		
Kwek Leng Beng	453,000	453,000
Related Corporations		
Hong Leong Finance Limited Ordinary Shares		
Kwek Leng Beng	6,667,567	6,667,567

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS (CONT'D)

	Holdings in which the director, his spouse and children below 18 years of age have a direct interest	
	At beginning of the year/At date of appointment	At end of the year
Related Corporations (cont'd)		
Hong Leong Finance Limited (cont'd)		
Options to subscribe for ordinary shares under the Hong Leong Finance Share Option Scheme 2001		
Kwek Leng Beng	1,118,500	1,241,000
Hong Leong Holdings Limited Ordinary Shares		
Kwek Leng Beng	259,000	259,000
Hong Leong Asia Ltd. Ordinary Shares		
Kwek Leng Beng	660,000	660,000
Hong Realty (Private) Limited Ordinary Shares		
Kwek Leng Beng	1,110	1,110
Sun Yuan Holdings Pte Ltd Ordinary Shares		
Kwek Leng Beng	15,000,000	15,000,000
Other holdings in which the director is deemed to have an Interest		
	At beginning of the year/At date of appointment	At end of the year
Immediate and Ultimate Holding Company		
Hong Leong Investment Holdings Pte. Ltd. Ordinary Shares		
Kwek Leng Beng	40,744	40,744

The directors' interests in the Company as disclosed above remained unchanged as at 21 January 2026.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangements whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

SHARE OPTIONS

By the Company

During the financial year, there were:

- (a) no options granted by the Company to any person to take up unissued shares of the Company; and
- (b) no shares issued by virtue of any exercise of options to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under options.

AUDIT & RISK COMMITTEE

The Audit & Risk Committee comprises five non-executive members of the Board, all of whom are independent. The members of the Audit & Risk Committee at the date of this statement are:

Lee Jee Cheng Philip (Chairman)
Chan Swee Liang Carolina (Carol Fong)
Tang Ai Ai Mrs Wong Ai Ai
Daniel Marie Ghislain Desbaillets
Young Jennifer Duong

The Audit & Risk Committee performs the functions of an audit & risk committee under its terms of reference including those specified in Section 201B of the Act, the Listing Manual of Singapore Exchange Securities Trading Limited ("Listing Manual") and the Code of Corporate Governance 2018, as amended.

In performing its functions, the Audit & Risk Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and their evaluation of the Group's system of internal controls.

The Audit & Risk Committee also reviewed, *inter alia*, the following:

- assistance provided by the Company's officers to the internal and external auditors;
- half-year and annual consolidated financial statements of the Group prior to their submission to the Board of Directors of the Company for approval; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual).

The Audit & Risk Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer or third party advisor to attend its meetings. The Audit & Risk Committee also recommends the appointment of the external auditors and reviews the nature and level of audit and non-audit fees.

The Audit & Risk Committee further reviewed the independence of the auditors, KPMG LLP, as required under Section 206(1A) of the Act, and determined that the auditors were independent in carrying out their audit of the financial statements. Accordingly, they have recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing the auditors for the Company, its subsidiaries and significant associates and joint ventures, the Company has complied with Rules 712 and 715 of the Listing Manual.

DIRECTORS' STATEMENT

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Kwek Leng Beng
Executive Chairman

Sherman Kwek Eik Tse
Executive Director

24 March 2026

INDEPENDENT AUDITORS' REPORT

Members of the Company
City Developments Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of City Developments Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information as set out on pages 112 to 242.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act), Singapore Financial Reporting Standards (International) (SFRS(I)s) and IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Valuation of hotel assets

(Refer to note 4 to the financial statements)

Risk

The Group has significant hotel assets classified as property, plant and equipment which are carried at cost less accumulated depreciation and impairment losses, and are subject to an annual assessment for impairment indicators. In undertaking the impairment assessment, the Group takes into consideration several factors, including the economic outlook, the quantum of available headroom from previous valuations undertaken (where applicable) and the trading performance of the properties. The properties with indicators of impairment are then subjected to a detailed impairment review whereby their recoverable amounts are estimated.

The Group uses a combination of internal and external valuations to estimate the recoverable amount of its properties identified as at risk of being impaired, which is determined to be the higher of the fair value less costs to sell and value-in-use of these properties. The valuations are sensitive to key assumptions applied and a change in the assumptions may have an impact on the recoverable amounts.

INDEPENDENT AUDITORS' REPORT

Members of the Company
City Developments Limited

Our response

Our procedures included challenging the Group's assessment of properties at risk of being impaired or impairment reversal. These include comparing actual asset performance to previous forecasts and market data, and assessing the quantum of available headroom from previous valuations. We selected a sample of properties for detailed impairment review and considered the valuation methods used against those applied by valuers for similar property types. We evaluated key assumptions applied in the valuations, particularly those assumptions relating to occupancy rates, average room rate growth, discount rates and terminal rates, by comparing them to available industry data, taking into consideration comparability and market factors.

Our findings

The Group has a structured process in identifying hotel assets with impairment indicators. We found that the valuation method used to be in line with generally accepted market practices and key assumptions applied were generally comparable to currently observable market data.

Valuation of development properties

(Refer to note 13 to the financial statements)

Risk

The Group has significant residential development properties held for sale in Singapore, China and the United Kingdom (UK). Development properties held for sale are stated at the lower of cost and net realisable value. The determination of the estimated net realisable value is highly dependent on the Group's expectations of future selling prices of unsold development properties.

In estimating the future selling prices of unsold development properties, the Group has taken into account real estate price trends, local market conditions, its development plans and sale strategies for the properties and selling prices estimated by external valuers when necessary.

Our response

We focused our work on development properties with low margins.

In assessing the reasonableness of the Group's estimated future selling prices for its development projects, we considered recently transacted prices of units under development sold and/or prices of comparable properties located in the vicinity of these development projects. We also took into account prevailing market trends and the Group's development and selling plans for the properties. Where applicable, we made enquiries of external valuers to understand the approach adopted in estimating future selling prices of these development properties and performed sensitivity analysis.

Our findings

We found the Group's estimated future selling prices, which are used in determining net realisable values and resultant allowance for foreseeable losses on its development projects, to be comparable to currently available market data and have taken into consideration prevailing market conditions.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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

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

INDEPENDENT AUDITORS' REPORT

Members of the Company
City Developments Limited

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRS Accounting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 controls.
- Obtain an understanding of internal controls 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

INDEPENDENT AUDITORS' REPORT

Members of the Company
City Developments Limited

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulations 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Koh Wei Peng.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

24 March 2026

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Non-current assets					
Property, plant and equipment	4	5,520,539	4,679,867	22,010	30,577
Investment properties	5	6,592,985	6,695,641	33,436	34,011
Investments in:					
– subsidiaries	7	–	–	1,950,609	1,950,609
– associates	8	1,256,041	1,305,234	–	–
– joint ventures	9	946,936	1,162,454	37,360	37,360
Financial assets	10	792,104	780,095	472,986	418,070
Derivative financial assets	11	13,998	8,539	13,822	8,539
Other non-current assets	12	847,427	1,003,453	8,406,708	8,660,230
		15,970,030	15,635,283	10,936,931	11,139,396
Current assets					
Development properties	13	7,144,342	4,850,519	161,687	161,687
Contract costs	14	39,324	48,747	–	–
Contract assets	15	373,905	319,815	–	–
Consumable stocks		7,764	8,793	–	–
Financial assets	10	4,713	4,795	90	93
Derivative financial assets	11	8,260	18,070	8,260	16,615
Trade and other receivables	16	1,264,739	1,613,393	8,177,465	7,330,899
Cash and cash equivalents	18	2,059,919	3,001,384	428,262	544,785
		10,902,966	9,865,516	8,775,764	8,054,079
Assets held for sale	6	176,063	106,088	–	–
		11,079,029	9,971,604	8,775,764	8,054,079
Total assets		27,049,059	25,606,887	19,712,695	19,193,475

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Equity attributable to owners of the Company					
Share capital	19	1,921,457	1,942,362	1,921,457	1,942,362
Reserves	20	7,670,111	7,145,929	5,183,821	5,168,458
		9,591,568	9,088,291	7,105,278	7,110,820
		668,386	220,707	–	–
Total equity		10,259,954	9,308,998	7,105,278	7,110,820
Non-current liabilities					
Interest-bearing borrowings	21	10,220,530	8,717,481	7,672,641	6,556,534
Employee benefits	25	6,921	6,628	2,885	2,670
Lease liabilities	26	620,180	637,007	7,115	13,948
Derivative financial liabilities	11	12,438	10,128	10,957	8,074
Other liabilities	27	569,446	206,583	682	645,358
Provisions	28	1,299	1,277	–	–
Deferred tax liabilities	29	392,518	415,039	5,100	7,631
		11,823,332	9,994,143	7,699,380	7,234,215
Current liabilities					
Trade and other payables	30	1,151,720	1,112,233	2,051,007	1,048,624
Derivative financial liabilities	11	16,928	7,325	16,928	7,142
Contract liabilities	15	283,735	271,975	–	–
Interest-bearing borrowings	21	3,175,777	4,595,668	2,822,519	3,776,393
Lease liabilities	26	37,870	26,411	6,832	6,482
Employee benefits	25	34,287	33,734	7,834	6,406
Provision for taxation		258,290	219,384	2,917	3,393
Provisions	28	4,228	37,016	–	–
		4,962,835	6,303,746	4,908,037	4,848,440
Liabilities directly associated with the assets held for sale	6	2,938	–	–	–
		4,965,773	6,303,746	4,908,037	4,848,440
Total liabilities		16,789,105	16,297,889	12,607,417	12,082,655
Total equity and liabilities		27,049,059	25,606,887	19,712,695	19,193,475

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Note	Group 2025 \$'000	Group 2024 \$'000
Revenue	31	3,587,092	3,271,197
Cost of sales		(2,123,940)	(1,809,260)
Gross profit		1,463,152	1,461,937
Other income	32	700,346	272,015
Administrative expenses		(613,848)	(574,748)
Other operating expenses		(555,835)	(473,537)
Profit from operating activities		993,815	685,667
Finance income		94,546	186,637
Finance costs		(498,136)	(559,070)
Net finance costs	32	(403,590)	(372,433)
Share of after-tax (loss)/profit of associates		(35,519)	14,150
Share of after-tax profit of joint ventures		216,795	46,641
Profit before tax		771,501	374,025
Tax expense	33	(135,873)	(162,061)
Profit for the year	32	635,628	211,964
Profit attributable to owners of the Company:			
– Ordinary shareholders		620,276	190,849
– Preference shareholders		9,407	10,467
		629,683	201,316
Non-controlling interests		5,945	10,648
Profit for the year		635,628	211,964
Earnings per share			
– Basic	34	69.4 cents	21.3 cents
– Diluted	34	67.9 cents	21.3 cents

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	Note	Group 2025 \$'000	Group 2024 \$'000
Profit for the year		635,628	211,964
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Defined benefit plan remeasurements		233	3,127
Net change in fair value of equity investments at FVOCI		55,905	(7,215)
		56,138	(4,088)
Items that are or may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash flow hedges		(12,145)	15,435
Net change in fair value of cash flow hedges reclassified to profit or loss		463	(18,915)
Exchange differences on hedges of net investment in foreign operations		35,787	4,574
Exchange differences on monetary items forming part of net investments in foreign operations		(11,275)	27,660
Share of translation differences of equity-accounted investees		23,111	(10,485)
Exchange differences reclassified to profit or loss on liquidation of a subsidiary		(1,082)	–
Share of other comprehensive income of equity-accounted investees		(11,622)	(299)
Translation differences arising on consolidation of foreign operations		(79,927)	(153,507)
		(56,690)	(135,537)
Total other comprehensive income for the year, net of tax	33	(552)	(139,625)
Total comprehensive income for the year		635,076	72,339
Total comprehensive income attributable to:			
Owners of the Company		629,054	77,157
Non-controlling interests		6,022	(4,818)
Total comprehensive income for the year		635,076	72,339

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Fair value reserve \$'000	Hedging reserve \$'000	Other reserves \$'000	Share option reserve \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Group												
At 1 January 2025	1,942,362	(79,399)	271,528	61,627	3,216	21,702	417	(573,581)	7,440,419	9,088,291	220,707	9,308,998
Total comprehensive income for the year												
Profit for the year	-	-	-	-	-	-	-	-	629,683	629,683	5,945	635,628
Other comprehensive income												
Defined benefit plan remeasurements	-	-	-	-	-	-	-	-	214	214	19	233
Changes in fair value of equity investments at FVOCI	-	-	-	55,905	-	-	-	-	-	55,905	-	55,905
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(12,145)	-	-	-	-	(12,145)	-	(12,145)
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	-	-	463	-	-	-	-	463	-	463
Exchange differences on hedges of net investment in foreign operations	-	-	-	-	-	-	-	35,787	-	35,787	-	35,787
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	-	-	-	-	-	(11,275)	-	(11,275)	-	(11,275)
Exchange differences reclassified to profit or loss on liquidation of a subsidiary	-	-	-	-	-	-	-	(1,082)	-	(1,082)	-	(1,082)
Share of translation differences of equity-accounted investees	-	-	-	-	-	-	-	23,111	-	23,111	-	23,111
Share of other comprehensive income of equity-accounted investees	-	-	-	-	(11,622)	-	-	-	-	(11,622)	-	(11,622)
Translation differences arising on consolidation of foreign operations	-	-	-	-	-	-	-	(79,985)	-	(79,985)	58	(79,927)
Total other comprehensive income	-	-	-	55,905	(23,304)	-	-	(33,444)	214	(629)	77	(552)
Total comprehensive income for the year	-	-	-	55,905	(23,304)	-	-	(33,444)	629,897	629,054	6,022	635,076
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Capital contribution by non-controlling interests (net)	-	-	-	-	-	-	-	-	-	-	495,255	495,255
Dividends paid to owners of the Company	35	-	-	-	-	-	-	-	(107,681)	(107,681)	-	(107,681)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(32,254)	(32,254)
Share-based payment transactions	-	-	-	-	-	-	66	-	-	66	-	66
Purchase and cancellation of preference shares	19	(20,905)	-	-	-	-	-	-	-	(20,905)	-	(20,905)
Total contributions by and distributions to owners		(20,905)	-	-	-	-	66	-	(107,681)	(128,520)	463,001	334,481
Changes in ownership interests in subsidiaries												
Changes in interests in subsidiaries without loss of control	39	-	-	2,743	-	-	-	-	-	2,743	(21,344)	(18,601)
Total changes in ownership interests in subsidiaries		-	-	2,743	-	-	-	-	-	2,743	(21,344)	(18,601)
Total transactions with owners		(20,905)	-	2,743	-	-	66	-	(107,681)	(125,777)	441,657	315,880
Transfers	-	-	-	-	-	1,818	-	-	(1,818)	-	-	-
At 31 December 2025	1,921,457	(79,399)	274,271	117,532	(20,088)	23,520	483	(607,025)	7,960,817	9,591,568	668,386	10,259,954

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Fair value reserve \$'000	Hedging reserve \$'000	Other reserves \$'000	Share option reserve \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Group												
At 1 January 2024	1,965,589	–	231,426	68,842	6,993	24,651	293	(457,318)	7,340,013	9,180,489	358,855	9,539,344
Total comprehensive income for the year												
Profit for the year	–	–	–	–	–	–	–	–	201,316	201,316	10,648	211,964
Other comprehensive income												
Defined benefit plan remeasurements	–	–	–	–	–	–	–	–	3,098	3,098	29	3,127
Changes in fair value of equity investments at FVOCI	–	–	–	(7,215)	–	–	–	–	–	(7,215)	–	(7,215)
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	15,435	–	–	–	–	15,435	–	15,435
Net change in fair value of cash flow hedges reclassified to profit or loss	–	–	–	–	(18,915)	–	–	–	–	(18,915)	–	(18,915)
Exchange differences on hedges of net investment in foreign operations	–	–	–	–	–	–	–	4,574	–	4,574	–	4,574
Exchange differences on monetary items forming part of net investments in foreign operations	–	–	–	–	–	–	–	27,660	–	27,660	–	27,660
Share of translation differences of equity-accounted investees	–	–	–	–	–	–	–	(10,485)	–	(10,485)	–	(10,485)
Share of other comprehensive income of equity-accounted investees	–	–	–	–	(297)	(2)	–	–	–	(299)	–	(299)
Translation differences arising on consolidation of foreign operations	–	–	–	–	–	–	–	(138,012)	–	(138,012)	(15,495)	(153,507)
Total other comprehensive income	–	–	–	(7,215)	(3,777)	(2)	–	(116,263)	3,098	(124,159)	(15,466)	(139,625)
Total comprehensive income for the year	–	–	–	(7,215)	(3,777)	(2)	–	(116,263)	204,414	77,157	(4,818)	72,339
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Capital contribution by non-controlling interests (net)	–	–	–	–	–	–	–	–	–	–	596	596
Dividends paid to owners of the Company	35	–	–	–	–	–	–	–	(99,866)	(99,866)	–	(99,866)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(27,000)	(27,000)
Share-based payment transactions	–	–	–	–	–	–	124	–	–	124	–	124
Purchase of treasury shares	–	(79,399)	–	–	–	–	–	–	–	(79,399)	–	(79,399)
Purchase and cancellation of preference shares	19	(23,227)	–	–	–	–	–	–	–	(23,227)	–	(23,227)
Total contributions by and distributions to owners		(23,227)	–	–	–	–	124	–	(99,866)	(202,368)	(26,404)	(228,772)
Changes in ownership interests in subsidiaries												
Changes in interests in subsidiaries without loss of control	39	–	33,013	–	–	–	–	–	–	33,013	(106,926)	(73,913)
Total changes in ownership interests in subsidiaries		–	33,013	–	–	–	–	–	–	33,013	(106,926)	(73,913)
Total transactions with owners		(23,227)	33,013	–	–	–	124	–	(99,866)	(169,355)	(133,330)	(302,685)
Transfers	–	–	7,089	–	–	(2,947)	–	–	(4,142)	–	–	–
At 31 December 2024	1,942,362	(79,399)	271,528	61,627	3,216	21,702	417	(573,581)	7,440,419	9,088,291	220,707	9,308,998

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Group	
	2025 \$'000	2024 \$'000
Cash flows from operating activities		
Profit for the year	635,628	211,964
Adjustments for:		
Depreciation and amortisation	289,738	277,323
Dividend income	(5,090)	(5,319)
Finance income	(94,546)	(95,870)
Finance costs	509,358	559,070
Gain on disposal/liquidation of subsidiaries and dilution of interest in an associate (net)	(89,510)	(89,162)
Gain on disposal of investments in joint ventures	(475,097)	–
Impairment loss/(Reversal of impairment loss) on property, plant and equipment and investment properties (net)	74,908	(40,284)
Management fee income received/receivable in the form of units in an associate	(11,643)	(11,255)
Profit on sale of property, plant and equipment and investment properties (net)	(106,387)	(138,573)
Property, plant and equipment and investment properties written off	540	5,611
Share of after-tax loss/(profit) of associates	35,519	(14,150)
Share of after-tax profit of joint ventures	(216,795)	(46,641)
Tax expense	135,873	162,061
	682,496	774,775
Changes in working capital:		
Development properties	(2,081,299)	69,396
Contract costs	9,423	(24,452)
Contract assets	(54,090)	617,240
Consumable stocks and trade and other receivables	26,995	(313,674)
Trade and other payables and provisions	10,958	(84,212)
Contract liabilities	11,693	(3,015)
Employee benefits	835	7,308
Cash (used in)/generated from operations	(1,392,989)	1,043,366
Tax paid	(118,965)	(113,693)
Net cash (used in)/from operating activities	(1,511,954)	929,673

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Note	Group	
		2025 \$'000	2024 \$'000
Cash flows from investing activities			
Acquisition of subsidiaries (net of cash acquired)	39	(481,379)	(345,583)
Deposit placed for acquisition of investment properties		–	(6,865)
Deposit placed for acquisition of property, plant and equipment		–	(1,208)
Dividends received:			
– associates		46,315	41,383
– joint ventures		55,665	50,440
– financial investments		5,090	5,319
Increase in investments in joint ventures		(23,706)	(41,244)
Return of capital from a joint venture and an associates		20,100	10,932
Decrease/(Increase) in amounts owing by equity-accounted investees		332,583	(51,562)
Interest received		38,916	78,723
Payments for capital expenditure on investment properties		(336,210)	(467,735)
Payments for purchase of property, plant and equipment		(507,711)	(185,292)
Payments for purchase of investment properties		(160,766)	(214,838)
Proceeds from disposal of joint ventures		841,734	–
Proceeds from sale of property, plant and equipment and investment properties		463,128	162,752
Proceeds from disposal of a subsidiary, net of cash disposed of	39	91,685	97,167
Purchase of financial assets (net)		(6,827)	(131,073)
Proceeds from distributions from and redemption of investments in financial assets		42,611	6,170
Settlement of financial derivatives		(24,411)	9,521
Net cash from/(used in) investing activities		396,817	(982,993)
Cash flows from financing activities			
Acquisition of non-controlling interests	39	(18,601)	(73,913)
Capital contribution from non-controlling interests		494,743	–
Dividends paid		(139,423)	(126,270)
Payment of lease liabilities and finance lease payables		(46,000)	(26,871)
Interest paid (including amounts capitalised in property, plant and equipment, investment properties and development properties)		(513,640)	(586,853)
Net increase/(decrease) in amounts owing to related parties and non-controlling interests		345,037	(97,622)
Net (repayment of)/proceeds from revolving credit facilities		(821,669)	291,458
Decrease in restricted cash		18,826	3,239
Payment of financing transaction costs		(11,985)	(14,331)
Purchase of own preference shares		(20,905)	(23,227)
Purchase of treasury shares		–	(79,399)
Proceeds from bank borrowings		2,463,736	2,366,474
Repayment of bank borrowings		(1,372,604)	(1,590,598)
Proceeds from issuance of bonds and notes		687,000	1,540,312
Repayment of bonds and notes		(643,100)	(890,000)
Net cash from financing activities		421,415	692,399
Net (decrease)/increase in cash and cash equivalents		(693,722)	639,079
Cash and cash equivalents at beginning of the year		2,669,652	2,044,198
Effect of exchange rate changes on balances held in foreign currencies		(6,984)	(13,625)
Cash and cash equivalents at end of the year	18	1,968,946	2,669,652

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

Significant non-cash transactions

During the year ended 31 December 2025, there were the following significant non-cash transactions:

- Dividends amounting to \$512,000 were paid by a subsidiary to its non-controlling interests in the form of additional shares in that subsidiary.
- Management fee income of \$11,643,000 was received and receivable by the Group in the form of units in an associate.

During the year ended 31 December 2024, there were the following significant non-cash transactions:

- Dividends amounting to \$596,000 were paid by a subsidiary to its non-controlling interests in the form of additional shares in that subsidiary.
- Management fee income of \$11,255,000 was received and receivable by the Group in the form of units in an associate.
- In connection with the acquisition of remaining 35% equity stake in Shenzhen Longgang District Science and Technology Development Park Co., Ltd ("Shenzhen Longgang") that the Group does not own from the non-controlling interest, the Group entered into an agreement with the non-controlling interest to transfer certain office units in Hong Leong Technology Park to them as a settlement of \$124,623,000 (RMB668.2 million) for the amounts owing to the non-controlling interest.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 24 March 2026.

1 DOMICILE AND ACTIVITIES

City Developments Limited (the Company) is incorporated in the Republic of Singapore and has its registered office at 9 Raffles Place, #12-01 Republic Plaza, Singapore 048619.

The principal activities of the Company are those of a property developer and owner, and investment holding.

The principal activities of the subsidiaries are those of property developers and owners, hotel owners and operators, a club operator and owner, investment in properties and in shares, property management, project management and provision of consultancy, procurement and laundry services.

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in associates and joint ventures.

The directors consider the immediate and ultimate holding company to be Hong Leong Investment Holdings Pte. Ltd., a company incorporated in the Republic of Singapore.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)s) and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) (IFRS Accounting Standards).

SFRS(I)s are issued by the Accounting Standards Committee which comprises standards and interpretations that are equivalent to IFRS Accounting Standards.

All references to SFRS(I)s and IFRS Accounting Standards are subsequently referred to as SFRS(I) in the financial statements.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars (SGD), which is the Company's functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgement

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgement (cont'd)

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is described in the following notes:

Note 3.1(i) Accounting for acquisitions as business combinations or asset acquisitions

Notes 3.1(iv), 43 and 44 Assessment of ability to control or exert significant influence over partly owned investments

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is described in the following notes:

Notes 4 and 5 Measurement of recoverable amounts of property, plant and equipment, and investment properties

Notes 7 and 41 Measurement of recoverable amounts of investments in subsidiaries and expected credit losses on balances with subsidiaries

Note 13 Measurement of realisable amounts of development properties

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets, and financial and non-financial liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a team that regularly reviews significant unobservable inputs and valuation adjustments and reports to the Group Chief Financial Officer who has overall responsibility for all significant fair value measurements. If third party information, such as broker quotes or independent valuers' report, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit & Risk Committee and Board of Directors.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about assumptions made in measuring fair values is included in the following notes:

Note 4 Property, plant and equipment
Note 5 Investment properties
Note 41 Financial instruments

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

2 BASIS OF PREPARATION (CONT'D)

2.5 Changes in material accounting policies

New accounting standards and amendments

The Group has applied Amendments to SFRS(I) 1-21 *Lack of Exchangeability* for the first time for the annual period beginning on 1 January 2025. The application of these amendments to accounting standards and interpretations did not have a material effect on the financial statements.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Acquisitions from 1 January 2017

For acquisitions from 1 January 2017, the consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date. If an obligation to pay the contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

For non-controlling interests (NCI) that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other NCI are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.1 Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

Acquisitions from 1 January 2017 (cont'd)

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. The adjustments to NCI are based on a proportionate amount of the net assets of the subsidiary. Any difference between the adjustment to NCI and the fair value of consideration paid is recognised directly in equity and presented as part of equity attributable to owners of the Company.

Acquisitions before 1 January 2017

As part of transition to SFRS(I), the Group elected not to restate those business combinations that occurred before the date of transition to SFRS(I), i.e. 1 January 2017. Goodwill arising from acquisitions before 1 January 2017 has been carried forward from the previous Singapore Financial Reporting Standards framework as at the date of transition.

(ii) Subsidiaries

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

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Loss of control

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

(iv) Investments in associates and joint ventures (equity-accounted investees)

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

Investments in associates and joint ventures are accounted for under the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income (OCI) of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.1 Basis of consolidation (cont'd)

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) Subsidiaries, associates and joint ventures in the separate financial statements

Investments in subsidiaries, associates and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currencies at the exchange rates at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currencies at the exchange rates at the dates that the fair values were determined. Non-monetary items in foreign currencies that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions. Foreign currency differences arising on translation are recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- differences arising on the translation of monetary items that in substance form part of the Group's net investment in a foreign operation;
- an investment in equity securities designated at fair value through other comprehensive income (FVOCI);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI. However, if the foreign operation is a non wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.2 Foreign currencies (cont'd)

(ii) Foreign operations (cont'd)

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of the Group's net investment in the foreign operation are recognised in OCI, and are presented in the foreign currency translation reserve in equity.

3.3 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Borrowing costs paid and capitalised is presented as part of financing cash flows in the statement of cash flows.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised net in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

No depreciation is provided on freehold or 999-year leasehold land. For freehold and leasehold properties under development and renovation-in-progress, no depreciation is provided until these items have been completed.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.3 Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

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

Freehold buildings and leasehold land and buildings

- Core component of hotel buildings – 50 years, or lease term if shorter
- Surface, finishes and services of hotel buildings – 30 years, or lease term if shorter
- Leasehold land – Lease term
- Furniture, fittings, plant and equipment and improvements – 3 to 20 years

Residual values ascribed to the core component of hotel buildings depend on the nature, location and tenure of each hotel property. No residual values are ascribed to surface, finishes and services of hotel buildings and right-of-use assets in respect of leases where the Group is a lessee.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.4 Investment properties

(i) Recognition and measurement

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Any gain and loss on disposal of investment properties (calculated as the difference between the net proceeds from disposal and the carrying amounts of the investment properties) are recognised in profit or loss.

(ii) Depreciation

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an investment property. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

No depreciation is provided on freehold or 999-year leasehold land included in the investment properties.

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

- Freehold and leasehold properties – 50 years, or lease term if shorter
- Leasehold land – Lease term ranging from 50 to 96 years
- Furniture, fittings, plant and equipment and improvements – 3 to 20 years

Depreciation methods and useful lives are reviewed, and adjusted as appropriate, at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.5 Leases

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

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated under the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.5 Leases (cont'd)

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SFRS(I) 9 *Financial Instruments* to the net investment in the lease (see note 3.10(ii)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

3.6 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. However, if the Group has an unconditional right to an amount that differs from the transaction price (e.g. due to the Group's refund policy), the trade receivable will be initially measured at the amount of that unconditional right.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.6 Financial instruments (cont'd)

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of certain equity investments that are not held for trading, the Group has made an irrevocable election to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.6 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets: Business model assessment (cont'd)

The business models of the Group are as follows:

Held to collect

The Group holds financial assets which arise from its property development business, hotel operations and investment properties. The objective of the business model for these financial instruments is to collect the amounts due from the Group's receivables and to earn contractual interest income on the amounts collected.

Other business models

This includes mainly equity investments in real estate and financial services industries. These financial assets are managed and their performance is evaluated, on a fair value basis.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment of whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.6 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred, or the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of ownership of the transferred assets.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.6 Financial instruments (cont'd)

(iii) Derecognition (cont'd)

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or when they expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, restricted cash is excluded whilst bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included in cash and cash equivalents.

(v) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amount accumulated in the hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.6 Financial instruments (cont'd)

(v) Derivative financial instruments and hedge accounting (cont'd)

Net investment hedges

The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal or partial disposal of the foreign operation, respectively.

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Preference shares

The Company's non-redeemable convertible non-cumulative preference shares are classified as equity, because they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the Company's equity instruments. Dividends thereon are recognised as distributions within equity.

When the Company purchases its own preference shares and cancels them upon purchase, the consideration paid including any directly attributable incremental cost is deducted against the share capital account if the shares are purchased out of capital of the Company, or against the accumulated profits of the Company if the shares are purchased out of earnings of the Company.

Repurchase of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

3.7 Development properties

Development properties are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs (applicable to construction of a development for which revenue is to be recognised at a point in time) and other costs directly attributable to the development activities.

3.8 Contract costs

Incremental costs of obtaining a contract for the sale of a development property are capitalised as contract costs only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.8 Contract costs (cont'd)

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue on the contract. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

3.9 Contract assets and liabilities

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on construction of development properties. Contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

Contract liabilities primarily relate to:

- advance consideration received from customers; and
- progress billings issued in excess of the Group's rights to the consideration.

3.10 Impairment

(i) Non-derivative financial assets and contract assets

The Group recognises loss allowances for expected credit losses (ECL) on:

- financial assets measured at amortised cost ('cash and cash equivalents', 'trade and other receivables' and 'financial assets');
- contract assets (as defined in SFRS(I) 15);
- lease receivables; and
- financial guarantee contracts (FGCs).

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECL: these are ECL that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECL: these are ECL that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECL for all trade receivables (including lease receivables) and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECL.

General approach

The Group applies the general approach to provide for ECL on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.10 Impairment (cont'd)

(i) Non-derivative financial assets and contract assets (cont'd)

General approach (cont'd)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECL.

The Group considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Group in full, without recourse by the Group to actions such as realising security (if any if held).

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

Measurement of ECL

ECL are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

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

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

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

Presentation of ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Loss allowances for FGCs are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FGCs less the cumulated income recognised.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.10 Impairment (cont'd)

(i) Non-derivative financial assets and contract assets (cont'd)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than development properties, contract costs, contract assets, consumable stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

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

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(iii) Associates and joint ventures

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

Goodwill that forms part of the carrying amount of an investment in an associate or a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or a joint venture may be impaired.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.11 Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, classified as held for sale are generally measured at the lower of their carrying amount and fair value less cost to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a *pro rata* basis, except that no loss is allocated to financial assets and deferred tax assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment and investment property once classified as held for sale are not depreciated. In addition, equity accounting of associates and joint ventures ceases once classified as held for sale or distribution.

3.12 Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit post-employment plans, including pension plans, is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised immediately as an expense in profit or loss.

The Group recognises remeasurement gains or losses within the consolidated statement of comprehensive income in the period in which they occur.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

(iii) Other long-term service benefits

The Group's net obligation in respect of long-term service benefits, other than defined contribution and defined benefit plans, is the amount of future benefit that employees have earned in return for their service in current and prior periods. That benefit is discounted to determine its present value. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any plan assets is deducted. Remeasurements are recognised in profit or loss in the period in which they arise.

A provision is recognised for the amount expected to be paid under cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.12 Employee benefits (cont'd)

(iv) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.13 Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.14 Financial guarantee contracts

Financial guarantees are financial instruments issued by the Group that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15.

ECL are a probability-weighted estimate of credit losses. ECL are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Group expects to recover.

3.15 Revenue recognition

(i) Development properties for sale

The Group develops and sells residential and mixed development projects to customers through fixed-price contracts. Revenue is recognised when the control over a development property has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the residential project over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

Where a development property has no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment for performance completed to date arising from the contractual terms, revenue is recognised over time by reference to the Group's progress towards completing the construction of the development property. The measure of progress is determined based on the stage of completion of construction certified by quantity surveyors. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

In respect of contracts where the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised only when the completed property is delivered to the customer and the customer has accepted it in accordance with the sales contract.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.15 Revenue recognition (cont'd)

(i) Development properties for sale (cont'd)

Under certain payment schemes, the time when payments are made by the buyer and the transfer of control of the property to the buyer do not coincide and where the difference between the timing of receipt of the payments and the satisfaction of a performance obligation is 12 months or more, the Group adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the Group uses a discount rate that would reflect that of a separate financing transaction between the Group and its customer at contract inception. A finance income or finance expense will be recognised depending on the arrangement. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of goods or services to a customer and the payment date is 12 months or less.

Revenue is measured at the transaction price agreed under the contract entered into with customers. Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The customer is invoiced based on a payment schedule which is typically triggered upon achievement of specified construction milestones. If the value of the goods transferred by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised. The accounting policy for contract assets and contract liabilities is set out in note 3.9.

(ii) Rental income

Rental income (net of any lease incentives) is recognised on a straight-line basis over the lease term. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period in which it is earned and the amount can be reliably measured.

(iii) Hotel income

Revenue from hotel operations comprises mainly room revenue and revenue from food and beverages sales. Room revenue is recognised over the period of stay of the hotel guests. Revenue from food and beverages sales is recognised when food and beverages are delivered to the customer.

(iv) Management services, consultancy services and laundry services

Management and consultancy fees and laundry services are recognised at the point when such services are rendered.

(v) Dividends

Dividend income is recognised in profit or loss when the shareholder's right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.16 Finance income and costs

The Group's finance income and costs include:

- interest income on amounts owing by associates and joint ventures and funds invested;
- interest expense on borrowings, amounts owing to fellow subsidiaries, joint ventures and non-controlling interests, financial derivatives and lease liabilities;
- amortisation of transaction costs on borrowings capitalised;
- the fair value gains or losses on financial derivatives;
- the net gains or losses on financial assets at FVTPL;
- the foreign currency gains or losses on financial assets and financial liabilities;
- unwinding of discount on non-current liabilities; and
- net change in fair value of cash flow hedges, reclassified from hedging reserve.

Interest income or expense is recognised under the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.17 Income tax

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

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.17 Income tax (cont'd)

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that
 - is not a business combination and
 - at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

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

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Global minimum top-up tax

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of SFRS(I) 1-12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

3.18 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the dilutive effect arising from the conversion of the non-redeemable convertible non-cumulative preference shares.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.19 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board of Directors and Group Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Board of Directors and Group CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, investment property and intangible assets.

3.20 New accounting standards and interpretations not adopted

A number of new accounting standards and amendments to standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. However, the Group has not early adopted the new or amended standards in preparing these financial statements.

i) **SFRS(I) 18 Presentation and Disclosure in Financial Statements**

SFRS(I) 18 will replace SFRS(I) 1-1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

The Group is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

ii) **Other accounting standards**

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- *Classification and Measurement of Financial Instruments (Amendments to SFRS(I) 9 and SFRS(I) 7);*
- *Annual Improvements to SFRS(I)s – Volume 11;*
- *Contracts Referencing Nature-dependent Electricity (Amendments to SFRS(I) 9 and SFRS(I) 7); and*
- *SFRS(I) 19 Subsidiaries without Public Accountability: Disclosures*

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

4 PROPERTY, PLANT AND EQUIPMENT

Note	Freehold land and buildings \$'000	Leasehold land and buildings \$'000	Freehold and leasehold properties under development \$'000	Furniture, fittings, plant and equipment and improvements \$'000	Renovation-in-progress \$'000	Right-of-use assets \$'000	Total \$'000
Group							
Cost							
At 1 January 2024	2,909,391	1,124,845	40,683	1,185,527	59,638	791,203	6,111,287
Acquisition of subsidiaries	39 429,066	–	329	17,793	–	–	447,188
Additions	8,502	10,761	32,834	89,774	42,906	13,855	198,632
Disposal/Written off	(4,276)	(97)	(3,667)	(36,173)	(118)	(2,935)	(47,266)
Reclassifications	21,362	(656)	(6,474)	10,799	(25,031)	–	–
Transfer to assets held for sale	(75,097)	–	–	(7,713)	–	–	(82,810)
Translation differences on consolidation	12,890	2,145	1,457	(2,959)	869	(876)	13,526
At 31 December 2024	3,301,838	1,136,998	65,162	1,257,048	78,264	801,247	6,640,557
At 1 January 2025	3,301,838	1,136,998	65,162	1,257,048	78,264	801,247	6,640,557
Acquisition of subsidiaries	39 494,427	–	–	1,131	–	–	495,558
Additions	27,493	9,853	317,773	103,194	52,508	20,312	531,133
Disposal/Written off	(15,131)	–	–	(16,300)	–	(6,911)	(38,342)
Reclassifications	51,288	2,638	–	33,194	(87,120)	–	–
Transfer to assets held for sale	–	–	–	(1,290)	–	–	(1,290)
Translation differences on consolidation	(12,917)	(901)	(2,834)	(11,754)	(1,482)	(4,417)	(34,305)
At 31 December 2025	3,846,998	1,148,588	380,101	1,365,223	42,170	810,231	7,593,311
Accumulated depreciation and impairment losses							
At 1 January 2024	789,147	179,695	3,630	839,894	–	85,716	1,898,082
Acquisition of subsidiaries	39 78,258	–	–	12,986	–	–	91,244
Charge for the year	22,178	20,096	–	63,420	–	35,510	141,204
Disposal/Written off	(1,215)	(20)	(3,667)	(33,299)	–	(2,715)	(40,916)
Impairment losses reversed (net)	(52,542)	(2,995)	–	(4,260)	–	–	(59,797)
Transfer to assets held for sale	(65,522)	–	–	(7,260)	–	–	(72,782)
Translation differences on consolidation	4,661	(518)	37	(448)	–	(77)	3,655
At 31 December 2024	774,965	196,258	–	871,033	–	118,434	1,960,690
At 1 January 2025	774,965	196,258	–	871,033	–	118,434	1,960,690
Charge for the year	26,428	20,163	–	67,486	–	37,381	151,458
Disposal/Written off	(3,502)	–	–	(14,935)	–	(4,888)	(23,325)
Impairment losses (net)	(2,827)	81	–	3,330	–	–	584
Transfer to assets held for sale	–	–	–	(575)	–	–	(575)
Translation differences on consolidation	(5,043)	(5,547)	–	(4,394)	–	(1,076)	(16,060)
At 31 December 2025	790,021	210,955	–	921,945	–	149,851	2,072,772
Carrying amounts							
At 1 January 2024	2,120,244	945,150	37,053	345,633	59,638	705,487	4,213,205
At 31 December 2024	2,526,873	940,740	65,162	386,015	78,264	682,813	4,679,867
At 31 December 2025	3,056,977	937,633	380,101	443,278	42,170	660,380	5,520,539

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Furniture, fittings and equipment \$'000	Right-of-use assets \$'000	Total \$'000
Company			
Cost			
At 1 January 2024	40,054	56,140	96,194
Additions	4,400	–	4,400
Disposal	(33)	–	(33)
At 31 December 2024	44,421	56,140	100,561
At 1 January 2025	44,421	56,140	100,561
Additions	2,521	–	2,521
Disposal	(660)	–	(660)
At 31 December 2025	46,282	56,140	102,422
Accumulated depreciation			
At 1 January 2024	27,933	31,062	58,995
Charge for the year	4,753	6,269	11,022
Disposal	(33)	–	(33)
At 31 December 2024	32,653	37,331	69,984
At 1 January 2025	32,653	37,331	69,984
Charge for the year	4,778	6,269	11,047
Disposal	(619)	–	(619)
At 31 December 2025	36,812	43,600	80,412
Carrying amounts			
At 1 January 2024	12,121	25,078	37,199
At 31 December 2024	11,768	18,809	30,577
At 31 December 2025	9,470	12,540	22,010
Right-of-use assets classified within property, plant and equipment			
	Leasehold land and buildings \$'000	Furniture, fittings, plant and equipment and improvements \$'000	Total \$'000
Group			
Balance at 1 January 2024	702,280	3,207	705,487
Additions to right-of-use assets	12,821	1,034	13,855
Termination of lease	(109)	(111)	(220)
Depreciation charge for the year	(33,944)	(1,566)	(35,510)
Translation differences on consolidation	(789)	(10)	(799)
Balance at 31 December 2024	680,259	2,554	682,813

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold land and buildings \$'000	Furniture, fittings, plant and equipment and improvements \$'000	Total \$'000
Group			
Balance at 1 January 2025	680,259	2,554	682,813
Additions to right-of-use assets	19,488	824	20,312
Termination of lease	(1,972)	(51)	(2,023)
Depreciation charge for the year	(35,771)	(1,610)	(37,381)
Translation differences on consolidation	(2,792)	(549)	(3,341)
Balance at 31 December 2025	659,212	1,168	660,380

	Buildings \$'000
Company	
Balance at 1 January 2024	25,078
Depreciation charge for the year	(6,269)
Balance at 31 December 2024	18,809
Balance at 1 January 2025	18,809
Depreciation charge for the year	(6,269)
Balance at 31 December 2025	12,540

(a) Included in property, plant and equipment are certain hotel properties of the Group with carrying amount totalling \$253,147,000 (2024: \$338,760,000) which are mortgaged to certain financial institutions to secure credit facilities (refer to notes 22, 23 and 24 for more details of the facilities).

(b) The Group undertook its annual review of the carrying amounts of hotels and property assets for indicators of impairment. Where indicators of impairment were identified, the recoverable amounts were estimated based on internal or external valuations undertaken by the Group. The cash generating units (CGU) are individual hotels.

The recoverable amounts of individual hotels, being the higher of the fair value less costs to sell and the value-in-use, were predominantly determined using the fair value less costs to sell approach and were estimated using the discounted cash flow method and direct comparison method (2024: discounted cash flow method and income capitalisation method). Under the discounted cashflow method, the fair value measurement reflects current market expectations about an efficient third party operator's future cash flows. The discounted cash flow method involves estimating each hotel's future cash flows and discounting the cash flows with an internal rate of return to arrive at the market value, taking into consideration the assumptions in respect of revenue growth (principally factoring in room rate and occupancy growth) and major expense items for each hotel. The future cash flows are based on assumptions about competitive growth rates for hotels in that area, as well as the internal business plan for the hotel in the relevant market. These plans and forecasts include management's most recent view of trading prospects for the hotel in the relevant market. The direct comparison method involves an analysis of comparable sales of similar properties and adjusting the transacted prices to those reflective of the related property of the Group. The income capitalisation method involves capitalising the projected net operating income of the hotel in its stabilised trading year using a single year capitalisation rate, while factoring in allowances for the income shortfall up to stabilisation and any capital expenditures incurred.

Where appropriate, the Group sought guidance on fair values of hotels from independent external valuers with appropriate professional qualifications and recent experience in the location and category of the properties being valued. In relying on the valuation reports, the Group has exercised its judgement and is satisfied that the valuation method and estimates are reflective of current market conditions.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The fair value measurement was categorised as a Level 3 fair value based on the inputs to the valuation technique used.

In 2025, the Group recognised a net impairment loss of \$584,000 on certain hotel properties and a club, comprising impairment loss of \$8,092,000 on two hotels in Australasia and a club in Asia, net of reversal of impairment loss of \$7,508,000 on one hotel in United States of America (US), one hotel in Europe and one hotel in Australasia. The impairment losses recognised on the two hotels in Australasia mainly arose from weaker trading performance. The impairment loss recognised on the club in Asia was a result of its weak financial performance. The impairment losses reversed during the year mainly arose from improved trading performances of certain hotel properties, following progressive recovery of the hospitality sector in countries where these hotels are located. The total recoverable amounts of properties on which impairment losses were recognised and reversed during the year were estimated to be \$229,895,000 as at 31 December 2025, using discounted cash flow method.

In 2024, the Group recognised a net reversal of impairment loss of \$59,797,000 on certain hotel properties, comprising reversal of impairment loss of \$65,183,000 on three hotels in US, one hotel in Europe, one hotel in Australasia and a club in Asia, net of impairment losses made of \$5,386,000 on one hotel in Europe, one hotel in Asia and one hotel in Australasia. The impairment losses reversed during the year mainly arose from improved trading performances of certain hotel properties, following progressive recovery of the hospitality sector in countries where these hotels are located. The impairment loss reversed on the club in Asia was a result of its stronger financial performance. The total recoverable amounts of the properties on which impairment losses were recognised and reversed during the year were estimated to be \$674,356,000 as at 31 December 2024, using discounted cash flow method.

Impairment losses recognised or reversed were included in "other operating expenses" in the consolidated statement of profit or loss, and the hotel operations and others segment.

The key assumptions used in estimating the recoverable amounts are set out below:

	US	Europe	Asia	Australasia
Occupancy rate				
2025	84.0% to 89.0%	76.0% to 83.0%	NA	50.1% to 78.3%
2024	87.0% to 95.0%	68.0% to 76.0%	52.7% to 56.5%	50.4% to 73.9%
Average room rate growth				
2025	2.6% to 5.0%	2.0% to 13.0%	NA	1.3% to 13.2%
2024	0.3% to 5.4%	2.5% to 10.4%	2.0% to 5.0%	2.0% to 4.5%
Discount rate				
2025	8.8%	10.5%	NA	10.5% to 11.8%
2024	9.0%	9.0% to 12.5%	10.6%	10.5% to 12.0%
Terminal rate				
2025	6.8%	8.5%	NA	9.0% to 10.3%
2024	6.8%	6.5% to 10.0%	10.0%	9.0% to 10.5%

The cash flow forecasts under the discounted cash flow method cover a five to ten years (2024: five to ten years) period, and cash flows beyond this period are extrapolated using a growth rate ranging between 2.0% to 3.0% (2024: 2.0% to 3.0%), which is based upon the expected trading growth for each hotel and inflation in the country in which the hotel is located.

Sensitivity analysis

The Group's impairment review is sensitive to changes in the key assumptions used. An increase in occupancy rate and/or average room rate growth in isolation would result in a higher recoverable amount. An increase in discount rate or terminal rate in isolation would result in a lower recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

5 INVESTMENT PROPERTIES

	Note	Group \$'000	Company \$'000
Cost			
At 1 January 2024		7,574,077	84,562
Additions		716,040	116
Disposal/Written off		(48,843)	(35,912)
Disposal of subsidiaries	39	(20,152)	–
Transfer to assets held for sale		(119,702)	–
Translation differences on consolidation		(28,027)	–
At 31 December 2024		<u>8,073,393</u>	<u>48,766</u>
At 1 January 2025		8,073,393	48,766
Additions		539,768	–
Disposal/Written off		(287,804)	(45)
Transfer from development properties		8,174	–
Disposal of a subsidiary	39	(15,057)	–
Transfer to assets held for sale		(290,898)	–
Translation differences on consolidation		(16,607)	–
At 31 December 2025		<u>8,010,969</u>	<u>48,721</u>
Accumulated depreciation and impairment losses			
At 1 January 2024		1,283,033	28,716
Charge for the year		135,544	757
Disposal/Written off		(25,183)	(14,718)
Disposal of subsidiaries	39	(13,525)	–
Impairment loss recognised		19,513	–
Transfer to assets held for sale		(24,006)	–
Translation differences on consolidation		2,376	–
At 31 December 2024		<u>1,377,752</u>	<u>14,755</u>
At 1 January 2025		1,377,752	14,755
Charge for the year		137,801	530
Disposal/Written off		(43,780)	–
Disposal of a subsidiary	39	(11,091)	–
Impairment loss recognised		74,324	–
Transfer to assets held for sale		(116,693)	–
Translation differences on consolidation		(329)	–
At 31 December 2025		<u>1,417,984</u>	<u>15,285</u>
Carrying amounts			
At 1 January 2024		6,291,044	55,846
At 31 December 2024		<u>6,695,641</u>	<u>34,011</u>
At 31 December 2025		<u>6,592,985</u>	<u>33,436</u>
Fair value			
At 1 January 2024		12,435,975	363,418
At 31 December 2024		<u>13,006,637</u>	<u>230,618</u>
At 31 December 2025		<u>13,003,076</u>	<u>230,618</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

5 INVESTMENT PROPERTIES (CONT'D)

- (a) Investment properties comprise commercial, residential, hotel, serviced residences, purpose-built student accommodation (PBSA) and industrial properties that are leased to external customers. Generally, each of the leases is fixed for a period of 1 to 33 years (2024: 1 to 30 years), and subsequent renewals are negotiated at prevailing market rates and terms.
- (b) During 2025, the Group and the Company disposed of certain investment properties with a net carrying amount of \$240.3 million and Nil, respectively (2024: \$23.5 million and \$21.2 million) to unrelated third parties for considerations of \$376.3 million and Nil (2024: \$165.6 million and \$137.2 million).
- (c) During 2025, the Group's transfer from development properties to investment properties relates to carpark lots located in Hong Leong Plaza Hongqiao which commenced leasing activities.
- (d) As at 31 December 2025, investment properties of the Group with a total carrying amount of \$1,466,362,000 (2024: \$1,502,492,000) were mortgaged to (i) certain financial institutions to secure credit facilities (refer to notes 22 and 23 for more details of the facilities); and (ii) a lessee as collateral for security deposit held of \$3,026,000 (2024: \$3,148,400) which will be discharged on termination of the lease.
- (e) The Group undertook its annual review of carrying amounts of investment properties for indicators of impairment. Where indicators of impairment were identified, recoverable amounts were estimated based on internal or external valuations undertaken. The cash generating units (CGU) are individual properties.

The recoverable amounts of investment properties, being the higher of the fair value less costs to sell and value-in-use, were predominantly determined using the fair value less costs to sell approach, and were estimated using direct comparison, income capitalisation, standardised land value adjustment, discounted cash flow and residual methods (2024: income capitalisation, direct comparison, standardised land value adjustment, discounted cash flow and residual methods).

Based on the impairment assessment undertaken in 2025, the Group recognised a net impairment loss of \$74,324,000 which comprises impairment loss of \$105,492,000 on three projects in China, net of reversal of impairment loss of \$31,168,000 on a commercial building and two PBSA properties in the United Kingdom (UK), and two private rented sector properties in Australasia. Of the three commercial projects in China for which an impairment loss was recognised, two of them were investment properties in Shanghai that were reclassified to assets held for sale (note 18). The carrying amount of these properties were written down to fair value less cost to sell, prior to their reclassification to assets held for sale. The impairment loss recognised for the other commercial project was mainly due to prolonged slow-down in real estate market in China. The reversal of impairment loss mainly relates to higher gross rental rates and lower capitalisation rate for a commercial property in UK.

In 2024, the Group recognised an impairment loss of \$19,513,000 on two PBSA properties in the UK, two private rented sector properties in Australasia and one commercial project under construction in China. The impairment loss recognised during the year was mainly due to higher purchaser acquisition costs for the said commercial properties in UK, lower gross development value estimated by the valuer for the said properties in Australasia, and the downturn in real estate market in China which remained challenging, along with higher than expected development costs incurred on the project in China.

The impairment loss was recognised in "other operating expenses" and the investment properties segment.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

5 INVESTMENT PROPERTIES (CONT'D)

The key assumptions used in estimating the recoverable amounts are set out below:

2025	China	UK	Australasia
Capitalisation rate	NA	PBSA: 5.85% Commercial: 5.78%	Residential: 4.50% Commercial: 5.75%
Rental rate per bed per week	NA	PBSA: \$308 to \$313	NA
Price per square metre ("psm")	Commercial: \$319 to \$3,879	NA	Residential: \$14,243
2024	China	UK	Australasia
Capitalisation rate	NA	PBSA: 5.50%	NA
Rental rate per bed per week	NA	PBSA: \$284 to \$301	NA
Gross development value	NA	NA	Residential: \$155 million
Estimated cost to completion	NA	NA	Residential: \$67 million
Price per square metre ("psm")	Commercial: \$639	NA	Residential: \$12,402

Sensitivity analysis

The Group's impairment review is sensitive to changes in the key assumptions used. An increase in rental rate per bed per week, price psm or gross development value in isolation would result in a higher recoverable amount. An increase in capitalisation rate or estimated cost to completion in isolation would result in a lower recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

5 INVESTMENT PROPERTIES (CONT'D)

(f) Determination of fair value

The fair values for a majority of the Group's investment properties are determined by independent external valuers who have appropriate recognised professional qualifications and recent experience in the location and category of the investment properties being valued. The fair values of certain investment properties located in Singapore are based on in-house valuations conducted by a licensed valuer who is also an officer of the Company. The internal valuer has appropriate recognised professional qualifications and experience in the location and category of the investment properties being valued.

The fair values of the investment properties were estimated using the direct comparison, discounted cash flow, income capitalisation, standardised land value adjustment and residual methods. The direct comparison method involves an analysis of comparable sales of similar properties and adjusting the transacted prices to those reflective of the investment properties of the Group. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The income capitalisation method capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The standardised land value adjustment method considers the price of standard land in the current situation of development and utilisation, under normal market conditions within legal maximum use term as at a special date, that is assessed and approved by the local government. The residual method involves deducting the estimated cost to complete as of valuation date and other relevant costs from gross development value of the proposed development assuming satisfactory completion and accounting for developer's profit.

The fair value disclosure for the investment properties for the Group and the Company has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

6 ASSETS HELD FOR SALE

	Group	
	2025 \$'000	2024 \$'000
Assets held for sale		
Investment properties	174,919	95,900
Property, plant and equipment	719	10,188
Trade and other receivables	1	–
Cash and cash equivalents	424	–
	176,063	106,088
Liabilities directly associated with the assets held for sale		
Trade and other payables	2,938	–

At 31 December 2025, assets held for sale relate to the following proposed divestments:

- The Group's indirect subsidiary, Fusion North Limited, has entered into an equity transfer agreement to dispose of its 100% interest in Shanghai Fusion Enterprise Management Co., Ltd which holds Yaojiang International (which is in the investment properties segment), to a third party for a sale consideration of RMB94.1 million (\$17.2 million). The sale was completed in February 2026 and the gain on disposal is not material to the Group.
- The Group has entered into a sale and purchase agreement to dispose of Quayside Isle (which is in the investment properties segment), owned by Cityview Place Holdings Pte. Ltd., to a third party for a sale consideration of \$97.3 million. The sale was completed in February 2026 and the gain on disposal is estimated at \$30.7 million.
- In 2025, the Group commenced the marketing of Hong Leong Plaza Hongqiao located in Shanghai for divestment. As at 31 December 2025, pursuant to planned divestment of Hong Leong Plaza Hongqiao (which is in the investment properties segment) located in Shanghai, the investment property was reclassified as assets held for sale.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

6 ASSETS HELD FOR SALE (CONT'D)

At 31 December 2024, assets held for sale were related to the following proposed divestments:

- The Group's indirect subsidiary, City Condominiums Pte Ltd, entered into a sale and purchase agreement to dispose of two strata units in Fortune Centre (which was in the investment properties segment), to a third party for a sale consideration of \$3.2 million. The sale was completed in February 2025 and the Group recognised a gain of \$2.9 million on the sale.
- The Group entered into a sale and purchase agreement to dispose of the retail component of Hong Leong City Center (which was in the investment properties segment), owned by Suzhou Global City Genway Properties Co Ltd., to a joint venture for a sale consideration of RMB548.1 million (\$102.0 million). The sale was completed in February 2025 and the Group recognised a gain of \$0.9 million on the sale.
- The Group's indirect subsidiary, Millennium & Copthorne Hotels Limited, entered into a sale and purchase agreement to sell Millennium Hotel St Louis (which was in the hotel operations segment), to a third party for a sale consideration of US\$7.5 million (\$10.2 million). The sale was completed in July 2025.

7 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES

	Note	Company	
		2025 \$'000	2024 \$'000
Investments in subsidiaries			
Unquoted shares, at cost		1,972,407	1,972,344
Impairment losses		(21,798)	(21,735)
		1,950,609	1,950,609
Balances with subsidiaries			
Amounts owing by subsidiaries:			
– trade		85,181	76,149
– non-trade, interest-free		6,603,551	7,096,770
– non-trade, interest-bearing		10,131,284	9,023,535
		16,820,016	16,196,454
Impairment losses		(320,350)	(322,927)
		16,499,666	15,873,527
Receivable:			
– Within 1 year	16	8,092,958	7,213,297
– After 1 year	12	8,406,708	8,660,230
		16,499,666	15,873,527
Amounts owing to subsidiaries:			
– trade		277	329
– non-trade, interest-free		1,266,840	734,962
– non-trade, interest-bearing		675,932	852,725
		1,943,049	1,588,016
Repayable:			
– Within 1 year	30	1,943,049	943,016
– After 1 year	27	–	645,000
		1,943,049	1,588,016

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

7 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (CONT'D)

The Company assessed the carrying amount of its investments in subsidiaries for indicators of impairment. Based on the assessment in 2025, the Company recognised an impairment loss of \$63,000 on its investment in a wholly-owned subsidiary, which is in process of liquidation after taking into consideration of its financial position. Based on the assessment in 2024, the Company recognised an impairment loss of \$10,117,000 on its investments in two wholly-owned subsidiaries, with one subsidiary in liquidation while the other subsidiary in process of liquidation after taking into consideration of their financial position. The recoverable amounts of subsidiaries were estimated taking into consideration fair values of underlying assets and the liabilities of the subsidiaries. The fair value measurement was categorised as a Level 3 in the fair value hierarchy based on the inputs to the valuation techniques used.

The non-trade amounts owing by and to subsidiaries are unsecured. In respect of interest-bearing amounts owing by and to subsidiaries, interest was charged at 1.00% to 5.37% (2024: 1.00% to 6.37%) per annum and at 3.33% to 4.60% (2024: 3.33% to 4.60%) per annum respectively, as at 31 December 2025.

The non-trade balances with subsidiaries that are presented as receivable or repayable within one year are receivable or repayable on demand. The non-trade amounts owing by subsidiaries receivable after one year are loans to subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the Company's net investments in subsidiaries.

Information about the Company's exposure to credit risk on the amounts owing by subsidiaries is included in note 41.

Impairment losses

The movements in impairment losses in respect of investments in subsidiaries and amounts owing by subsidiaries during the year are as follows:

	Investments in subsidiaries		Amounts owing by subsidiaries	
	2025 \$'000	2024 \$'000	Lifetime ECL – not credit impaired 2025 \$'000	2024 \$'000
At 1 January	21,735	11,618	322,927	313,928
Impairment loss recognised/(written back)	63	10,117	(2,577)	8,999
At 31 December	21,798	21,735	320,350	322,927

During 2025, the write back in loss allowance on amounts owing by subsidiaries was due to improved financial positions of the subsidiaries. During 2024, the increase in loss allowance on amounts owing by subsidiaries was due to a decline in the financial positions of the subsidiaries.

Further details regarding the Group's subsidiaries are set out in note 43.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

8 INVESTMENTS IN AND BALANCES WITH ASSOCIATES

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Investments in associates					
Investments in associates		1,259,041	1,308,234	–	–
Impairment loss		(3,000)	(3,000)	–	–
		1,256,041	1,305,234	–	–
Balances with associates					
Amounts owing by associates receivable					
within 1 year:					
– trade		11,913	11,798	1,284	1,284
– non-trade, interest free		1,206	1,537	–	–
		13,119	13,335	1,284	1,284
Impairment losses		(358)	(364)	–	–
	16	12,761	12,971	1,284	1,284
Amount owing to an associate payable					
within 1 year:					
– trade		3,973	4,780	71	–
– non-trade, interest-free		2,165	2,183	–	–
	30	6,138	6,963	71	–

The non-trade amounts owing by and to associates are unsecured and repayable on demand.

Included in the Group's investments in associates are investments in three associates (2024: three associates) which are listed on the Mainboard of Singapore Exchange Securities Trading Limited (SGX-ST). As at the reporting date, the aggregate carrying amount of these investments was \$1,160.1 million (2024: \$1,206.5 million) and the fair values based on the published price quotation (Level 1 in the fair value hierarchy) was \$799.2 million (2024: \$822.9 million). In respect of these associates, management had assessed the recoverable amounts of these investments and determined that as their net asset values based on their latest available financial statements to be higher than the carrying amount as at the reporting date, therefore no impairment loss for these investments is considered necessary.

The movements in impairment losses in respect of investments in associates and amounts owing by associates are as follows:

	Investments in associates	Amounts owing by associates			
		Lifetime ECL – not credit-impaired			
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Group					
At 1 January	3,000	3,000	364	362	
Translation differences on consolidation	–	–	(6)	2	
At 31 December	3,000	3,000	358	364	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

8 INVESTMENTS IN AND BALANCES WITH ASSOCIATES (CONT'D)

Immaterial associates

The Group has interests in a number of individually immaterial associates. The following table summarises, in aggregate, the Group's share of profit and other comprehensive income of these immaterial associates that are accounted for using the equity method:

	Group	
	2025 \$'000	2024 \$'000
Carrying amount of interests in individually immaterial associates	1,256,041	1,305,234
Group's share of:		
– (loss)/profit from continuing operations	(35,519)	14,150
– other comprehensive income	23,111	(10,485)
– total comprehensive income	(12,408)	3,665

9 INVESTMENTS IN AND BALANCES WITH JOINT VENTURES

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Investments in joint ventures					
Investments in joint ventures		958,917	1,174,618	37,360	37,360
Impairment losses		(11,981)	(12,164)	–	–
		946,936	1,162,454	37,360	37,360
Balances with joint ventures					
Amounts owing by joint ventures:					
– trade		41,801	18,363	1	45
– non-trade, interest-bearing		1,101,629	1,372,267	–	–
– non-trade, interest-free		243,571	272,691	86,414	112,215
		1,387,001	1,663,321	86,415	112,260
Impairment losses		(4,431)	(4,431)	(10,524)	(5,246)
		1,382,570	1,658,890	75,891	107,014
Receivable:					
– Within 1 year	16	692,434	857,153	75,891	107,014
– After 1 year	12	690,136	801,737	–	–
		1,382,570	1,658,890	75,891	107,014
Amounts owing to joint ventures payable					
within 1 year:					
– trade		15	15	–	–
– non-trade, interest-free		87,755	88,741	22,727	22,727
– non-trade, interest-bearing		757	757	–	–
	30	88,527	89,513	22,727	22,727

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

9 INVESTMENTS IN AND BALANCES WITH JOINT VENTURES (CONT'D)

- (a) At the reporting date, included in the carrying amount of the Group's investments in joint ventures is goodwill amounting to \$15.3 million (2024: \$15.3 million) relating to the Group's interests in one (2024: one) joint venture.

The movement in impairment losses in respect of investments in joint ventures are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
At 1 January	12,164	12,105	–	–
Translation differences on consolidation	(183)	59	–	–
At 31 December	11,981	12,164	–	–

The impairment loss recognised was included in "Share of after-tax profit of joint ventures" in the consolidated statement of profit or loss and the investment properties segment.

- (b) The non-trade amounts owing by joint ventures are unsecured. In respect of interest-bearing amounts owing by joint ventures, interest at rates ranging from 2.00% to 3.00% (2024: 2.00% to 4.05%) per annum were charged by the Group.

The non-trade amounts presented as receivable within one year are receivable on demand.

The non-trade amounts owing by joint ventures after one year are loans to joint ventures for which settlement was neither planned nor likely to occur in the foreseeable future.

- (c) The non-trade amounts owing to joint ventures are unsecured and repayable on demand. In respect of interest-bearing amounts owing to a joint venture, interest is charged at 1.65% (2024: 1.65%) per annum.

Immaterial joint ventures

The Group has interests in a number of individually immaterial joint ventures. The following table summarises, in aggregate, the share of profit and other comprehensive income of these immaterial joint ventures that are accounted for using the equity method:

	Group	
	2025 \$'000	2024 \$'000
Carrying amount of interests in individually immaterial joint ventures	946,936	1,162,454
Group's share of:		
– profit from continuing operations	216,795	46,641
– other comprehensive income	(11,622)	(299)
– total comprehensive income	205,173	46,342

The Group's share of the joint ventures' commitments is as follows:

	Group	
	2025 \$'000	2024 \$'000
Commitments		
Development expenditure contracted but not provided for in the financial statements	351,424	372,366
Capital expenditure contracted but not provided for in the financial statements	86,644	33,482

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

10 FINANCIAL ASSETS

Note	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Non-current investments				
Unquoted equity investments at FVOCI				
– a fellow subsidiary	(a) 446,884	394,133	446,884	394,133
– a non-related company	25,270	22,166	–	–
	472,154	416,299	446,884	394,133
Unquoted equity investments mandatorily at FVTPL				
– other related parties	116,533	159,421	–	–
– non-related companies	85,146	86,774	–	–
	201,679	246,195	–	–
Quoted equity investments at FVOCI				
– a fellow subsidiary	28,508	26,876	23,973	22,600
– an associate	87,027	88,609	–	–
	115,535	115,485	23,973	22,600
Quoted equity investments mandatorily at FVTPL				
– an associate	408	408	–	–
– non-related companies	2,328	1,708	2,129	1,337
	2,736	2,116	2,129	1,337
Total non-current financial assets	792,104	780,095	472,986	418,070
Current investments				
Quoted equity investments mandatorily at FVTPL				
– an associate	90	93	90	93
– non-related companies	4,623	4,702	–	–
	4,713	4,795	90	93
Unquoted debt investment at amortised cost				
– a non-related company	(b) 295,458	312,501	–	–
Impairment loss	(295,458)	(312,501)	–	–
	–	–	–	–
Total current financial assets	4,713	4,795	90	93
Total financial assets	796,817	784,890	473,076	418,163

- (a) Fellow subsidiaries are subsidiaries of the immediate holding company.

- (b) Unquoted debt investment at amortised cost with gross carrying amount of \$295,458,000 (US\$230 million) (2024: \$312,501,000 (US\$230 million)) relates to the Group's investment in a US\$ bond issued by Chongqing Sincere Yuanchuang Industrial Co., Ltd and its subsidiaries (Sincere Property Group). As at 31 December 2025 and 31 December 2024, the issuer remained under bankruptcy reorganisation, and the bond remained unpaid and was fully impaired. The Group has no collateral in respect of this investment.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

10 FINANCIAL ASSETS (CONT'D)

The movement in the allowance for impairment for debt investments at amortised cost during the year was as follows:

	Lifetime ECL credit -impaired	
	2025 \$'000	2024 \$'000
Balance as at 1 January	312,501	304,405
Translation differences on consolidation	(17,043)	8,096
Balance as at 31 December	295,458	312,501

The Group undertook an impairment assessment of the investment in the bond.

As at 31 December 2024, Sincere Property Group remained under bankruptcy reorganisation, and no reorganisation plan had been finalised. In 2025, the reorganisation plan received approval from the Chongqing No. 5 Intermediate People's Court following requisite votes secured in a creditors' meeting and is in the process of being implemented.

As at 31 December 2025 and 31 December 2024, the Group assessed that the investment in the bond remained to be credit-impaired. The Group assessed lifetime ECL to be recognised, taking into consideration the latest developments at Sincere Property Group based on available information at the reporting dates, prevailing market conditions and price trends of corporate bonds issued by other China real estate developers facing similar debt and liquidity challenges.

Based on the assessment undertaken, the investment in the bond remained fully impaired. The key parameter applied in estimating the ECL to be recognised include assuming a loss given default ("LGD") of 100% having considered the uncertainty surrounding the complex bankruptcy reorganisation with the passage of time, which posed challenges to the recovery of the investment in the bond.

As the implementation of the reorganisation plan is ongoing, the recovery remains uncertain and subject to change as the process progresses. Changes to circumstances and estimates may impact the ECL recognised on the investment in the bond. The ECL on the investment in the bond is sensitive to the assumptions used. As the investment in the bond has been fully impaired, any decrease in LGD in isolation would result in a lower ECL.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

10 FINANCIAL ASSETS (CONT'D)

(c) Equity investments designated at FVOCI

The Group designated the equity investments shown below as equity investments at FVOCI because these equity investments represent investments that the Group intends to hold for the long-term for strategic purposes.

	Fair value \$'000	Group Dividend income recognised \$'000	Fair value \$'000	Company Dividend income recognised \$'000
2025				
Unquoted investment in a fellow subsidiary:				
– Hong Leong Holdings Limited	446,884	3,071	446,884	3,071
Unquoted investment in a non-related company:				
– Singapore-Suzhou Township Development Pte. Ltd.	25,270	358	–	–
Quoted investment in a fellow subsidiary:				
– Hong Leong Finance Limited	28,508	1,388	23,973	1,167
Quoted investment in an associate:				
– First Sponsor Group Limited Series 3 Perpetual Convertible Capital Securities	87,027	–	–	–
2024				
Unquoted investment in a fellow subsidiary:				
– Hong Leong Holdings Limited	394,133	2,869	394,133	2,869
Unquoted investment in a non-related company:				
– Singapore-Suzhou Township Development Pte. Ltd.	22,166	714	–	–
Quoted investment in a fellow subsidiary:				
– Hong Leong Finance Limited	26,876	1,387	22,600	1,167
Quoted investment in an associate:				
– First Sponsor Group Limited Series 3 Perpetual Convertible Capital Securities	88,609	–	–	–

Information about the Group's and the Company's exposures to credit and market risks, and fair value measurement, is included in note 41.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

11 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Derivative financial assets				
Cross currency swaps	14,622	15,213	14,622	13,758
Foreign exchange swaps contracts	1,346	1,294	1,346	1,294
Interest rate swaps	6,290	10,102	6,114	10,102
	22,258	26,609	22,082	25,154
Non-current	13,998	8,539	13,822	8,539
Current	8,260	18,070	8,260	16,615
	22,258	26,609	22,082	25,154
Derivative financial liabilities				
Cross currency swaps	(7,126)	(8,951)	(7,126)	(8,768)
Foreign exchange swaps contracts	(8,674)	(2,836)	(8,674)	(2,836)
Interest rate swaps	(13,566)	(5,666)	(12,085)	(3,612)
	(29,366)	(17,453)	(27,885)	(15,216)
Non-current	(12,438)	(10,128)	(10,957)	(8,074)
Current	(16,928)	(7,325)	(16,928)	(7,142)
	(29,366)	(17,453)	(27,885)	(15,216)

As at the reporting date, the Group has cross-currency swaps, foreign exchange swaps contracts and interest rate swaps with a total notional amount of \$1,565,588,000 (2024: \$1,688,590,000), \$1,329,168,000 (2024: \$947,081,000) and \$3,027,019,000 (2024: \$2,011,118,000) respectively. The Company has cross-currency swaps, foreign exchange swaps contracts and interest rate swaps with a total notional amount of \$1,565,588,000 (2024: \$1,565,497,000), \$1,329,168,000 (2024: \$947,081,000) and \$2,796,859,000 (2024: \$1,912,243,000) respectively.

12 OTHER NON-CURRENT ASSETS

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Amounts owing by subsidiaries	7	–	–	8,406,708	8,660,230
Amounts owing by joint ventures	9	690,136	801,737	–	–
Deposits		11,717	34,530	–	–
Other receivables		14,374	13,928	–	–
Restricted bank deposits	18	69,929	84,162	–	–
		786,156	934,357	8,406,708	8,660,230
Prepayments		29,543	31,609	–	–
Intangible assets		1,761	2,073	–	–
Deferred tax assets	29	29,967	35,414	–	–
		847,427	1,003,453	8,406,708	8,660,230

NOTES TO THE FINANCIAL STATEMENTS

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13 DEVELOPMENT PROPERTIES

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Properties under development, for which revenue is to be recognised over time	1,800,306	1,430,301	–	–
Properties under development, for which revenue is to be recognised at a point in time	4,265,203	2,115,494	–	–
Completed units	1,303,974	1,472,165	161,687	161,687
	7,369,483	5,017,960	161,687	161,687
Allowance for foreseeable losses	(225,141)	(167,441)	–	–
Total development properties	7,144,342	4,850,519	161,687	161,687

(i) Allowance for foreseeable losses

Movements in allowance for foreseeable losses are as follows:

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
At 1 January		167,441	171,509	–	–
Allowance made	32	80,459	4,236	–	–
Allowance utilised		(23,641)	(9,623)	–	–
Translation differences on consolidation		882	1,319	–	–
At 31 December		225,141	167,441	–	–

The allowance for foreseeable losses is determined after taking into account estimated selling prices, estimated total construction costs and selling expenses. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing property market conditions. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred. The allowance made for foreseeable losses is included in "cost of sales".

(ii) Development properties of the Group recognised as cost of sales, excluding allowance for foreseeable losses, amounted to \$908,246,000 (2024: \$741,000,000) for the year.

(iii) Development properties of the Group with carrying amounts of \$323,767,000 (2024: \$396,997,000) are mortgaged to financial institutions to secure credit facilities (refer to note 22).

14 CONTRACT COSTS

The amount relates to commission fees paid to property agents for securing sale contracts for the Group's development properties. During the year, \$12,601,000 (2024: \$41,460,000) of commission fees were capitalised as contract costs.

Capitalised commission fees are amortised when the related revenue is recognised. During the year, \$22,147,000 (2024: \$17,117,000) was amortised. There is no impairment loss in relation to such costs capitalised.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

15 CONTRACT ASSETS/(LIABILITIES)

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Contract assets	373,905	319,815	–	–
Contract liabilities	(283,735)	(271,975)	–	–

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

	Group	
	2025 \$'000	2024 \$'000
Contract liabilities at the beginning of the year recognised as revenue during the year	83,450	153,431
Increases due to cash received, excluding amounts recognised as revenue during the year	(94,615)	(268,494)
Contract assets reclassified to trade receivables	(319,815)	(937,055)
Changes in measurement of progress	373,905	319,815

16 TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Trade receivables		273,283	329,764	601	725
Impairment losses		(32,069)	(26,793)	(79)	(153)
		241,214	302,971	522	572
Other receivables		508,384	506,581	3,655	6,245
Impairment losses		(376,413)	(393,678)	(1,094)	(1,046)
		131,971	112,903	2,561	5,199
Accrued rent receivables		46,658	43,719	–	–
Impairment losses		(3,008)	(1,490)	–	–
		43,650	42,229	–	–
Deposits		50,793	186,661	268	271
Amounts owing by:					
– subsidiaries	7	–	–	8,092,958	7,213,297
– associates	8	12,761	12,971	1,284	1,284
– joint ventures	9	692,434	857,153	75,891	107,014
– fellow subsidiaries	17	1,124	1,007	–	–
		1,173,947	1,515,895	8,173,484	7,327,637
Prepayments		74,606	83,396	3,981	3,262
Tax recoverable		16,186	14,102	–	–
		1,264,739	1,613,393	8,177,465	7,330,899

Included in other receivables of the Group as at 31 December 2025 is a receivable of \$364.9 million (2024: \$381.7 million) from HCP Chongqing Property Development Co., Ltd (HCP) and its subsidiaries (HCP Group) which has been fully impaired.

Included in deposits of the Group as at 31 December 2024 is an amount of \$169.6 million relating to deposit paid for the acquisition of mixed-use development site in Xintiandi area in Shanghai.

Information about the Group's and Company's exposure to credit risk on other receivables is included in note 41.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

17 AMOUNTS OWING BY AND TO FELLOW SUBSIDIARIES

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Amounts owing by fellow subsidiaries:					
– trade		124	7	–	–
– non-trade, interest free		1,000	1,000	–	–
	16	1,124	1,007	–	–

Amounts owing to fellow subsidiaries:

– trade		17	9	6	–
– non-trade, interest-free		–	2,356	–	–
– non-trade, interest-bearing		12,518	13,769	–	–
	30	12,535	16,134	6	–

The non-trade amounts owing to fellow subsidiaries are unsecured and repayable on demand. In respect of interest-bearing amounts owing to fellow subsidiaries, interest was charged at 2.00% (2024: 2.00%) per annum.

18 CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Fixed deposits		1,144,802	1,764,738	361,634	366,157
Cash at banks and in hand		915,117	1,236,646	66,628	178,628
Cash and cash equivalents in the statements of financial position		2,059,919	3,001,384	428,262	544,785
Restricted deposits included in other non-current assets	12	69,929	84,162	–	–
Cash and cash equivalents included in assets held for sale	6	424	–	–	–
	19	2,130,272	3,085,546	–	–
Restricted cash		(118,081)	(138,556)	–	–
Bank overdrafts	21	(43,245)	(277,338)	–	–
Cash and cash equivalents in the consolidated statement of cash flows		1,968,946	2,669,652	–	–

As at 31 December 2025, cash and cash equivalents of \$53,539,000 (2024: \$349,592,000) of the Group were held under project accounts and withdrawals from these project accounts are restricted to payments for expenditure incurred on the Group's development projects.

Cash at banks and fixed deposits for the Group and Company bore interest at 0.01% to 4.50% (2024: 0.05% to 5.91%) and 1.00% to 1.44% (2024: 2.26% to 3.27%) per annum respectively, as at 31 December 2025.

	Note	Group	
		2025 \$'000	2024 \$'000
Restricted cash:			
– Current		48,152	54,394
– Non-current	12	69,929	84,162
		118,081	138,556

As at 31 December 2025 and 31 December 2024, restricted cash comprise mainly deposits pledged to financial institutions as collateral for credit facilities granted (see note 22).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

19 SHARE CAPITAL

	Company		Company	
	2025	2024	2025	2024
	Number of shares	\$'000	Number of shares	\$'000
Issued and fully paid ordinary share capital with no par value:				
At 1 January	893,401,730	1,661,179	906,901,330	1,661,179
Less: Purchase of treasury shares	–	–	(13,499,600)	–
At 31 December	893,401,730	1,661,179	893,401,730	1,661,179
Issued and fully paid non-redeemable convertible non-cumulative preference share capital with no par value:				
At 1 January	268,008,149	281,183	297,786,832	304,410
Less: Purchase and cancellation of preference shares	(26,800,814)	(20,905)	(29,778,683)	(23,227)
At 31 December	241,207,335	260,278	268,008,149	281,183
		1,921,457		1,942,362

In 2024, the Company acquired 13,499,600 treasury shares for a total consideration of \$79,399,000 (including transaction costs). The consideration paid was recognised as deduction from the equity and presented as treasury shares.

As at 31 December 2025, the Company held 15,899,600 (2024: 15,899,600) treasury shares which represented 1.78% (2024: 1.78%) of the total number of issued shares (excluding treasury shares).

During the year, the Company acquired 26,800,814 (2024: 29,778,683) preference shares for a total consideration of \$20,905,000 (2024: \$23,227,000) and subsequently, cancelled them.

Ordinary share capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Preference share capital

The Company has in issue 241,207,335 (2024: 268,008,149) non-redeemable convertible non-cumulative preference shares (Preference Shares), listed on the Official List of Singapore Exchange Securities Trading Limited. The Preference Shares are convertible only at the option of the Company, into fully-paid ordinary shares of the Company at the conversion ratio of 0.136 ordinary share for each Preference Share.

In the event the Company exercises its right of conversion, the Company shall pay to preference shareholders a one-off preference cash dividend at the fixed rate of 64% (net) of the issue price for each Preference Share (Additional Preference Dividend) and any preference dividend accrued but unpaid.

As at 31 December 2025, a maximum number of 32,804,197 (2024: 36,449,108) ordinary shares are issuable upon full conversion at the sole option of the Company of all the Preference Shares.

Holdings of Preference Shares have no voting rights, except under certain circumstances provided for in the Singapore Companies Act and as set out in the Company's Constitution.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

19 SHARE CAPITAL (CONT'D)

Preference share capital (cont'd)

The Preference Shares rank:

- (i) *pari passu* without any preference or priority among themselves; and
- (ii) in priority over the ordinary shares (a) in respect of payment of the preference dividend (when, as and if declared) and the Additional Preference Dividend; and (b) in the event of a winding-up of or return of capital by the Company, payment of any preference dividend that has accrued to holders of Preference Shares and is unpaid, the Additional Preference Dividend (whether or not then due) as well as the amount paid up on the Preference Shares (including the premium paid thereon).

Capital management policy

The Group's primary objective in capital management is to maintain a strong capital base so as to maintain investor, creditor and market confidence, and to continue to maintain the future development and growth of the business.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. For this purpose, the Group defines "capital" as including all components of equity, including non-controlling interests. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares or other financial instruments.

The Group monitors capital using a net debt equity ratio, which is defined as net borrowings divided by total capital employed.

	Note	2025 \$'000	2024 \$'000
Gross borrowings		14,076,928	13,997,097
Cash and bank balances (including restricted deposits and cash and cash equivalents included in assets held for sale)	18	(2,130,272)	(3,085,546)
Net debt		11,946,656	10,911,551
Total capital employed		10,259,954	9,308,998
Net debt equity ratio		1.16	1.17

No changes were made to the above objectives, policies and processes during the years ended 31 December 2025 and 2024.

The Group derives income from its investments in the People's Republic of China. The conversion of the Chinese Renminbi is subject to the rules and regulations of foreign exchange control promulgated by the People's Republic of China government.

Under the Housing Developers (Control and Licensing) Act, in order to qualify for a housing developer's licence, certain subsidiaries of the Group are required to maintain a minimum paid-up capital. These entities complied with the capital requirement during the current and prior year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

20 RESERVES

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Treasury shares	(79,399)	(79,399)	(79,399)	(79,399)
Capital reserve	274,271	271,528	63,743	63,743
Fair value reserve	117,532	61,627	91,052	36,929
Hedging reserve	(20,088)	3,216	(9,083)	6,096
Other reserves	23,520	21,702	–	–
Share option reserve	483	417	–	–
Foreign currency translation reserve	(607,025)	(573,581)	–	–
Accumulated profits	7,960,817	7,440,419	5,117,508	5,141,089
	7,670,111	7,145,929	5,183,821	5,168,458

The treasury shares comprise the cost of the Company's shares held by the Group. At 31 December 2025, the reserve pertains to 13,499,600 of the Company's shares held by the Group (2024: 13,499,600).

The capital reserve comprises mainly:

- negative goodwill on the consolidation of subsidiaries which arose prior to 1 January 2017 under the previous accounting standards adopted;
- issue expenses; and
- reserves arising from the Group's acquisition of non-controlling interests in subsidiaries.

The fair value reserve comprises the cumulative net change in the fair value of equity instruments designated at FVOCI.

The hedging reserve comprises the effective portion of the cumulative net changes in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred (net of tax).

Other reserves comprise mainly reserves set aside by certain subsidiaries in compliance with the relevant regulations in the People's Republic of China and share of other reserves of associates and joint ventures.

The share option reserve comprises share of cumulative value of employee services received for the issue of share options of a joint venture.

The foreign currency translation reserve comprises mainly:

- foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Company;
- the gain or loss on financial instruments used to hedge the Group's net investment in foreign operations that are determined to be effective hedges; and
- exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

21 INTEREST-BEARING BORROWINGS

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Term loans	22	8,902,997	8,362,956	7,260,103	6,962,618
Bonds and notes	23	3,506,934	3,488,341	2,433,426	2,233,752
Bank loans	24	943,131	1,184,514	801,631	1,136,557
Bank overdrafts	18	43,245	277,338	–	–
		13,396,307	13,313,149	10,495,160	10,332,927
Non-current		10,220,530	8,717,481	7,672,641	6,556,534
Current		3,175,777	4,595,668	2,822,519	3,776,393
		13,396,307	13,313,149	10,495,160	10,332,927

Information about the Group's and the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 41.

22 TERM LOANS

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Secured		280,533	522,564	–	–
Unsecured		8,622,464	7,840,392	7,260,103	6,962,618
	21	8,902,997	8,362,956	7,260,103	6,962,618

The term loans are obtained from banks and financial institutions.

The secured term loans are generally secured by:

- mortgages on the borrowing subsidiaries' property, plant and equipment, investment properties and development properties (see notes 4, 5 and 13);
- assignment of all rights and benefits to sale, lease and insurance proceeds in respect of certain property, plant and equipment, investment and development properties; and
- pledge on cash deposits of \$73.4 million (2024: \$92.6 million).

The Group's secured term loans bore interest at 2.25% to 4.60% (2024: 1.65% to 5.42%) per annum as at 31 December 2025. Included in term loans of the Group as at 31 December 2025 is term loans of \$125.6 million (2024: \$192.4 million) to certain subsidiaries which were also secured by guarantees from their intermediate and/or immediate holding companies.

The Group's unsecured term loans bore interest at 1.17% to 5.33% (2024: 0.87% to 6.41%) per annum as at 31 December 2025. The Company's unsecured term loans bore interest at 1.17% to 5.33% (2024: 0.87% to 6.41%) per annum as at 31 December 2025.

Certain subsidiaries of the Group are subject to fulfilment of covenants relating to certain subsidiaries' balance sheet ratios on an on-going basis in connection with their banking facilities undertaken. The Group regularly monitors its compliance with these covenants. The Group has complied with the covenants throughout the period and expects to comply with the covenants for at least 12 months after the reporting date. Accordingly, the loans are classified as non-current liabilities as at 31 December 2025 and 31 December 2024. Any failure to comply with the covenants may result in the loans becoming payable on demand.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

23 BONDS AND NOTES

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Secured		1,073,508	1,254,589	–	–
Unsecured		2,433,426	2,233,752	2,433,426	2,233,752
	21	3,506,934	3,488,341	2,433,426	2,233,752

Secured bonds and notes comprise the following:

- (i) \$26 million [JPY3,000 million] bond as at 31 December 2024, which comprise 1 tranche issued by a subsidiary, that holds a Japan hotel (classified under investment properties) through a TMK structure. The bonds bore interest at 1.50% per annum as at 31 December 2024 and were secured by a guarantee from its intermediate holding company. The bond was redeemed in December 2025.
- (ii) \$82 million [JPY10,000 million] (2024: \$86 million [JPY10,000 million]) bonds comprising 2 tranches issued by a subsidiary, which holds a Japan hotel (classified under investment properties) through a TMK structure. The bonds bore interest at 1.20% to 1.86% (2024: 0.46% to 0.85%) per annum as at 31 December 2025.

The bondholders, under Article 128 of the Japan Asset Liquidation Law, are under a statutory lien to receive payment of their claims under the bonds prior to other creditors out of the assets of the TMK. The order of priority of such statutory lien shall be immediately after the general statutory liens under the Japan Civil Code. While the assets of the TMK are subject to a statutory preferred right, it is not considered a mortgage under Japan laws.

Unless previously redeemed or purchased and cancelled, the bonds are redeemable at their principal amounts on their maturity date in March 2030.

- (iii) \$425 million [JPY51,740 million] (2024: \$447 million [JPY51,740 million]) bonds comprising 1 tranche issued by a subsidiary, which indirectly holds Japan investment properties through a TMK structure. The bonds bore interest at 1.03% (2024: 0.78%) per annum as at 31 December 2025.

Unless previously redeemed or purchased and cancelled, the bonds are redeemable at their principal amounts on their maturity date in December 2031.

- (iv) \$570 million (2024: \$700 million) medium term notes (MTNs) which comprise 3 series (2024: 4 series) of notes issued by a subsidiary as part of a \$700 million secured MTN programme established in 2001. The MTNs bore interest at 3.14% to 3.73% (2024: 1.65% to 3.73%) per annum as at 31 December 2025 and are secured by a mortgage over an investment property and property, plant and equipment as well as rental and insurance proceeds to be derived from the said property.

Unless previously redeemed or purchased and cancelled, the MTNs are redeemable at their principal amounts on their respective maturity dates from June 2027 to August 2029 (2024: December 2025 to August 2029).

Unsecured bonds and notes comprise \$2,440 million (2024: \$2,240 million) medium term notes (MTNs) which comprise 9 series (2024: 8 series) of notes issued by the Company at various interest rates as part of a \$5.0 billion unsecured MTN programme established in 1999. The MTNs bore interest at 2.00% to 4.14% (2024: 2.00% to 4.14%) per annum as at 31 December 2025.

Unless previously redeemed or purchased and cancelled, the MTNs are redeemable at their principal amounts on their respective maturity dates from March 2026 to December 2030 (2024: January 2025 to October 2029).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

24 BANK LOANS

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Bank loans repayable within 1 year					
– secured		445	470	–	–
– unsecured		942,686	1,184,044	801,631	1,136,557
	21	943,131	1,184,514	801,631	1,136,557

The Group's secured bank loans bore interest at 2.28% (2024: 2.40%) per annum as at 31 December 2025. The loans are secured by mortgages on the borrowing subsidiary's property, plant and equipment (note 4) and a pledge on cash deposits (note 18).

The Group's unsecured bank loans bore interest at 1.72% to 5.00% (2024: 3.73% to 6.00%) per annum as at 31 December 2025. The Company's unsecured bank loans bore interest at 2.20% to 4.77% (2024: 4.73% to 5.76%) per annum as at 31 December 2025.

25 EMPLOYEE BENEFITS

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Net defined benefit asset	(5,401)	(4,877)	–	–
Net defined liability for:				
– defined benefit liability	3,953	3,912	–	–
– short-term accumulating compensated absences	28,163	29,094	2,468	2,546
– other long-term benefits	9,092	7,356	8,251	6,530
	41,208	40,362	10,719	9,076
Non-current	6,921	6,628	2,885	2,670
Current	34,287	33,734	7,834	6,406
	41,208	40,362	10,719	9,076

	Group	
	2025 \$'000	2024 \$'000
Net defined benefit asset		

Net defined benefit asset

Present value of unfunded obligations	3,681	3,352
Present value of funded obligations	81,487	79,959
Fair value of plan assets	(86,616)	(84,276)
Net defined benefit asset	(1,448)	(965)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

25 EMPLOYEE BENEFITS (CONT'D)

	Group	
	2025 \$'000	2024 \$'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at 1 January	83,311	90,903
Remeasurements:		
– Experience adjustment	1,458	(4,013)
– Actuarial gain from changes in financial assumptions	(589)	(5,153)
Benefits paid	(4,648)	(3,661)
Interest cost	4,119	3,999
Current service costs	367	305
Past service costs	–	2
Translation differences on consolidation	1,150	929
Defined benefit obligations at 31 December	85,168	83,311
Changes in the fair value of plan assets		
Fair value of plan assets at 1 January	84,276	88,826
Return on plan assets, excluding interest income	1,136	(6,011)
Contributions by employer	318	225
Benefits paid	(4,614)	(3,661)
Interest income	4,259	3,969
Translation differences on consolidation	1,241	928
Fair value of plan assets at 31 December	86,616	84,276
Represented by:		
Net defined benefit asset	(5,401)	(4,877)
Net defined benefit liability	3,953	3,912
	(1,448)	(965)

The fair values of plan assets in each category are as follows:

	Group	
	2025 \$'000	2024 \$'000
Equity	69,523	66,656
Bonds	10,131	11,116
Cash	6,962	6,504
Fair value of plan assets	86,616	84,276

Expenses recognised in profit or loss

Current service costs	367	305
Past service costs	–	2
Net interest (income)/costs	(140)	30
Defined benefit obligation expenses	227	337

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

25 EMPLOYEE BENEFITS (CONT'D)

The expenses are recognised in the following line items in profit or loss:

	Note	Group	
		2025 \$'000	2024 \$'000
Cost of sales		201	170
Administrative expenses		(28)	118
Other operating expenses		54	49
Defined benefit obligation expenses	32	227	337

The weighted average duration of the defined benefit obligations as at 31 December 2025 was 11 years (2024: 11 years).

The Group has paid \$9,000 (£5,000) (2024: \$10,000 (£6,000)) in contributions to the benefits in 2025. The Group previously ring-fenced \$8.9 million (£5.2 million) of cash to support the funding of the pension fund. Following the completion of the 2023 triennial valuation, which showed the plan in surplus on a technical provisions basis, the Scheme Actuary confirmed that no recovery plan is required. Accordingly, the ring-fenced funds were released to the Group during 2024. No further contributions are expected to be made in the next financial year.

The Group operates various funded pension schemes which are established in accordance with local conditions and practices within the countries concerned. The most significant funds are described below:

United Kingdom (UK)

The Group operates a pension plan (UK Plan) for its UK employees, which was set up in 1993. The plan operates a funded defined benefit arrangement together with a defined contribution plan, both with different categories of membership. The defined benefit section of the plan was closed to new entrants in 2001 and at the same time, rights to a Guaranteed Minimum Pension (GMP) under the defined contribution scheme also ceased. The plan entitles a retired employee to receive an annual pension payment.

The contributions required are determined by a qualified actuary on the basis of triennial valuations using the projected unit credit method. The last full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 5 April 2023 and this has been updated on an approximate basis to 31 December 2025.

As the defined benefit section is closed to new entrants, the current service cost, as a percentage of pensionable payroll is likely to increase as the membership ages, although it will be applied to a decreasing pensionable payroll. The assumptions which have the most significant effect on the results of the valuation are those relating to the discount rate and the rates of increase in salaries and pensions.

Taiwan

The Group operates a defined benefit pension plan for its employees in Taiwan. The contributions required are determined by an external qualified actuary using the projected unit credit method. The most recent valuation was carried out on 31 December 2025. The contributions of the Group were no less than 6% (2024: 6%) of the employees' earnings. The assumptions which have the most significant effect on the results of the valuations are those relating to the discount rate and the rate of increase in salaries.

The defined benefit plans are administered by pension funds that are legally separated from the Group. The boards of the pension funds are required by law to act in the best interests of the plan participants.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market investment risk.

The above plans are substantially funded by the Group's subsidiaries. The funding requirements are based on pension funds' actuarial measurement framework set out in the funding policies of the plans.

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25 EMPLOYEE BENEFITS (CONT'D)

The assets of each scheme have been taken at market value and the liabilities have been calculated using the following principal assumptions:

	2025 UK	2025 Taiwan	2024 UK	2024 Taiwan
Inflation rate	3.0%	–	3.3%	–
Discount rate	5.4%	1.6%	5.4%	1.8%
Rate of salary increase	3.5%	3.0%	3.8%	3.0%
Rate of pension increases	3.0%	–	3.0%	–
Rate of revaluation	2.8%	–	2.8%	–

The methodology for computing the discount rate is the yield range method.

The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, which due to the timescale covered, may not necessarily be borne out in practice. The present values of the schemes' liabilities are derived from cash flow projections over long periods and are inherently uncertain.

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased/ (decreased) as a result of a change in one of the relevant actuarial assumptions by one percent, holding other assumptions consistent.

Group	Defined benefit obligation	
	1 percent increase \$'000	1 percent decrease \$'000
2025		
Discount rate	(7,365)	8,659
Rate of salary increase	637	(577)
2024		
Discount rate	(6,592)	8,867
Rate of salary increase	656	(583)

26 LEASE LIABILITIES

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Lease liabilities	658,050	663,418	13,947	20,430
Non-current	620,180	637,007	7,115	13,948
Current	37,870	26,411	6,832	6,482
	658,050	663,418	13,947	20,430

The incremental borrowing rates of the Group's and the Company's lease liabilities range from 0.9% to 14.6% (2024: 0.9% to 14.6%) and 2.2% to 2.7% (2024: 2.7% to 3.1%) per annum respectively, as at 31 December 2025.

Information about the Group's and the Company's exposure to foreign currency and liquidity risk is included in note 41.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

27 OTHER LIABILITIES

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Deferred income		39,479	39,441	–	–
Rental deposits		68,132	62,728	682	358
Amounts owing to a subsidiary	7	–	–	–	645,000
Non-current retention sums payable		60,107	30,027	–	–
Deferred consideration for land acquired		24,700	57,373	–	–
Amount owing to a non-controlling interest		361,472	–	–	–
Miscellaneous (principally deposits received and payables)		15,556	17,014	–	–
		569,446	206,583	682	645,358

Included in deferred income are the following:

- \$3,823,000 (2024: \$4,780,000) relating to the deferred gain on the sale of cash flows as disclosed in footnote (a) of note 44.
- \$21,630,000 (2024: \$32,278,000) relating to the deferred gain arising from the sale of Novotel Singapore Clarke Quay previously owned by CDLHT, to a joint venture.

The amount owing to a non-controlling interest relates to advances granted by a non-controlling interest, who owns a 49% interest in mixed-use development site in Shanghai's Xintiandi area, to fund the acquisition and development of the aforesaid land site. As at 31 December 2025, this amount, which is non-trade and unsecured, bears interest at 4.5% per annum and is repayable by 2030.

28 PROVISIONS

Group	Beijing indemnity \$'000	Capital expenditure \$'000	Legal provisions \$'000	Profit payment \$'000	Total \$'000
	At 1 January 2024	15,882	3,876	20,514	–
Provision (written back)/made	(16,039)	2,736	4,454	11,954	3,105
Provision utilised	–	(2,714)	(1,114)	–	(3,828)
Translation differences on consolidation	157	32	(1,408)	(37)	(1,256)
At 31 December 2024	–	3,930	22,446	11,917	38,293
Non-current					1,277
Current					37,016
					38,293
At 1 January 2025	–	3,930	22,446	11,917	38,293
Provision made/(written back)	–	1,105	(3,415)	–	(2,310)
Provision utilised	–	(1,866)	(17,374)	(10,756)	(29,996)
Translation differences on consolidation	–	(50)	(548)	138	(460)
At 31 December 2025	–	3,119	1,109	1,299	5,527
Non-current					1,299
Current					4,228
					5,527

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

28 PROVISIONS (CONT'D)

The provision for Beijing indemnity relates to tax indemnity provided to the former shareholders of Grand Millennium Beijing in which the Group acquired an additional 40% interest in 2010. The provision was reversed in 2024 as the obligation was assessed to be remote with no claims.

The provision for capital expenditure relates to the Group's obligations to incur capital expenditure under the terms of certain hotel operating agreements.

The legal provisions relate mainly to provisions made in relation to disputes in several hotels.

The provision for profit payment relates to the Group's obligation under a building agreement with the seller of a leasehold site acquired, whereby the Group is obligated to make a profit payment to the seller, subject to the development costs not exceeding a specified threshold, on practical completion of the development of the property. As at 31 December 2024, the total development costs were only an estimate and can only be established upon the practical completion of the property. The property achieved practical completion in August 2025. Accordingly, \$10,756,000 (£6,250,000) was paid in September 2025, and the remaining \$1,299,000 (£750,000) will be due in 2027 in accordance with the terms of the agreement.

29 DEFERRED TAX LIABILITIES

Movements in deferred tax assets and liabilities of the Group (prior to offsetting of balances) during the year are as follows:

	At 1 January 2024 \$'000	Recognised in profit or loss (note 33) \$'000	Recognised in the statement of comprehensive income (note 33) \$'000	Translation differences on consolidation \$'000	At 31 December 2024 \$'000
Group					
Deferred tax liabilities					
Property, plant and equipment (including right-of-use assets)	299,782	37,901	–	1,567	339,250
Investment properties	54,475	(5,073)	–	(2,936)	46,466
Development properties	24,014	(8,349)	–	1,713	17,378
Employee benefits	5,088	332	128	298	5,846
Unremitted earnings	173,996	4,364	–	3,553	181,913
Others	19,759	9,109	–	(1,555)	27,313
	577,114	38,284	128	2,640	618,166
Deferred tax assets					
Tax losses	(107,943)	4,336	–	(2,438)	(106,045)
Lease liabilities	(125,909)	2,137	–	60	(123,712)
Trade and other payables	(3,556)	(2,642)	–	(2,586)	(8,784)
	(237,408)	3,831	–	(4,964)	(238,541)
Total	339,706	42,115	128	(2,324)	379,625

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

29 DEFERRED TAX LIABILITIES (CONT'D)

	At 1 January 2025 \$'000	Recognised in profit or loss (note 33) \$'000	Recognised in the statement of comprehensive income (note 33) \$'000	Acquisition of a subsidiary (note 39) \$'000	Translation differences on consolidation \$'000	At 31 December 2025 \$'000
Group						
Deferred tax liabilities						
Property, plant and equipment (including right-of-use assets)	339,250	13,383	–	4,154	(9,837)	346,950
Investment properties	46,466	(6,915)	–	–	(914)	38,637
Development properties	17,378	(11,309)	–	–	634	6,703
Employee benefits	5,846	(114)	34	–	(314)	5,452
Unremitted earnings	181,913	1,971	–	–	3,623	187,507
Others	27,313	8,208	–	–	(4,973)	30,548
	618,166	5,224	34	4,154	(11,781)	615,797
Deferred tax assets						
Tax losses	(106,045)	(29,030)	–	–	6,384	(128,691)
Lease liabilities	(123,712)	4,904	–	–	1,206	(117,602)
Trade and other payables	(8,784)	1,723	–	–	108	(6,953)
	(238,541)	(22,403)	–	–	7,698	(253,246)
Total	379,625	(17,179)	34	4,154	(4,083)	362,551
Company						
Deferred tax liabilities						
Property, plant and equipment (including right-of-use assets)	2,537	(737)	1,800	–	(866)	934
Investment properties	380	(361)	19	–	(9)	10
Unremitted earnings	14,058	(10)	14,048	–	(10)	14,038
	16,975	(1,108)	15,867	–	(885)	14,982
Deferred tax assets						
Tax losses	(3,225)	1,822	(1,403)	–	(1,821)	(3,224)
Development properties	(2,809)	–	(2,809)	–	–	(2,809)
Lease liabilities	(4,529)	1,056	(3,473)	–	1,102	(2,371)
Trade and other payables	(36)	–	(36)	–	(3)	(39)
Others	(446)	(69)	(515)	–	(924)	(1,439)
	(11,045)	2,809	(8,236)	–	(1,646)	(9,882)
Total	5,930	1,701	7,631	–	(2,531)	5,100

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

29 DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The amounts, determined after appropriate offsetting, are as follows:

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Deferred tax assets	12	29,967	35,414	–	–
Deferred tax liabilities		(392,518)	(415,039)	(5,100)	(7,631)
		(362,551)	(379,625)	(5,100)	(7,631)

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom:

	Group	
	2025 \$'000	2024 \$'000
Deductible temporary differences	380,225	373,759
Tax losses	785,775	768,875
	1,166,000	1,142,634

The deductible temporary differences do not expire under current tax legislation. The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate.

The tax losses with expiry dates are as follows:

	Group	
	2025 \$'000	2024 \$'000
Expiry dates		
– Within 1 to 5 years	168,029	179,142
– After 5 years	171	1,216
	168,200	180,358

At 31 December 2025, a deferred tax liability of \$62,398,000 (2024: \$64,271,000) in respect of temporary differences of \$669,584,000 (2024: \$627,924,000) related to the withholding tax on the distributable profits of the Group's subsidiaries was not recognised because the Group controls whether the liability will be incurred and it is satisfied that it will not be incurred in the foreseeable future.

Under SFRS(I) 1-12 *Income Taxes*, deferred tax is not recognised for temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting or taxable profit or loss. As at 31 December 2025, the Group has not recognised deferred tax liabilities of \$123,304,000 (2024: \$33,370,000) relating to temporary differences on the initial recognition of assets and liabilities of the subsidiaries acquired.

Global minimum top-up tax

The Group is subject to the global minimum top-up tax under Pillar Two tax legislation. The Group recognised a current tax expense of \$297,000 (2024: \$749,000) related to top-up tax which is triggered by the Group's subsidiaries. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

30 TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Trade payables		226,291	222,429	860	1,802
Accruals		560,071	528,995	82,135	77,668
Deferred consideration for land acquired		38,497	–	–	–
Deferred income		41,366	67,848	–	–
Other payables		74,112	88,732	1,395	1,359
Rental and other deposits		76,426	59,513	764	2,052
Retention sums payable		10,291	15,782	–	–
Amounts owing to:					
– subsidiaries	7	–	–	1,943,049	943,016
– associates	8	6,138	6,963	71	–
– joint ventures	9	88,527	89,513	22,727	22,727
– fellow subsidiaries	17	12,535	16,134	6	–
– non-controlling interests		17,466	16,324	–	–
		1,151,720	1,112,233	2,051,007	1,048,624

The non-trade amounts owing to non-controlling interests are unsecured and due within one year.

31 REVENUE

Revenue of the Group includes property development income, income from owning and operating hotels, rental income, dividend income and others but excludes intra-group transactions. Property development income consists mainly of sale proceeds of commercial and residential properties. Others include mainly management and consultancy fees, and income from the provision of laundry services.

	Group	
	2025 \$'000	2024 \$'000
Revenue from contracts with customers	3,069,105	2,766,233
Rental income from investment properties	512,897	499,645
Dividends from investments:		
– fellow subsidiaries		
– quoted equity investments – at FVOCI	1,387	1,387
– unquoted equity investments – at FVOCI	3,071	2,869
– others		
– quoted equity investments – mandatorily at FVTPL	274	349
– unquoted equity investments – at FVOCI	358	714
	3,587,092	3,271,197

As at 31 December 2025, the Group has property development income of \$533,475,000 (2024: \$959,734,000) which is expected to be recognised over the next four years (2024: five years) as construction of the development properties progresses.

The Group has applied the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, and it recognises revenue in that amount.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

31 REVENUE (CONT'D)

Disaggregation of revenue from customers

In the following table, revenue from contracts with customers is disaggregated by geographical markets and timing of revenue recognition. The total disaggregated revenue of the Group excludes rental income from investment properties and dividend income from investments. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Reportable segments				Others		Total	
	Property development		Hotel operations		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000				
Geographical market								
Singapore	776,601	545,355	284,209	296,215	252,953	204,613	1,313,763	1,046,183
China	126,509	289,887	32,560	39,187	189	32	159,258	329,106
United States	–	–	471,113	466,441	–	–	471,113	466,441
United Kingdom	164,471	52,429	374,917	377,662	12	33	539,400	430,124
Australasia	98,328	51,767	143,397	131,848	–	–	241,725	183,615
Rest of Asia (excluding Singapore and China)	–	–	246,860	235,311	–	2	246,860	235,313
Other countries	–	–	96,986	75,451	–	–	96,986	75,451
	1,165,909	939,438	1,650,042	1,622,115	253,154	204,680	3,069,105	2,766,233
Timing of revenue recognition								
Products and services transferred at a point in time	429,309	449,233	480,451	485,061	9,878	9,448	919,638	943,742
Products and services transferred over time	736,600	490,205	1,169,591	1,137,054	243,276	195,232	2,149,467	1,822,491
	1,165,909	939,438	1,650,042	1,622,115	253,154	204,680	3,069,105	2,766,233

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

32 PROFIT FOR THE YEAR

The following items have been included in arriving at profit for the year:

	Note	2025 \$'000	Group 2024 \$'000
Other income			
Gain on disposal of a subsidiary	39	88,434	91,894
Gain on disposal of investments in joint ventures		475,097	–
Gain on liquidation of a subsidiary		1,076	–
Gain on insurance claims		9,477	16,555
Management fees and miscellaneous income		19,875	24,993
Profit on sale of property, plant and equipment and investment properties		106,387	138,573
		700,346	272,015
Staff costs			
Contributions to defined contribution plans		54,088	50,199
Increase in liability for defined benefit plans	25	227	337
Decrease in liability for short-term accumulating compensated absences		(11)	(1,057)
Long-term benefits		3,918	3,918
Wages and salaries		725,686	687,013
		783,908	740,410
Less:			
Staff costs capitalised in:			
– development properties		(11,703)	(22,494)
– investment properties		(723)	(605)
– property, plant and equipment		(155)	–
		771,327	717,311
Other expenses			
Amortisation of intangible assets		517	603
Audit fees paid to:			
– auditors of the Company and other firms affiliated with KPMG International Limited*		7,201	7,292
– other auditors		333	353
Non-audit fees:			
– auditors of the Company and other firms affiliated with KPMG International Limited*		2,255	2,392
– other auditors		–	55
Depreciation of:			
– property, plant and equipment#	4	151,420	141,176
– investment properties	5	137,801	135,544
Direct operating expenses arising from rental of investment properties (excluding depreciation)		195,075	193,451

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

32 PROFIT FOR THE YEAR (CONT'D)

	Note	2025 \$'000	Group 2024 \$'000
Other expenses			
Allowance made for foreseeable losses on development properties (net)	13	80,459	4,236
Impairment losses/(Reversal of impairment losses) recognised on:			
– property, plant and equipment	4	584	(59,797)
– investment properties	5	74,324	19,513
– trade receivables and accrued receivables	41	8,287	14,515
– other receivables	41	85	3,220
Loss on dilution of interest in an associate		–	2,723
Loss on liquidation of a subsidiary		–	9
Property, plant and equipment and investment properties written off		540	5,611
Provisions (written back)/made	28	(2,310)	3,105
Finance income			
Interest income under the effective interest method:			
– amounts owing by associates at amortised cost		315	681
– amounts owing by joint ventures at amortised cost		31,938	40,953
– cash and cash equivalents		57,646	53,035
– others		1,392	1,868
Net change in fair value of cash flow hedges, reclassified from hedging reserve		–	18,915
Fair value gains on financial assets mandatorily measured at FVTPL (net)		3,358	1,092
Net exchange gain		–	70,627
		94,649	187,171
Less: Finance income capitalised in development properties		(103)	(534)
Total finance income		94,546	186,637
Finance costs			
Amortisation of transaction costs capitalised		9,658	10,261
Interest expense:			
– term loans and bank loans		389,007	475,985
– bonds and notes		95,153	84,102
– amounts owing to non-controlling interests		10,992	2,349
– amounts owing to fellow subsidiaries		263	275
– amounts owing to joint ventures		–	5
– lease liabilities		24,147	24,811
– others		214	1,207
Net change in fair value of cash flow hedges, reclassified from hedging reserve		463	–
Fair value losses on financial derivatives		12,448	227
Net exchange loss		18,560	–
Unwinding of discount on non-current liabilities		4,845	6,346
Finance costs capitalised in:			
– development properties ^{**}		(53,565)	(30,831)
– property, plant and equipment		(3,471)	(401)
– investment properties		(10,578)	(15,266)
Total finance costs		498,136	559,070
Net finance costs		403,590	372,433

* Non-audit fees paid to auditors of the Company and other firms affiliated with KPMG International Limited include audit-related services of \$343,000 (2024: \$231,000).

Included rental rebate of \$38,000 (2024: \$28,000) deducted against depreciation of right-of-use assets.

** Relates to development properties for which revenue is recognised at a point in time. Borrowing costs on development properties where revenue is recognised over time is charged to profit or loss, as incurred.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

32 PROFIT FOR THE YEAR (CONT'D)

	2025 \$'000	Group 2024 \$'000
The above finance income and finance costs (including amounts capitalised) include the following interest income and expenses in respect of assets and liabilities not at FVTPL:		
– total interest income on financial assets	91,291	96,537
– total finance costs on financial liabilities	495,629	563,923

During the year, net finance costs of the Group have been capitalised at rates ranging from 1.00% to 4.60% (2024: 1.00% to 8.00%) per annum, 3.80% to 4.60% (2024: 5.09% to 5.10%) per annum, and 2.00% to 4.60% (2024: 1.00% to 8.00%) per annum for development properties, property, plant and equipment, and investment properties, respectively.

33 TAX EXPENSE

Note	2025 \$'000	Group 2024 \$'000
Current tax expense		
Current year		
– Corporate income tax	136,718	97,576
– Global minimum top-up tax	297	749
Over provision in respect of prior years	(15,347)	(5,810)
	121,668	92,515
Deferred tax (credit)/expense		
Movements in temporary differences		
	(11,961)	33,462
Effect of changes in tax rates and legislation		
	1,416	22,198
Over provision in respect of prior years		
29	(17,179)	42,115
Land appreciation tax	6,131	17,885
Withholding tax	25,253	9,546
Total tax expense	135,873	162,061

Effects of changes in tax rates and legislation for 2024 was largely attributable to a change in New Zealand tax legislation which removed the ability to claim tax depreciation on commercial buildings, that came into effect in 2024. The Group has provided a one-off deferred tax liability adjustment of approximately \$20.8 million (NZ\$25.8 million) in relation to its hotels and other property portfolio located in New Zealand.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

33 TAX EXPENSE (CONT'D)

Tax recognised in other comprehensive income

	2025			2024		
	Before tax \$'000	Tax expense (note 29) \$'000	Net of tax \$'000	Before tax \$'000	Tax expense (note 29) \$'000	Net of tax \$'000
Group						
Defined benefit plan remeasurements	267	(34)	233	3,255	(128)	3,127
Changes in fair value of equity investments measured at FVOCI	55,905	–	55,905	(7,215)	–	(7,215)
Effective portion of changes in fair value of cash flow hedges	(12,145)	–	(12,145)	15,435	–	15,435
Net change in fair value of cash flow hedges reclassified to profit or loss	463	–	463	(18,915)	–	(18,915)
Exchange differences on hedges of net investments in foreign operations	35,787	–	35,787	4,574	–	4,574
Exchange differences on monetary items forming part of net investments in foreign operations	(11,275)	–	(11,275)	27,660	–	27,660
Share of translation differences of equity-accounted investees	23,111	–	23,111	(10,485)	–	(10,485)
Exchange differences reclassified to profit or loss on liquidation of a subsidiary	(1,082)	–	(1,082)	–	–	–
Share of other comprehensive income of equity-accounted investees	(11,622)	–	(11,622)	(299)	–	(299)
Translation differences arising on consolidation of foreign operations	(79,927)	–	(79,927)	(153,507)	–	(153,507)
	(518)	(34)	(552)	(139,497)	(128)	(139,625)

Reconciliation of effective tax rate

	Group	
	2025 \$'000	2024 \$'000
Profit before tax	771,501	374,025
Tax using the Singapore tax rate of 17% (2024: 17%)	131,156	63,584
Income not subject to tax	(163,296)	(80,453)
Expenses not deductible for tax purposes:		
– expenses	150,417	152,799
– write-back	(3,905)	(29,856)
Effect of changes in tax rates and legislation	1,416	22,198
Effect of different tax rates in other countries	6,071	4,316
Current tax expense related to global minimum top-up tax	297	749
Effect of share of results of associates and joint ventures	(30,816)	(10,335)
Land appreciation tax	6,131	17,885
Effect of tax deduction on land appreciation tax	(1,533)	(4,471)
Unrecognised deferred tax assets	41,002	36,591
Utilisation of previously unrecognised deferred tax assets	(14,994)	(4,962)
Tax effect of losses not allowed to be set off against future taxable profits	2,095	3,825
Origination of temporary differences	8,560	–
Withholding taxes	25,253	9,546
Over provision in respect of prior years	(21,981)	(19,355)
	135,873	162,061

The Group has applied a temporary mandatory relief from deferred tax accounting for the impact of the top-up tax and accounts for it as a current tax when it is incurred (see note 29).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

34 EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated based on:

	Group	
	2025 \$'000	2024 \$'000
Profit attributable to owners of the Company	629,683	201,316
Less:		
Dividends on non-redeemable convertible non-cumulative preference shares	(9,407)	(10,467)
Profit attributable to ordinary shareholders after adjustment for non-redeemable convertible non-cumulative preference dividends	620,276	190,849

	Group	
	2025 Number of shares	2024 Number of shares
Weighted average number of ordinary shares	893,401,730	896,873,407

Weighted average number of ordinary shares

Weighted average number of ordinary shares during the year

Basic earnings per share	69.4 cents	21.3 cents
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Diluted earnings per share

Diluted earnings per share is calculated based on:

	Group	
	2025 \$'000	2024 \$'000
Profit attributable to ordinary shareholders after adjustment for non-redeemable convertible non-cumulative preference dividends	620,276	190,849
Add:		
Dividends on non-redeemable convertible non-cumulative preference shares	9,407	–
Profit attributable to owners of the Company	629,683	190,849

	Group	
	2025 Number of shares	2024 Number of shares
Weighted average number of ordinary shares used in the calculation of basic earnings per share	893,401,730	896,873,407
Potential ordinary shares issuable under non-redeemable convertible non-cumulative preference shares	34,401,967	–
Weighted average number of ordinary shares and potential shares assuming full conversion of preference shares	927,803,697	896,873,407

Diluted earnings per share	67.9 cents	21.3 cents
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For the year ended 31 December 2024, the diluted earnings per share is the same as basic earnings per share as the conversion of the non-redeemable convertible non-cumulative preference shares was considered anti-dilutive.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

35 DIVIDENDS

	Company	
	2025 \$'000	2024 \$'000
Final tax exempt (one-tier) ordinary dividend paid of 8.0 cents (2024: 8.0 cents) per ordinary share in respect of the previous financial year	71,472	71,531
Special interim tax exempt (one-tier) ordinary dividend paid of 3.0 cents (2024: 2.0 cents) per ordinary share in respect of the current financial year	26,802	17,868
Non-cumulative tax exempt (one-tier) preference dividend paid of 1.93 cents (2024: 1.94 cents) per preference share	4,665	5,212
Non-cumulative tax exempt (one-tier) preference dividend paid of 1.96 cents (2024: 1.96 cents) per preference share	4,742	5,255
	107,681	99,866

After the respective reporting dates, the directors proposed the following ordinary dividends, which have not been provided for:

	Company	
	2025 \$'000	2024 \$'000
Final tax exempt (one-tier) ordinary dividend of 25.0 cents (2024: 8.0 cents) per ordinary share	223,350	71,472

36 LEASES

Leases as lessee

The Group leases hotel properties and office facilities. The leases of hotel properties and office facilities run for periods ranging from 1 to 116 years (2024: 1 to 116 years), with options to renew after lease expiry dates. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

The leases for hotel properties were entered into many years ago as combined leases of land and buildings.

The Group also leases IT equipment and motor vehicles under a number of leases.

Amounts recognised in profit or loss

	2025 \$'000	2024 \$'000
Interest on lease liabilities	24,147	24,811
Expenses relating to short-term leases	2,890	2,822
Expenses relating to variable lease payments	39,050	42,903
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	617	508

Amounts recognised in statement of cash flows

	2025 \$'000	2024 \$'000
Payment of short-term leases	2,890	2,822
Payment of variable lease payments	39,050	42,903
Payment of leases of low-value assets, excluding short-term leases of low-value assets	617	508
Payment of lease liabilities	46,000	26,871
Interest expense	24,147	24,811
Total cash outflow for leases	112,704	97,915

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

36 LEASES (CONT'D)

Extension options

Some property leases contain extension options up to 30 years (2024: 30 years) exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension options, would result in an increase in lease liabilities of \$39.4 million (2024: \$39.5 million).

Leases as lessor

The Group leases out its investment properties consisting of its owned properties as well as leased properties (see note 5). All leases are classified as operating leases from a lessor perspective.

Operating leases

The Group and the Company lease out some of their investment properties and development properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 5 sets out information about the operating leases of investment properties.

Rental income from investment properties and property subleases recognised by the Group during 2025 was \$500,928,000 (2024: \$487,828,000).

Contingent rents, generally determined based on a percentage of tenants' revenue, of \$22,112,000 (2024: \$19,634,000), have been recognised as revenue by the Group in profit or loss during the year.

The following table sets out a maturity analysis of lease rental receivables, showing the undiscounted lease payments to be received after the reporting date.

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Less than one year	317,690	258,959	3,237	3,588
One to two years	242,749	187,895	184	779
Two to three years	174,717	125,913	–	–
Three to four years	110,364	82,664	–	–
Four to five years	74,150	50,030	–	–
More than five years	248,269	114,838	–	–
Total	1,167,939	820,299	3,421	4,367

Included in the non-cancellable operating lease rental receivables above are commitments with related parties which are set out below.

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Non-cancellable operating lease rentals receivable from:				
– associates	4,840	4,840	–	–
– joint ventures	–	76	–	–
– a fellow subsidiary	1,017	1,017	–	–
	5,857	5,933	–	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

37 COMMITMENTS AND CONTINGENT LIABILITIES

(i) Commitments

The Group and the Company have the following commitments as at the reporting date:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Development expenditure contracted but not provided for in the financial statements	1,267,688	838,502	–	–
Capital expenditure contracted but not provided for in the financial statements	611,778	1,027,092	–	–
Commitments in respect of purchase of properties for which deposits have been paid	3,675	773,771	–	–
Commitments in respect of investments in a joint venture and associates	57,682	82,545	–	–
Commitments in respect of capital contribution to investments in financial assets in:				
– related parties	46,024	16,567	–	–
– third parties	8,463	11,932	–	–

(ii) Contingent liabilities

The Group has claims arising in the ordinary course of business which are being contested, the outcome of which are not presently determinable. At the reporting date, the Group has considered the probability of outflows of economic benefits pertaining to these claims to be remote. The Group continues to monitor the status of these claims.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

38 RELATED PARTIES

Other than as disclosed elsewhere in the financial statements, the transactions with related parties based on terms agreed between the parties are as follows:

	Group	
	2025 \$'000	2024 \$'000
Management services fees received and receivable from:		
– fellow subsidiaries	1,263	1,304
– associates	18,293	22,481
– joint ventures	26,396	12,222
	45,952	36,007
Maintenance services fees received and receivable from:		
– fellow subsidiaries	608	438
– an associate	280	239
– joint ventures	1,236	1,206
	2,124	1,883
Rental and rental-related income received and receivable from:		
– a fellow subsidiary	358	59
– associates	1,148	1,235
– joint ventures	46	92
	1,552	1,386
Management services fees paid and payable to:		
– a fellow subsidiary	–	(92)
	–	(92)
Rental and rental-related expenses paid and payable to:		
– joint ventures	(1,353)	(2,005)
– associates	(70,700)	(74,498)
	(72,053)	(76,503)
Sale of investment properties and development properties to joint ventures	183,878	–
Compensation paid and payable to key management personnel:		
– directors' fees	(2,042)	(2,216)
– short-term employee benefits	(22,705)	(18,678)
– other long-term benefits	(5,263)	(2,944)
	(30,010)	(23,838)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

39 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES, AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL

(I) Acquisition of subsidiaries

2025

On 1 December 2025, the Group, through its indirect wholly-owned subsidiary, Copthorne Hotel Holdings Limited, (i) acquired 100% of the shares and voting interests in Kensington Close Hotel Ltd (subsequently renamed as Kensington Unity Hotel Limited) which holds the Holiday Inn London – Kensington High Street in the UK; and (ii) settled existing indebtedness amounts, for a total consideration of approximately \$478.5 million (£279.8 million).

The acquisition was accounted for as an acquisition of assets.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Recognised amounts \$'000
Property, plant and equipment	493,622
Consumable stocks	68
Trade and other receivables	9,342
Cash and cash equivalents	43
Trade and other payables	(21,696)
Provision for taxation	(89)
Interest-bearing borrowings	(274,563)
Deferred tax liabilities	(4,154)
Net identifiable assets acquired	<u>202,573</u>

Cash flows relating to the acquisition

Consideration for equity interest	202,573
Repayment of bank loans and interests on behalf of acquired entity	275,950
Total consideration	478,523
Add: Acquisition-related costs	1,936
Add: Bank overdrafts (net of cash and cash equivalents) assumed	920
Total net cash outflow	<u>481,379</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

39 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES, AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL (CONT'D)

(I) Acquisition of subsidiaries (cont'd)

2024

On 13 May 2024, the Group through its indirect wholly-owned subsidiary, Copthorne Hotel Holdings Limited, (i) acquired 100% of the shares and voting interests in Chalon Bidco SAS (Chalon) (subsequently renamed as Chalon Heritage Hotel Holdings SAS) which via its direct wholly-owned subsidiaries, holds the Hilton Paris Opéra hotel in France; and (ii) settled existing indebtedness amounts, for a total consideration of approximately \$366.0 million (€249.7 million).

The acquisition was accounted for as an acquisition of assets.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Recognised amounts \$'000
Property, plant and equipment	351,768
Other non-current assets	718
Consumable stocks	106
Trade and other receivables	7,209
Cash and cash equivalents	23,973
Trade and other payables	(40,734)
Interest-bearing borrowings	(161,520)
Shareholder loans	(132,650)
Net identifiable assets acquired	<u>48,870</u>

Cash flows relating to the acquisition

Consideration for equity interest	48,870
Shareholder loans assumed	153,427
Repayment of bank loans and interests on behalf of acquired entity	163,716
Total consideration	366,013
Add: Acquisition-related costs	4,176
Less: Consideration not yet paid	(633)
Less: Cash and cash equivalents acquired	(23,973)
Total net cash outflow	<u>345,583</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

39 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES, AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL (CONT'D)

(II) Loss of control in subsidiary

2025

On 27 June 2025, the Group through its indirect wholly owned subsidiary, Grande Strategic Pte. Ltd., disposed of its 100% equity interest in CityInd Pte. Ltd. for a sale consideration (net of transaction costs) of \$92.2 million.

Effects of disposal

The cash flow and net assets of subsidiary disposed of are provided below:

	Total \$'000
Investment properties	3,966
Trade and other receivables	186
Cash and cash equivalents	510
Trade and other payables	(818)
Provision for taxation	(83)
Carrying amount of net assets disposed of	<u>3,761</u>
Total consideration, net of disposed costs	92,195
Carrying amount of net assets disposed of	(3,761)
Gain on disposal of subsidiary	<u>88,434</u>
Sale consideration, net of disposal costs	92,195
Less: Cash and cash equivalents of subsidiary disposed of	(510)
Net cash inflow on disposal of subsidiary	<u>91,685</u>

2024

On 14 October 2024, the Group disposed of its 100% equity interest in Cideco Pte. Ltd. for a sale consideration (net of transaction costs) of \$99.1 million.

Effects of disposal

The cash flow and net assets of subsidiary disposed of were provided below:

	Total \$'000
Investment properties	6,627
Trade and other receivables	160
Cash and cash equivalents	1,949
Trade and other payables	(1,240)
Provision for taxation	(274)
Carrying amount of net assets disposed of	<u>7,222</u>
Sale consideration, net of disposed costs	99,116
Carrying amount of net assets disposed of	(7,222)
Gain on disposal of subsidiary	<u>91,894</u>
Sale consideration, net of disposal costs	99,116
Less: Cash and cash equivalents of subsidiary disposed of	(1,949)
Net cash inflow on disposal of subsidiary	<u>97,167</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

39 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES, AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL (CONT'D)

(III) Changes in interests in subsidiaries without loss of control

There were the following changes in interests in subsidiaries without loss of control during the year:

2025

- On 9 May 2025, CDL Hotels Holdings New Zealand Limited, an indirect wholly-owned subsidiary, acquired 8,503,960 ordinary shares in Millennium & Copthorne Hotels New Zealand Limited (MCHNZ) via a privatisation exercise for a consideration of \$18.3 million (NZD 23.8 million). Following the acquisition, the Group's effective interest in MCHNZ increased from 75.9% to 83.9%.
- On 10 September 2025, Verwood Holdings Pte. Ltd., an indirect wholly-owned subsidiary, acquired the remaining 30% equity interest in Island Glades Developments Pte. Ltd. (Island Glades) for a consideration of \$0.3 million from TID Residential Pte. Ltd. Following the acquisition, Island Glades became an indirect wholly-owned subsidiary of the Group.
- CDL Investments New Zealand Limited (CINZ), an indirect subsidiary of Millennium & Copthorne Hotels Limited (M&C), declared dividend *in specie* to its minority shareholders. There was no significant change to the Group's effective interest.

2024

- On 12 June 2024, Shenzhen Hong Leong Technology Park Development Co., Ltd, an indirect wholly-owned subsidiary, acquired the remaining 35% equity in Shenzhen Longgang District Tusincere Science and Technology Development Park Co., Ltd. (Shenzhen Longgang) from the non-controlling interest for a consideration of \$62.6 million (RMB336.6 million). Following the acquisition, Shenzhen Longgang became an indirect wholly-owned subsidiary of the Group.
- On 29 October 2024, CDL Hotels Holdings New Zealand Limited, an indirect wholly-owned subsidiary, acquired 5,273,937 ordinary shares and 2,945,671 redeemable preference shares in Millennium & Copthorne Hotels New Zealand Limited (MCHNZ) from an unrelated third party for a consideration of \$11.3 million (NZD 14.0 million). Following the acquisition, the Group's effective interest in MCHNZ increased from 70.9% to 75.9%.
- CDL Investments New Zealand Limited (CINZ), an indirect subsidiary of Millennium & Copthorne Hotels Limited (M&C), declared dividend *in specie* to its minority shareholders. There was no significant change to the Group's effective interest.

The following summarises the effect of changes in the Group's ownership interests in the above subsidiaries:

	2025 \$'000	2024 \$'000
Consideration paid for acquisition of non-controlling interests	(18,601)	(73,913)
Net decrease in equity attributable to non-controlling interests	<u>21,344</u>	106,926
Net increase in equity interests attributable to owners of the Company	<u>2,743</u>	33,013
Represented by:		
Increase in capital reserve	<u>2,743</u>	33,013

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

40 RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities						
	Interest-bearing borrowings (note 21) \$'000	Interest payable [^] \$'000	Non-trade amounts owing to non-controlling interests* \$'000	Non-trade amounts owing to fellow subsidiaries (note 17) \$'000	Non-trade amounts owing to associates (note 8) \$'000	Non-trade amounts owing to joint ventures (note 9) \$'000	Lease liabilities (note 26) \$'000
Balance at 1 January 2024	11,300,303	64,144	137,139	118,870	2,419	88,677	670,940
Financing cash flows	1,703,315	(562,030)	5,166	(103,020)	(268)	488	(51,682)
Non-cash changes							
Effect of changes in foreign exchange rates	21,835	(79)	1,105	–	32	321	(1,246)
Liability-related							
New leases	–	–	–	–	–	–	20,595
Interest expense/capitalised	–	561,294	2,349	275	–	5	24,811
Settlement through transfer of certain office units in Hong Leong Technology Park	–	–	(124,623)	–	–	–	–
Others	10,358	(897)	(4,812)	–	–	7	–
Total other changes	32,193	560,318	(125,981)	275	32	333	44,160
Balance at 31 December 2024	13,035,811	62,432	16,324	16,125	2,183	89,498	663,418
Balance at 1 January 2025	13,035,811	62,432	16,324	16,125	2,183	89,498	663,418
Financing cash flows	301,378	(489,493)	348,962	(3,870)	(55)	–	(70,147)
Non-cash changes							
Effect of changes in foreign exchange rates	6,012	8	2,660	–	37	(997)	(2,716)
Liability-related							
New leases	–	–	–	–	–	–	43,348
Interest expense/capitalised	–	484,374	10,992	263	–	–	24,147
Others	9,861	(205)	–	–	–	12	–
Total other changes	15,873	484,177	13,652	263	37	(985)	64,779
Balance at 31 December 2025	13,353,062	57,116	378,938	12,518	2,165	88,513	658,050

[^] Included in "trade and other payables"

* Included in "other liabilities" and "trade and other payables"

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

41 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management is responsible for developing and monitoring the Group's risk management policies. Management reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Group has a system of controls in place to maintain an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit & Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. It is, and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken for speculative purposes except for its use as hedging instruments where appropriate and cost efficient.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from the Group's and Company's receivables from customers, amounts owing by associates and joint ventures, other receivables, the Group's debt investments, and the Company's amounts owing by subsidiaries.

As at 31 December 2025, the Group had gross amounts owing by HCP Group of \$364.9 million (2024: \$381.7 million) (note 16) and subscribed for a bond of \$295.5 million (2024: \$312.5 million) (note 10) issued by Sincere Property Group. As at 31 December 2025 and 31 December 2024, the amounts owing by HCP Group and the investment in bond were fully impaired. In addition, the amounts owing by subsidiaries and joint ventures represent 95% (2024: 94%) of the Company's financial assets.

Except as disclosed, there is no significant concentration of credit risk for the Group and the Company. The carrying amounts of financial assets and contract assets represent the Group's and the Company's maximum exposures to credit risk, before taking into account any collateral held.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

41 FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk (cont'd)

Impairment losses on trade and other receivables and amounts owing by associates recognised in profit or loss and included in "other operating expenses" were as follows:

	Note	Group	
		2025 \$'000	2024 \$'000
Other receivables	32	85	3,220
Trade receivables and accrued receivables	32	8,287	14,515
		8,372	17,735

Trade and other receivables and contract assets

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

The Group limits its exposure to credit risk from trade receivables by collecting deposits as collateral, where possible. For trade receivables and contract assets relating to sale of development properties, if a purchaser defaults on payments, the Group may enforce payments via legal proceedings or if the purchaser is assessed to be insolvent, the Group may take possession of the units, retain a portion of the sales consideration, and resell the property.

In monitoring customer credit risk, the Group considers the trade history of the customers with the Group, aging profile, maturity and existence of previous financial difficulties.

Exposure to credit risk

The maximum exposure to credit risk for trade and other receivables and contract assets at the reporting date by business segment is set out below:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Property development	1,552,340	1,891,122	7,966,630	7,222,266
Hotel operations	142,456	169,848	1,503,226	1,485,175
Investment properties	380,839	541,337	4,304,911	3,901,091
Others	188,444	83,598	2,805,425	3,379,335
	2,264,079	2,685,905	16,580,192	15,987,867

Expected credit loss assessment on trade receivables

The Group uses an allowance matrix to measure the ECL of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are based on actual credit loss experience over the past 3 years (2024: 3 years). These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and ECL for trade receivables and accrued receivables as at reporting date:

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

41 FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk (cont'd)

Expected credit loss assessment on trade receivables (cont'd)

	Group		Company	
	Gross carrying amount \$'000	Impairment loss allowance \$'000	Gross carrying amount \$'000	Impairment loss allowance \$'000
2025				
Current (not past due)	209,833	3,053	517	–
1 – 30 days past due	53,232	194	1	–
31 – 60 days past due	9,080	339	1	–
61 – 90 days past due	2,846	185	–	–
More than 90 days past due	44,950	31,306	82	79
	319,941	35,077	601	79
2024				
Current (not past due)	264,431	2,160	557	–
1 – 30 days past due	45,486	113	15	–
31 – 60 days past due	8,095	163	–	–
61 – 90 days past due	6,621	661	–	–
More than 90 days past due	48,850	25,186	153	153
	373,483	28,283	725	153

Movements in allowance for impairment in respect of trade and other receivables and accrued receivables

The movements in the allowance for impairment in respect of trade and other receivables (excluding amounts owing by subsidiaries (note 7), associates (note 8) and joint ventures (note 9)) and accrued receivables during the year are as follows:

	Note	Group Lifetime ECL		Company Lifetime ECL	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Allowance for impairment on trade receivables and accrued receivables					
At 1 January		28,283	31,246	153	150
Impairment loss recognised		8,287	14,515	–	14
Impairment loss utilised		(1,415)	(18,425)	(74)	(11)
Acquisition of subsidiaries		147	144	–	–
Translation differences on consolidation		(225)	803	–	–
At 31 December		35,077	28,283	79	153
Allowance for impairment on other receivables					
At 1 January		393,678	380,857	1,046	985
Impairment loss recognised		85	3,220	–	–
Impairment loss utilised		–	(56)	–	–
Translation differences on consolidation		(17,350)	9,657	48	61
At 31 December	16	376,413	393,678	1,094	1,046

There is no impairment loss on contract assets.

At the reporting date, included in the allowance for impairment on other receivables is an amount of \$364.9 million (2024: \$381.7 million) relating to amounts owing by HCP Group, as described below.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

41 FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk (cont'd)

Impairment of amounts owing by HCP Group

As at 31 December 2024, Sincere Property Group remained under bankruptcy reorganisation, and no reorganisation plan had been finalised. In 2025, the reorganisation plan received approval from the Chongqing No. 5 Intermediate People's Court following requisite votes secured in a creditors' meeting and is in the process of being implemented.

As at 31 December 2025 and 31 December 2024, the Group assessed that the amounts owing by HCP Group remained to be credit-impaired. The Group assessed lifetime ECL to be recognised, taking into consideration the latest developments at Sincere Property Group based on available information at the reporting dates, prevailing market conditions and price trends of corporate bonds issued by other China real estate developers facing similar debt and liquidity challenges.

Based on the assessment undertaken, the amounts owing by HCP Group remained fully impaired.

The key parameter applied in estimating the ECL to be recognised include assuming a loss given default ("LGD") of 100% having considered the uncertainty surrounding the complex bankruptcy reorganisation with the passage of time, which posed challenges to the recovery of the amounts owing by HCP Group.

As the implementation of the reorganisation plan is ongoing, the recovery remains uncertain and subject to change as the process progresses. Changes to circumstances and estimates may impact the ECL recognised on the amounts owing by HCP Group. The ECL on the amounts owing by HCP Group is sensitive to the assumptions used. As the amounts owing by HCP Group has been fully impaired, any decrease in LGD in isolation would result in a lower ECL.

Non-trade amounts due from subsidiaries, associates and joint ventures

The Group and the Company held non-trade receivables from its associates and joint ventures which were lent to associates and joint ventures to meet their funding requirements. In addition, the Company held non-trade receivables from its subsidiaries which were lent to the subsidiaries to meet their funding requirements. Impairment on these balances has been measured on the 12-month and lifetime expected loss basis. Except as disclosed above, the Group uses an approach that is based on an assessment of qualitative and quantitative factors that are indicative of the risk of default, including but not limited to, financial statements of the entities, and applying credit judgement. The amounts of the allowances on the non-trade amounts due from subsidiaries, associates and joint ventures are set out in notes 7, 8 and 9 respectively.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

41 FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk (cont'd)

Debt investments

The exposure to credit risk for debt investments at the reporting date by geographic region was as follows:

	At amortised cost		
	Gross amount \$'000	Lifetime ECL (credit impaired) \$'000	Carrying amount \$'000
2025			
China	295,458	(295,458)	–
2024			
China	312,501	(312,501)	–

Guarantees

The Group has issued guarantees to certain banks in respect of credit facilities granted to buyers of a development property in China as at 31 December 2025 and 31 December 2024. These guarantees are subject to the impairment assessment under SFRS(I) 9. Management continually monitors the credit risk and considers events such as default on instalment payments by buyers and performs credit evaluation on the associate. As at reporting date, the Group did not recognise any liabilities in respect of the financial granted in view of the remote default risk.

Derivatives

Derivatives are only entered into with bank and financial institution counterparties with sound credit ratings.

Cash and cash equivalents

The cash and cash equivalents are held with bank and financial institution counterparties with sound credit ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents as at 31 December 2025 and 31 December 2024 was negligible.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents and credit facilities deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

As at the reporting date, the Group has provided financial guarantees in favour of buyers of overseas development properties. As at the reporting date, the maximum of the Group's exposure in respect of the financial guarantees issued was \$1.7 million (2024: \$2.2 million).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

41 FINANCIAL INSTRUMENTS (CONT'D)

(ii) Liquidity risk (cont'd)

The Group has contractual commitments to incur capital expenditure on its development properties, property, plant and equipment and investment properties, purchase properties and to invest in joint ventures, associates and investees (see note 37).

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	After 1 year but within 5 years \$'000	After 5 years \$'000
Group					
31 December 2025					
Non-derivative financial liabilities					
Interest-bearing borrowings	13,396,307	(14,331,368)	(3,956,966)	(10,367,265)	(7,137)
Lease liabilities	658,050	(1,189,698)	(61,405)	(167,609)	(960,684)
Trade and other payables [^]	1,110,354	(1,110,607)	(1,110,607)	–	–
Other liabilities [^]	529,967	(596,813)	(10,072)	(561,779)	(24,962)
Financial guarantees	–	(1,727)	(1,727)	–	–
	<u>15,694,678</u>	<u>(17,230,213)</u>	<u>(5,140,777)</u>	<u>(11,096,653)</u>	<u>(992,783)</u>
Derivative financial instruments					
<i>Derivative liabilities</i>					
Cross-currency swaps (gross-settled):	7,126				
– Outflow		(625,521)	(206,738)	(418,783)	–
– Inflow		617,841	202,723	415,118	–
Foreign exchange swaps contracts (gross-settled):	8,674				
– Outflow		(1,208,712)	(1,208,712)	–	–
– Inflow		1,196,427	1,196,427	–	–
Interest rate swaps (net-settled)	13,566	(14,101)	(12,929)	(1,172)	–
	<u>29,366</u>	<u>(34,066)</u>	<u>(29,229)</u>	<u>(4,837)</u>	<u>–</u>
<i>Derivative assets</i>					
Cross-currency swaps (gross-settled):	(14,622)				
– Outflow		(936,561)	(284,559)	(652,002)	–
– Inflow		948,102	290,699	657,403	–
Foreign exchange swaps contracts (gross-settled):	(1,346)				
– Outflow		(131,417)	(131,417)	–	–
– Inflow		132,741	132,741	–	–
Interest rate swaps (net-settled)	(6,290)	6,045	(309)	6,354	–
	<u>(22,258)</u>	<u>18,910</u>	<u>7,155</u>	<u>11,755</u>	<u>–</u>
	<u>7,108</u>	<u>(15,156)</u>	<u>(22,074)</u>	<u>6,918</u>	<u>–</u>
	<u>15,701,786</u>	<u>(17,245,369)</u>	<u>(5,162,851)</u>	<u>(11,089,735)</u>	<u>(992,783)</u>

[^] Excluding deferred income

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

41 FINANCIAL INSTRUMENTS (CONT'D)

(ii) Liquidity risk (cont'd)

	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	After 1 year but within 5 years \$'000	After 5 years \$'000
Group					
31 December 2024					
Non-derivative financial liabilities					
Interest-bearing borrowings	13,313,149	(14,000,845)	(5,125,319)	(8,792,768)	(82,758)
Lease liabilities	663,418	(1,228,164)	(50,444)	(166,388)	(1,011,332)
Trade and other payables [^]	1,044,385	(1,044,659)	(1,044,659)	–	–
Other liabilities [^]	167,142	(167,142)	–	(145,438)	(21,704)
Financial guarantees	–	(2,184)	(2,184)	–	–
	<u>15,188,094</u>	<u>(16,442,994)</u>	<u>(6,222,606)</u>	<u>(9,104,594)</u>	<u>(1,115,794)</u>
Derivative financial instruments					
<i>Derivative liabilities</i>					
Cross-currency swaps (gross-settled):	8,951				
– Outflow		(836,932)	(456,905)	(380,027)	–
– Inflow		826,730	452,830	373,900	–
Foreign exchange swaps contracts (gross-settled):	2,836				
– Outflow		(433,409)	(433,409)	–	–
– Inflow		430,580	430,580	–	–
Interest rate swaps (net-settled)	5,666	(5,896)	(2,624)	(3,272)	–
	<u>17,453</u>	<u>(18,927)</u>	<u>(9,528)</u>	<u>(9,399)</u>	<u>–</u>
<i>Derivative assets</i>					
Cross-currency swaps (gross-settled):	(15,213)				
– Outflow		(824,738)	(137,383)	(687,355)	–
– Inflow		837,320	144,911	692,409	–
Foreign exchange swaps contracts (gross-settled):	(1,294)				
– Outflow		(515,144)	(515,144)	–	–
– Inflow		516,501	516,501	–	–
Interest rate swaps (net-settled)	(10,102)	7,195	6,207	988	–
	<u>(26,609)</u>	<u>21,134</u>	<u>15,092</u>	<u>6,042</u>	<u>–</u>
	<u>(9,156)</u>	<u>2,207</u>	<u>5,564</u>	<u>(3,357)</u>	<u>–</u>
	<u>15,178,938</u>	<u>(16,440,787)</u>	<u>(6,217,042)</u>	<u>(9,107,951)</u>	<u>(1,115,794)</u>

[^] Excluding deferred income

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

41 FINANCIAL INSTRUMENTS (CONT'D)

(ii) Liquidity risk (cont'd)

	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	After 1 year but within 5 years \$'000	After 5 years \$'000
Company					
31 December 2025					
Non-derivative financial liabilities					
Interest-bearing borrowings	10,495,160	(11,216,888)	(3,086,365)	(8,130,523)	–
Lease liabilities	13,947	(14,308)	(7,106)	(7,202)	–
Trade and other payables	2,051,007	(2,058,404)	(2,058,404)	–	–
Other liabilities	682	(682)	–	(682)	–
	<u>12,560,796</u>	<u>(13,290,282)</u>	<u>(5,151,875)</u>	<u>(8,138,407)</u>	<u>–</u>
Derivative financial instruments					
<i>Derivative liabilities</i>					
Cross-currency swaps (gross-settled):	7,126				
– Outflow		(625,521)	(206,738)	(418,783)	–
– Inflow		617,841	202,723	415,118	–
Foreign exchange swaps contracts (gross-settled):	8,674				
– Outflow		(1,208,712)	(1,208,712)	–	–
– Inflow		1,196,427	1,196,427	–	–
Interest rate swaps (net-settled)	12,085	(12,591)	(11,854)	(737)	–
	<u>27,885</u>	<u>(32,556)</u>	<u>(28,154)</u>	<u>(4,402)</u>	<u>–</u>
<i>Derivative assets</i>					
Cross-currency swaps (gross-settled):	(14,622)				
– Outflow		(936,561)	(284,559)	(652,002)	–
– Inflow		948,102	290,699	657,403	–
Foreign exchange swaps contracts (gross-settled):	(1,346)				
– Outflow		(131,417)	(131,417)	–	–
– Inflow		132,741	132,741	–	–
Interest rate swaps (net-settled)	(6,114)	5,918	(404)	6,322	–
	<u>(22,082)</u>	<u>18,783</u>	<u>7,060</u>	<u>11,723</u>	<u>–</u>
	<u>5,803</u>	<u>(13,773)</u>	<u>(21,094)</u>	<u>7,321</u>	<u>–</u>
	<u>12,566,599</u>	<u>(13,304,055)</u>	<u>(5,172,969)</u>	<u>(8,131,086)</u>	<u>–</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

41 FINANCIAL INSTRUMENTS (CONT'D)

(ii) Liquidity risk (cont'd)

	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	After 1 year but within 5 years \$'000	After 5 years \$'000
Company					
31 December 2024					
Non-derivative financial liabilities					
Interest-bearing borrowings	10,332,927	(11,058,031)	(4,051,417)	(7,006,614)	–
Lease liabilities	20,430	(21,239)	(6,931)	(14,308)	–
Trade and other payables	1,048,624	(1,048,624)	(1,048,624)	–	–
Other liabilities	645,358	(682,425)	(22,273)	(660,152)	–
	<u>12,047,339</u>	<u>(12,810,319)</u>	<u>(5,129,245)</u>	<u>(7,681,074)</u>	<u>–</u>
Derivative financial instruments					
<i>Derivative liabilities</i>					
Cross-currency swaps (gross-settled):	8,768				
– Outflow		(771,890)	(391,863)	(380,027)	–
– Inflow		761,782	387,882	373,900	–
Foreign exchange swaps contracts (gross-settled):	2,836				
– Outflow		(433,409)	(433,409)	–	–
– Inflow		430,580	430,580	–	–
Interest rate swaps (net-settled)	3,612	(3,771)	(2,033)	(1,738)	–
	<u>15,216</u>	<u>(16,708)</u>	<u>(8,843)</u>	<u>(7,865)</u>	<u>–</u>
<i>Derivative assets</i>					
Cross-currency swaps (gross-settled):	(13,758)				
– Outflow		(765,754)	(78,399)	(687,355)	–
– Inflow		776,794	84,385	692,409	–
Foreign exchange swaps contracts (gross-settled):	(1,294)				
– Outflow		(515,144)	(515,144)	–	–
– Inflow		516,501	516,501	–	–
Interest rate swaps (net-settled)	(10,102)	7,195	6,207	988	–
	<u>(25,154)</u>	<u>19,592</u>	<u>13,550</u>	<u>6,042</u>	<u>–</u>
	<u>(9,938)</u>	<u>2,884</u>	<u>4,707</u>	<u>(1,823)</u>	<u>–</u>
	<u>12,037,401</u>	<u>(12,807,435)</u>	<u>(5,124,538)</u>	<u>(7,682,897)</u>	<u>–</u>

The maturity analyses show the contractual undiscounted cash flows of the Group and the Company's financial liabilities on the basis of their earliest possible contractual maturity. The cash inflows/(outflows) disclosed represent the contractual undiscounted cash flows relating to derivative financial instruments held for risk management purposes and which are usually not closed out prior to contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

The interest payments on variable interest rate loans and bonds and notes in the table above reflect market forward interest rates at the period end and these amounts may change as market interest rates changes. It is not expected that the cash flows in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

41 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk

Market risk is the risk that changes in market prices such as interest rates, foreign exchange rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its interest-bearing financial assets and debt obligations. The Group adopts a policy of managing its interest rate exposure by maintaining a debt portfolio with both fixed and floating interest rates.

Derivative financial instruments are used to manage interest rate risk, to the extent that the perceived cost of variable rate borrowings is considered to outweigh the benefits of their flexibility, and the Group actively monitors the need and timing for such derivatives.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

Derivatives

The Group holds interest rate swaps and cross currency swaps for risk management purposes. The interest rate swaps have floating legs that are indexed to SORA, SONIA, TONA, TIBOR and EURIBOR. The Group's derivative instrument are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements.

Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points (bp) in interest rates on the variable rate instruments held by the Group and the Company at the reporting date would have decreased profit or loss (before any tax effect) by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant and does not take into account the effect of qualifying borrowing costs allowed for capitalisation.

	Group		Company	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	\$'000	\$'000	\$'000	\$'000

100 bp increase

Reduction in profit before tax	(71,679)	(70,936)	(57)	(13,708)
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A 100 bp decrease in interest rates at the reporting date would have had an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

41 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than the respective functional currencies of the Group's entities. The currencies giving rise to this risk are primarily the United States Dollar, Singapore Dollar, Hong Kong Dollar, Australian Dollar, Sterling Pound, Renminbi, Japanese Yen, Euro and Thai Baht.

The Group has a decentralised approach to the management of foreign currency risk. The Group manages its foreign currency exposure by adopting a natural hedge policy of matching receipts and payments, and asset purchases and borrowings, in the currency of the relevant entity, where possible. Entities in the Group may have different approaches to the identification and management of this risk. Entities in the Group may borrow in currencies other than their functional currencies to fund investments that are denominated in their borrowing currencies. In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances. Where feasible, the Group may put in place certain financial derivative instruments including foreign exchange swaps contracts and cross currency swaps to minimise the Group's exposure to movements in exchange rates on firm commitments and specific transactions.

The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- The effect of the counterparty's and the Group's own credit risk on the fair value of the swaps which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and
- Changes in the timing of the hedged transactions.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

41 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Foreign currency risk (cont'd)

The Group's and the Company's exposure to foreign currencies are as follows:

	United States Dollar \$'000	Singapore Dollar \$'000	Hong Kong Dollar \$'000	Australian Dollar \$'000	Sterling Pound \$'000	Renminbi \$'000	Japanese Yen \$'000	Euro \$'000	Thai Baht \$'000
Group									
31 December 2025									
Financial assets	15,941	–	–	8,285	1,779	–	–	–	–
Trade and other receivables*	89	1,070	–	39	2,894	1,700	(35)	40	–
Cash and cash equivalents	19,303	1,941	42	1,048	2,327	37,552	6,513	1,733	2
Amounts owing by subsidiaries (net)	907,920	233,497	47,010	213,906	4,839,366	778,263	116,197	27,188	206,887
Interest-bearing borrowings	(687,420)	–	(20,795)	(244,375)	(3,397,772)	(217,547)	(207,363)	(460,464)	–
Lease liabilities	–	(2,048)	–	–	–	–	–	–	–
Trade and other payables**	(1,310)	(138)	(79)	(303)	(20,818)	(1,491)	(110)	(21)	–
Net statement of financial position exposure	254,523	234,322	26,178	(21,400)	1,427,776	598,477	(84,798)	(431,524)	206,889
Foreign exchange swaps contracts	(131,418)	–	–	(117,088)	(1,091,624)	–	–	–	–
Cross-currency swaps	–	–	–	–	(207,780)	(1,314,261)	–	(34,563)	–
Net exposure	123,105	234,322	26,178	(138,488)	128,372	(715,784)	(84,798)	(466,087)	206,889
31 December 2024									
Financial assets	16,931	–	–	7,178	1,750	–	–	–	–
Trade and other receivables*	71	1,067	–	39	5,779	4,625	(27)	42	–
Cash and cash equivalents	18,531	4,572	48	882	1,732	714,858	1,334	5,661	2
Amounts owing by/(to) subsidiaries (net)	1,019,363	(158,201)	193,693	183,064	4,806,909	1,551,449	132,029	26,743	210,400
Interest-bearing borrowings	(951,773)	–	(21,185)	(313,616)	(3,583,149)	(116,453)	(188,477)	(303,147)	–
Trade and other payables**	(1,816)	(138)	(260)	(1,267)	(26,758)	(785)	(67)	–	–
Net statement of financial position exposure	101,307	(152,700)	172,296	(123,720)	1,206,263	2,153,694	(55,208)	(270,701)	210,402
Foreign exchange swaps contracts	–	–	–	–	(824,608)	(123,943)	–	–	–
Cross-currency swaps	(38,591)	123,093	–	–	(204,288)	(1,256,921)	(29,515)	(153,769)	–
Net exposure	62,716	(29,607)	172,296	(123,720)	177,367	772,830	(84,723)	(424,470)	210,402

* Excluding prepayments

** Excluding deferred income

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

41 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Foreign currency risk (cont'd)

	United States Dollar \$'000	Hong Kong Dollar \$'000	Japanese Yen \$'000	Sterling Pound \$'000	Renminbi \$'000	Australian Dollar \$'000	Euro \$'000
Company							
31 December 2025							
Trade and other receivables*	–	–	(35)	61	–	–	–
Cash and cash equivalents	33	13	6,513	512	80	13	6
Amounts owing by subsidiaries (net)	523,665	2,635	132,158	4,626,105	1,566,141	223,279	41,442
Interest-bearing borrowings	(797)	(20,795)	(207,363)	(3,397,772)	(217,547)	(244,375)	(7,382)
Trade and other payables**	(2)	(19)	(110)	(20,806)	(1,384)	(303)	(21)
Net statement of financial position exposure	522,899	(18,166)	(68,837)	1,208,100	1,347,290	(21,386)	34,045
Foreign exchange swaps contracts	(131,418)	–	–	(1,091,624)	–	(117,088)	–
Cross-currency swaps	–	–	–	(207,780)	(1,314,261)	–	(34,563)
Net exposure	391,481	(18,166)	(68,837)	(91,304)	33,029	(138,474)	(518)
31 December 2024							
Trade and other receivables*	–	–	(27)	2,753	–	–	–
Cash and cash equivalents	2	14	1,332	139	81	11	–
Amounts owing by subsidiaries (net)	585,236	2,715	144,307	4,566,389	2,456,587	189,805	33,773
Interest-bearing borrowings	(137,729)	(21,185)	(188,477)	(3,583,149)	(116,453)	(313,616)	(1,766)
Trade and other payables**	(288)	(198)	(67)	(26,758)	(775)	(1,267)	–
Net statement of financial position exposure	447,221	(18,654)	(42,932)	959,374	2,339,440	(125,067)	32,007
Foreign exchange swaps contracts	–	–	–	(824,608)	(123,943)	–	–
Cross-currency swaps	(38,591)	–	(29,515)	(204,288)	(1,256,921)	–	(32,290)
Net exposure	408,630	(18,654)	(72,447)	(69,522)	958,576	(125,067)	(283)

* Excluding prepayments
** Excluding deferred income

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

41 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Foreign currency risk (cont'd)

Sensitivity analysis

A 5% strengthening of the following major currencies against the functional currency of each of the Group's entities at the reporting date held by the Group and the Company would (decrease)/increase profit and other components of equity before any tax effect by the amounts shown below. Similarly, a 5% weakening would have the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2025		2024	
	Profit before tax \$'000	Equity \$'000	Profit before tax \$'000	Equity \$'000
Group				
United States Dollar	20,928	(14,773)	18,735	(15,597)
Singapore Dollar	11,716	–	(1,480)	–
Hong Kong Dollar	1,309	–	8,615	–
Australian Dollar	(6,924)	–	(6,186)	–
Sterling Pound	6,419	–	8,871	–
Renminbi	17,601	(53,390)	86,649	(48,008)
Japanese Yen	(4,240)	–	(4,236)	–
Euro	(820)	(22,484)	(6,366)	(14,858)
Thai Baht	10,344	–	10,520	–
Company				
United States Dollar	19,574	–	20,432	–
Hong Kong Dollar	(908)	–	(933)	–
Japanese Yen	(3,442)	–	(3,622)	–
Sterling Pound	(4,565)	–	(3,476)	–
Renminbi	1,651	–	47,929	–
Australian Dollar	(6,924)	–	(6,253)	–
Euro	(26)	–	(14)	–

Equity price risk

The Group and the Company are exposed to equity price changes arising on its quoted equity investments at FVOCI and FVTPL. A change in the underlying equity prices of the quoted investments at the reporting date by 5% for the Group and the Company would impact profit and other components of equity (before any tax effect) by the amounts shown below. Similarly, a change in the revalued net asset values of the unquoted equity investments at FVOCI and FVTPL and a change in the price-to-sales multiple for the unquoted equity investments at FVTPL by 5% for the Group and the Company would impact profit and other components of equity (before any tax effect) by the amounts shown below.

This analysis assumes that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

41 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Equity price risk (cont'd)

Equity investments

	Increase by 5% Group \$'000	Decrease by 5% Group \$'000	Increase by 5% Company \$'000	Decrease by 5% Company \$'000
2025				
Quoted equity investments at FVOCI and FVTPL				
Equity	5,776	(5,776)	1,199	(1,199)
Profit before tax	372	(372)	111	(111)
Unquoted equity investments at FVOCI and FVTPL				
Equity	23,608	(23,608)	22,344	(22,344)
Profit before tax	10,084	(10,084)	–	–
2024				
Quoted equity investments at FVOCI and FVTPL				
Equity	5,774	(5,774)	1,130	(1,130)
Profit before tax	346	(346)	72	(72)
Unquoted equity investments at FVOCI and FVTPL				
Equity	20,815	(20,815)	19,707	(19,707)
Profit before tax	12,311	(12,311)	–	–

(iv) Hedge accounting

Net investment hedges

A foreign currency exposure arises from the Group's net investments in subsidiaries that have a different functional currency from that of the Company. The risk arises from the fluctuation in spot exchange rates between the functional currency of the subsidiaries and the Company's functional currency, which causes the amount of the net investments to vary in the consolidated financial statements of the Group. The hedged risk in the net investment hedges is the risk of a weakening of the United States Dollar, Euro and Renminbi (2024: United States Dollar, Euro and Renminbi) against Singapore Dollar that will result in a reduction in the carrying amount of the Group's net investments in subsidiaries. An economic relationship exists between the hedged net investment and hedging instrument due to the shared foreign currency risk exposure.

NOTES TO THE FINANCIAL STATEMENTS

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41 FINANCIAL INSTRUMENTS (CONT'D)

(iv) Hedge accounting (cont'd)

Net investment hedges (cont'd)

The Group uses a mixture of foreign currency-denominated debt, foreign exchange swaps contracts and cross-currency swaps as hedging instruments. When the hedging instrument is foreign currency-denominated debt, the Group assesses effectiveness by comparing past changes in the carrying amount of the debt that are attributable to a change in the spot rate with past changes in the investment in the foreign operation due to movement in spot rate (the offset method). The Group's policy is to hedge the net investment only to the extent of the debt principal. When the hedging instrument is a foreign exchange swaps contracts or cross-currency swap, the Group establishes a hedge ratio where the notional on the foreign exchange swaps contracts and cross-currency swap matches the carrying amount of the designated net investment. The Group ensures that the foreign currency in which the hedging instrument is denominated is the same as the functional currency of the net investment. This qualitative assessment is supplemented quantitatively using the hypothetical derivative method for the purposes of assessing hedge effectiveness. The Group assesses effectiveness by comparing past changes in the fair value of the derivative with changes in the fair value of a hypothetical derivative. The hypothetical derivative is constructed to have the same critical terms as the net investment designated as the hedged item and a fair value of zero at inception. The Group's policy is to hedge the net investment only to the extent of the nominal amount of the foreign exchange or cross-currency swap leg of the derivative.

The Group held the following instruments to hedge exposures to changes in foreign currencies:

	Notional amount	Carrying amount – Assets/ (Liabilities) \$'000	Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in OCI \$'000	Hedge ineffectiveness recognised in profit or loss \$'000	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from reserve to profit or loss \$'000	Hedged foreign exchange rate	Year of maturity
Group									
Net investment hedges									
2025									
Foreign exchange risk									
– Borrowings to hedge net investments in foreign operations	\$745,146,000 equivalent	(745,146)	Interest-bearing borrowings	22,535	–	Not applicable	–	Not applicable	2026 to 2027
– Cross-currency swaps to hedge net investments in foreign operations	\$686,297,000 equivalent	9,429	Derivative financial assets	11,410	–	Not applicable	–	SGD/RMB5.1715 to SGD/RMB5.428	2026 to 2028
– Cross-currency swaps to hedge net investments in foreign operations	\$381,498,000 equivalent	(2,753)	Derivative financial liabilities	1,842	–	Not applicable	–	SGD/RMB5.435 to SGD/RMB5.452	2027 to 2028
2024									
Foreign exchange risk									
– Borrowings to hedge net investments in foreign operations	\$610,539,000 equivalent	(610,539)	Interest-bearing borrowings	(1,871)	–	Not applicable	–	Not applicable	2025 to 2027
– Cross-currency swaps to hedge net investments in foreign operations	\$278,557,000 equivalent	4,726	Derivative financial assets	1,638	(5)	Finance costs	–	SGD/RMB5.1715 to SGD/RMB5.3987 and SGD/EUR1.4525	2025 to 2026
– Cross-currency swaps to hedge net investments in foreign operations	\$803,083,000 equivalent	(8,590)	Derivative financial liabilities	(8,591)	–	Not applicable	–	SGD/RMB5.413 to SGD/RMB5.435 and SGD/EUR1.412	2025 to 2027

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41 FINANCIAL INSTRUMENTS (CONT'D)

(iv) Hedge accounting (cont'd)

Net investment hedges (cont'd)

	Change in value used for calculating hedge ineffectiveness \$'000	Foreign currency translation reserve \$'000	Balances remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied \$'000
2025			
Net investments in certain foreign subsidiaries whose functional currencies are denominated in United States Dollar, Euro and Renminbi	35,787	47,523	12,092
2024			
Net investments in certain foreign subsidiaries whose functional currencies are denominated in United States Dollar, Euro and Renminbi	(8,824)	11,736	12,092

Cash flow hedges

At 31 December 2025 and 31 December 2024, the Group held certain interest rate swaps to hedge exposures to changes in interest rates.

	Notional amount	Carrying amount – Assets/(Liabilities) \$'000	Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in OCI \$'000	Hedge ineffectiveness recognised in profit or loss \$'000	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss \$'000	Fixed interest rate	Year of maturity
Group									
Cash flow hedges									
2025									
Interest rate risk									
– Interest rate swaps	\$1,116,850,000	6,290	Derivative financial assets	2,565	–	Not applicable	312	0.29% to 3.75%	2026 to 2029
– Interest rate swaps	\$1,910,169,000	(13,566)	Derivative financial liabilities	(14,710)	–	Not applicable	151	1.42% to 4.38%	2026 to 2028
2024									
Interest rate risk									
– Interest rate swaps	\$1,192,503,000	10,102	Derivative financial assets	11,073	–	Not applicable	(15,224)	0.23% to 3.80%	2025 to 2027
– Interest rate swaps	\$818,615,000	(5,666)	Derivative financial liabilities	4,362	–	Not applicable	(3,691)	2.66% to 4.38%	2025 to 2027

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

41 FINANCIAL INSTRUMENTS (CONT'D)

(v) Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Further, the fair value disclosure of lease liabilities is also not required.

	Note	Mandatorily at FVTPL \$'000	FVOCI – equity investments \$'000	Fair value – hedging instruments \$'000	Amortised cost \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Group										
31 December 2025										
Financial assets measured at fair value										
Unquoted equity investments – mandatorily at FVTPL	10	201,679	–	–	–	201,679	–	–	201,679	201,679
Unquoted equity investments – at FVOCI	10	–	472,154	–	–	472,154	–	–	472,154	472,154
Quoted equity investments – mandatorily at FVTPL	10	7,449	–	–	–	7,449	7,449	–	–	7,449
Quoted equity investments – at FVOCI	10	–	115,535	–	–	115,535	115,535	–	–	115,535
Derivative financial assets	11	–	–	22,258	–	22,258	–	22,258	–	22,258
		<u>209,128</u>	<u>587,689</u>	<u>22,258</u>	–	<u>819,075</u>				
Financial assets not measured at fair value										
Other non-current assets [^]	12	–	–	–	786,156	786,156				
Trade and other receivables [#]	16	–	–	–	1,173,947	1,173,947				
Cash and cash equivalents	18	–	–	–	2,059,919	2,059,919				
		–	–	–	<u>4,020,022</u>	<u>4,020,022</u>				
	Note	Fair value – hedging instruments \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000		
Group										
31 December 2025										
Financial liabilities measured at fair value										
Derivative financial liabilities	11	29,366	–	–	–	29,366	–	29,366		
Financial liabilities not measured at fair value										
Interest-bearing borrowings	21	–	13,396,307	13,396,307	–	13,449,377	–	13,449,377		
Other liabilities [@]	27	–	529,967	529,967						
Trade and other payables [@]	30	–	1,110,354	1,110,354						
		–	<u>15,036,628</u>	<u>15,036,628</u>						

[^] Excluding prepayments, intangible assets and deferred tax assets
[#] Excluding prepayments and tax recoverable
[@] Excluding deferred income

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

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Year ended 31 December 2025

41 FINANCIAL INSTRUMENTS (CONT'D)

(v) Accounting classifications and fair values (cont'd)

	Note	Mandatorily at FVTPL \$'000	FVOCI – equity investments \$'000	Fair value – hedging instruments \$'000	Amortised cost \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Group										
31 December 2024										
Financial assets measured at fair value										
Unquoted equity investments – mandatorily at FVTPL	10	246,195	–	–	–	246,195	–	–	246,195	246,195
Unquoted equity investments – at FVOCI	10	–	416,299	–	–	416,299	–	–	416,299	416,299
Quoted equity investments – mandatorily at FVTPL	10	6,911	–	–	–	6,911	6,911	–	–	6,911
Quoted equity investments – at FVOCI	10	–	115,485	–	–	115,485	115,485	–	–	115,485
Derivative financial assets	11	–	–	26,609	–	26,609	–	26,609	–	26,609
		<u>253,106</u>	<u>531,784</u>	<u>26,609</u>	<u>–</u>	<u>811,499</u>				
Financial assets not measured at fair value										
Other non-current assets [^]	12	–	–	–	934,357	934,357				
Trade and other receivables [#]	16	–	–	–	1,515,895	1,515,895				
Cash and cash equivalents	18	–	–	–	3,001,384	3,001,384				
		<u>–</u>	<u>–</u>	<u>–</u>	<u>5,451,636</u>	<u>5,451,636</u>				
	Note	Fair value – hedging instruments \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000		
Group										
31 December 2024										
Financial liabilities measured at fair value										
Derivative financial liabilities	11	17,453	–	17,453	–	17,453	–	17,453		
Financial liabilities not measured at fair value										
Interest-bearing borrowings	21	–	13,313,149	13,313,149	–	13,311,838	–	13,311,838		
Other liabilities [@]	27	–	167,142	167,142						
Trade and other payables [@]	30	–	1,044,385	1,044,385						
		<u>–</u>	<u>14,524,676</u>	<u>14,524,676</u>						

[^] Excluding prepayments, intangible assets and deferred tax assets

[#] Excluding prepayments and tax recoverable

[@] Excluding deferred income

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41 FINANCIAL INSTRUMENTS (CONT'D)

(v) Accounting classifications and fair values (cont'd)

	Note	Mandatorily at FVTPL \$'000	FVOCI – equity investments \$'000	Fair value – hedging instruments \$'000	Amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Company											
31 December 2025											
Financial assets measured at fair value											
Unquoted equity investments – at FVOCI	10	–	446,884	–	–	–	446,884	–	–	446,884	446,884
Quoted equity investments – at FVOCI	10	–	23,973	–	–	–	23,973	23,973	–	–	23,973
Quoted equity investments – mandatorily at FVTPL	10	2,129	–	–	–	–	2,129	2,129	–	–	2,129
Derivative financial assets	11	–	–	22,082	–	–	22,082	–	22,082	–	22,082
		2,129	470,857	22,082	–	–	495,068				
Financial assets not measured at fair value											
Other non-current assets	12	–	–	–	8,406,708	–	8,406,708				
Trade and other receivables [#]	16	–	–	–	8,173,484	–	8,173,484				
Cash and cash equivalents	18	–	–	–	428,262	–	428,262				
		–	–	–	17,008,454	–	17,008,454				
Financial liabilities measured at fair value											
Derivative financial liabilities	11	–	–	27,885	–	–	27,885	–	27,885	–	27,885
Financial liabilities not measured at fair value											
Interest-bearing borrowings	21	–	–	–	–	10,495,160	10,495,160	–	10,531,641	–	10,531,641
Other liabilities	27	–	–	–	–	682	682				
Trade and other payables	30	–	–	–	–	2,051,007	2,051,007				
		–	–	–	–	12,546,849	12,546,849				

[#] Excluding prepayments and tax recoverable

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Year ended 31 December 2025

41 FINANCIAL INSTRUMENTS (CONT'D)

(v) Accounting classifications and fair values (cont'd)

	Note	Mandatorily at FVTPL \$'000	FVOCI – equity investments \$'000	Fair value – hedging instruments \$'000	Amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Company											
31 December 2024											
Financial assets measured at fair value											
Unquoted equity investments – at FVOCI	10	–	394,133	–	–	–	394,133	–	–	394,133	394,133
Quoted equity investments – at FVOCI	10	–	22,600	–	–	–	22,600	22,600	–	–	22,600
Quoted equity investments – mandatorily at FVTPL	10	1,430	–	–	–	–	1,430	1,430	–	–	1,430
Derivative financial assets	11	–	–	25,154	–	–	25,154	–	25,154	–	25,154
		1,430	416,733	25,154	–	–	443,317				
Financial assets not measured at fair value											
Other non-current assets	12	–	–	–	8,660,230	–	8,660,230				
Trade and other receivables [#]	16	–	–	–	7,327,637	–	7,327,637				
Cash and cash equivalents	18	–	–	–	544,785	–	544,785				
		–	–	–	16,532,652	–	16,532,652				
Financial liabilities measured at fair value											
Derivative financial liabilities	11	–	–	15,216	–	–	15,216	–	15,216	–	15,216
Financial liabilities not measured at fair value											
Interest-bearing borrowings	21	–	–	–	–	10,332,927	10,332,927	–	10,329,520	–	10,329,520
Other liabilities	27	–	–	–	–	645,358	645,358				
Trade and other payables	30	–	–	–	–	1,048,624	1,048,624				
		–	–	–	–	12,026,909	12,026,909				

[#] Excluding prepayments and tax recoverable

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

41 FINANCIAL INSTRUMENTS (CONT'D)

(v) Accounting classifications and fair values (cont'd)

Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at Level 3 fair value

Type	Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Unquoted equity investments – at FVOCI	The fair value is calculated using the net asset value (NAV) of the investee entity adjusted for the fair value of the underlying properties, where applicable. A discount is applied to take into consideration the non-marketable nature of the investment, where applicable.	NAV	The estimated fair value would increase/(decrease) if the NAV was higher/(lower).
		Discount rate: 2025: 20% 2024: 20%	The estimated fair value would increase/(decrease) if the discount rate was lower/(higher).
Unquoted equity investments – mandatorily at FVTPL	The fair value is calculated using the NAV of the investee entity adjusted for the fair value of the underlying properties, where applicable.	NAV	The estimated fair value would increase/(decrease) if the NAV was higher/(lower).
		Price-to-sales multiple: 2025: 5.8 times 2024: 9.0 times	The estimated fair value would increase/(decrease) if the price-to-sales multiple was higher/(lower).
	The fair value is calculated using the market approach of weighted price-to-sales multiples of comparable companies. A discount is applied to take into consideration the non-marketable nature of the investment, where applicable.	Discount rate: 2025: 20% 2024: 20%	The estimated fair value would increase/(decrease) if the discount rate was lower/(higher).

Financial instruments measured at Level 2 fair value

Financial derivatives

The fair values of foreign currency swaps contracts, cross-currency swaps and interest rate swaps are based on banks' quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

Financial instruments not measured at fair value

Interest-bearing borrowings

The fair value of borrowings which reprice at the intervals of six months or less determined for disclosure purposes are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

41 FINANCIAL INSTRUMENTS (CONT'D)

(v) Accounting classifications and fair values (cont'd)

Measurement of fair values (cont'd)

Transfers between levels in the fair value hierarchy

The Group and Company did not reclassify any investments between various levels in the fair value hierarchy during the year.

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	Group Unquoted equity investments at FVOCI \$'000	Unquoted equity investments mandatorily at FVTPL \$'000	Company Unquoted equity investments at FVOCI \$'000
At 1 January 2025	416,299	246,195	394,133
Additions	–	6,902	–
Distribution of income and return of capital	–	(42,525)	–
Total gains recognised in profit or loss			
– finance income	–	2,524	–
Total profit for the period included in other comprehensive income			
– net change in fair value of equity investments at FVOCI	55,855	–	52,751
Translation differences on consolidation	–	(11,417)	–
At 31 December 2025	472,154	201,679	446,884
At 1 January 2024	426,353	184,489	404,089
Additions	–	45,644	–
Distribution of income and return of capital	–	(6,170)	–
Total gains recognised in profit or loss			
– finance income	–	17,049	–
Total loss for the period included in other comprehensive income			
– net change in fair value of equity investments at FVOCI	(10,054)	–	(9,956)
Translation differences on consolidation	–	5,183	–
At 31 December 2024	416,299	246,195	394,133

NOTES TO THE FINANCIAL STATEMENTS

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42 OPERATING SEGMENTS

Information reported to the Board of Directors for the purposes of resource allocation and assessment of segment performances is specifically focused on the functionality of services provided. The following summary describes the operations in each of the Group's reportable segments:

- Property development – *develops and purchases properties for sale*
- Hotel operations – *owns and manages hotels*
- Investment properties – *develops and purchases investment properties for lease*

Others comprises mainly investment in shares, management and consultancy services, and provision of laundry services. None of these segments meet any of the quantitative thresholds for determining reportable segments in 2025 and 2024.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

	Property development \$'000	Hotel operations \$'000	Investment properties \$'000	Total \$'000	Others \$'000	Total \$'000
2025						
Total revenue (including inter-segment revenue)	1,165,909	1,650,319	524,133	3,340,361	278,545	3,618,906
Inter-segment revenue	–	(277)	(11,236)	(11,513)	(20,301)	(31,814)
External revenue	1,165,909	1,650,042 [^]	512,897	3,328,848	258,244	3,587,092
Profit from operating activities	55,286	394,213	522,181	971,680	22,135	993,815
Share of after-tax profit/(loss) of associates and joint ventures	198,845	(5,322)	5,255	198,778	(17,502)	181,276
Finance income	43,400	22,066	23,593	89,059	5,487	94,546
Finance costs	(115,770)	(154,992)	(193,258)	(464,020)	(34,116)	(498,136)
Net finance costs	(72,370)	(132,926)	(169,665)	(374,961)	(28,629)	(403,590)
Reportable segment profit/(loss) before tax	181,761	255,965	357,771	795,497	(23,996)	771,501
Depreciation and amortisation	6,824	124,579	142,910	274,313	15,425	289,738

[^] Hotel operations for 2025 comprise revenue and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) attributable to hotel rooms owned by the Group of \$1,169.6 million and \$255.6 million respectively.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

42 OPERATING SEGMENTS (CONT'D)

	Property development \$'000	Hotel operations \$'000	Investment properties \$'000	Total \$'000	Others \$'000	Total \$'000
2025						
Other material non-cash items						
Impairment losses reversed/ (recognised) on property, plant and equipment and investment properties	–	2,746	(74,324)	(71,578)	(3,330)	(74,908)
Allowance made for foreseeable losses on development properties	(80,459)	–	–	(80,459)	–	(80,459)
Investments in associates and joint ventures	955,796	415,019	400,607	1,771,422	431,555	2,202,977
Other segment assets	9,473,320	6,430,711	7,767,080	23,671,111	1,128,818	24,799,929
Reportable segment assets	10,429,116	6,845,730	8,167,687	25,442,533	1,560,373	27,002,906
Deferred tax assets						29,967
Tax recoverable						16,186
Total assets						27,049,059
Reportable segment liabilities	5,970,369	3,877,549	6,042,393	15,890,311	247,986	16,138,297
Deferred tax liabilities						392,518
Provision for taxation						258,290
Total liabilities						16,789,105
Additions to non-current assets**	11,402	485,441	563,752	1,060,595	46,123	1,106,718

** Non-current assets include property, plant and equipment, investment properties, investments in associates and joint ventures, and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

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42 OPERATING SEGMENTS (CONT'D)

	Property development \$'000	Hotel operations \$'000	Investment properties \$'000	Total \$'000	Others \$'000	Total \$'000
2024						
Total revenue (including inter-segment revenue)	939,438	1,622,391	510,686	3,072,515	231,484	3,303,999
Inter-segment revenue	–	(276)	(11,041)	(11,317)	(21,485)	(32,802)
External revenue	939,438	1,622,115 [^]	499,645	3,061,198	209,999	3,271,197
Profit from operating activities	96,144	274,789	301,307	672,240	13,427	685,667
Share of after-tax profit/(loss) of associates and joint ventures	43,837	(10,505)	25,014	58,346	2,445	60,791
Finance income	61,367	92,137	13,592	167,096	19,541	186,637
Finance costs	(182,835)	(162,976)	(193,810)	(539,621)	(19,449)	(559,070)
Net finance (costs)/income	(121,468)	(70,839)	(180,218)	(372,525)	92	(372,433)
Reportable segment profit before tax	18,513	193,445	146,103	358,061	15,964	374,025
Depreciation and amortisation	4,146	116,849	141,485	262,480	14,843	277,323
Other material non-cash items						
Impairment losses reversed/ (recognised) on property, plant and equipment and investment properties	–	55,458	(19,513)	35,945	4,339	40,284
Allowance made for foreseeable losses on development properties	(4,236)	–	–	(4,236)	–	(4,236)
Investments in associates and joint ventures	796,642	574,637	657,076	2,028,355	439,333	2,467,688
Other segment assets	8,548,148	5,633,209	7,876,650	22,058,007	1,031,676	23,089,683
Reportable segment assets	9,344,790	6,207,846	8,533,726	24,086,362	1,471,009	25,557,371
Deferred tax assets						35,414
Tax recoverable						14,102
Total assets						25,606,887
Reportable segment liabilities	6,053,893	3,606,802	5,546,596	15,207,291	456,175	15,663,466
Deferred tax liabilities						415,039
Provision for taxation						219,384
Total liabilities						16,297,889
Additions to non-current assets**	4,630	177,435	736,179	918,244	51,178	969,422

[^] Hotel operations for 2024 comprise revenue and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) attributable to hotel rooms owned by the Group of \$1,137.1 million and \$301.4 million respectively.

** Non-current assets include property, plant and equipment, investment properties, investments in associates and joint ventures, and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

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42 OPERATING SEGMENTS (CONT'D)

Geographical segments

	Singapore \$'000	United States \$'000	United Kingdom \$'000	China \$'000	Other countries \$'000	Total \$'000
2025						
Revenue	1,530,850	487,708	709,213	169,384	689,937	3,587,092
Non-current assets [#]	3,525,876	1,481,195	4,135,311	1,795,558	3,409,865	14,347,805
Reportable segment assets	11,087,398	1,780,265	5,308,948	4,328,874	4,497,421	27,002,906
2024						
Revenue	1,252,227	485,126	600,467	344,865	588,512	3,271,197
Non-current assets [#]	3,671,499	1,655,664	3,434,085	1,717,046	3,398,584	13,876,878
Reportable segment assets	10,639,073	1,917,776	4,672,774	3,769,587	4,558,161	25,557,371

[#] Include property, plant and equipment, investment properties, investments in associates and joint ventures, prepayments (non-current portion) and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

43 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES

The following are the Group's significant investments in subsidiaries:

	Principal activity	Principal place of business/ Country of incorporation	Ownership interest		
			2025 %	2024 %	
Direct/Indirect subsidiaries of the Company					
(9)	58 High Street Pty Ltd	Trustee	Australia	100	100
(1)	Adelanto Investments Pte. Ltd.	Investment holding	Singapore	100	100
(1)	Aquarius Properties Pte. Ltd.	Property owner and developer	Singapore	80	80
(9)	Atlasgate UK Properties Limited	Property owner	Jersey	99.9	99.9
(9)	Beaumont Properties Limited	Property owner and developer	Jersey	100	100
(1)	Blest Investments Pte. Ltd.	Long-term holding of investment properties to derive rental income	Singapore	100	100
(9)	Canterbury Riverside Propco Limited	Property owner	United Kingdom	99.9	99.9
(9)	Canterbury Riverside OpCo Limited	Operating company	United Kingdom	99.9	99.9
(1)	CBM Pte. Ltd.	Provision of building maintenance, security, cleaning and related services to commercial and residential buildings	Singapore	100	100
(1)	CBM Parking Pte. Ltd.	Provision of car park operation, management, civil, construction and electrical works related to parking systems and related services	Singapore	100	100
(1)	CBM International Pte. Ltd.	Investment holding and provision of consultancy services	Singapore	100	100
(1)	CBM Security Pte. Ltd.	Provision of security services, consultancy services related to security matters, supply of equipment, security escort services and facilities management services	Singapore	100	100
(1)	CBM Solutions Pte. Ltd.	Provision of consultancy, facilities management and building construction services	Singapore	100	100
(2)	CBM (Taiwan) Co., Ltd.	Carpark management services	Taiwan	100	100
(2)	CDL China Limited	Investment holding	Hong Kong	100	100

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

43 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

	Principal activity	Principal place of business/ Country of incorporation	Ownership interest		
			2025 %	2024 %	
Direct/Indirect subsidiaries of the Company (cont'd)					
(1)	CDL Aries Pte. Ltd.	Property owner and developer	Singapore	100	100
(1)	CDL Constellation Pte. Ltd.	Investment holding and property owner and developer	Singapore	100	100
(1)	CDL Draco Pte Ltd	Business of property owner and investment holding	Singapore	100	100
(1)	CDL Divine Pte. Ltd.	Property owner and developer	Singapore	100	–
(1)	CDL Libra Pte. Ltd.	Property owner and developer	Singapore	100	100
(1)	CDL Management Services Pte. Ltd.	Provision of project and property management and consultancy services	Singapore	100	100
(1)	CDL Properties Ltd	Property owner and investment holding	Singapore	100	100
(1)	CDL Selestia Pte. Ltd.	Property owner and developer	Singapore	100	–
(1)	CDL Stellar Pte. Ltd.	Property owner and developer	Singapore	100	100
(1)	CDL Perseus Pte. Ltd.	Property owner and developer	Singapore	100	100
(1)	CDL Pisces Commercial Pte. Ltd.	Investment holding	Singapore	100	100
(1)	CDL Pisces Serviced Residences Pte. Ltd.	Investment holding	Singapore	100	100
(1)	CDL Polaris Commercial Pte. Ltd.	Investment holding	Singapore	100	–
(1)	CDL Polaris Properties Pte. Ltd.	Property owner and developer	Singapore	100	100
(1)	CDL Conservo Pte. Ltd.	Long-term holding of investment properties to derive rental income	Singapore	100	100
(1)	CDL Cityscape Pte. Ltd.	Long-term holding of investment properties to derive rental income	Singapore	100	100
(1)	CDL Kingtse Pte. Ltd.	Long-term holding of investment properties to derive rental income	Singapore	100	100
(1)	CDL Pavona Pte. Ltd.	Long-term holding of investment properties to derive rental income	Singapore	100	100
(1)	CDL Ace Pte. Ltd.	Long-term holding of investment properties to derive rental income	Singapore	100	100

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

43 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

	Principal activity	Principal place of business/ Country of incorporation	Ownership interest		
			2025 %	2024 %	
Direct/Indirect subsidiaries of the Company (cont'd)					
(1)	CDL Queensray Pte. Ltd.	Long-term holding of investment properties to derive rental income	Singapore	100	100
(2)	CDL Galliard Grand Limited Partnership	Investment holding	United Kingdom	75	75
(1)	Centro Property Holding Pte. Ltd.	Property owner	Singapore	100	100
(2)	Chengzhilian (Shanghai) Real Estate Development Co., Ltd.	Real estate development and operation	People's Republic of China	51	–
(1)	City Apex Pte. Ltd.	Investment holding	Singapore	100	100
(1)	City Bonsai Pte. Ltd.	Investment holding	Singapore	100	100
(1)	City Developments Realty Limited	Investment in shares and investment holding	Singapore	100	100
(1)	City Leo Pte. Ltd.	Investment holding	Singapore	100	100
(1)	City Gemini Pte. Ltd.	Investment holding	Singapore	100	100
(1)	City Serviced Offices Pte. Ltd.	Operating serviced offices	Singapore	100	100
(1)	City Thrive Pte. Ltd.	Investment holding	Singapore	100	100
(1)	Citydev Real Estate (Singapore) Pte Ltd	Property owner	Singapore	100	100
(1)	CDL Real Estate Asset Managers Pte. Ltd.	Asset management	Singapore	100	100
(1)	City REIT Management Pte. Ltd.	Investment holding	Singapore	100	100
(1)	City Strategic Equity Pte. Ltd.	Investment holding	Singapore	100	100
(1)	City Symphony Pte. Ltd.	Investment holding	Singapore	100	100
(1)	City Lux Pte. Ltd.	Investment holding	Singapore	100	100
(1)	City Boost Pte. Ltd.	Investment holding	Singapore	100	100
(1)	City Delta Pte. Ltd.	Investment holding	Singapore	100	100
(1)	CityNexus Pte. Ltd.	Developing software and programming activities	Singapore	100	100

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

43 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

	Principal activity	Principal place of business/ Country of incorporation	Ownership interest		
			2025 %	2024 %	
Direct/Indirect subsidiaries of the Company (cont'd)					
(1)	Crescent View Developments Pte. Ltd.	Property owner and developer	Singapore	60	60
(2)	Educado Company Limited	Investment holding and share dealing	Hong Kong	100	100
(1)	Ellinois Management Services Pte. Ltd.	Asset/portfolio management	Singapore	100	100
(1)	Empire City Consultant Pte Ltd	Management of properties	Singapore	100	100
(2)	Friars Road Manco Limited	Operating company	United Kingdom	99.9	99.9
(1)	Gemini One Pte. Ltd.	Hotel operator	Singapore	100	100
(1)	Gemini One Trust	Property owner and developer	Singapore	100	100
(1)	Grange 100 Pte. Ltd.	Property owner	Singapore	100	100
(1)	Grande Strategic Pte. Ltd.	Investment holding	Singapore	100	100
(1)	Guan Realty (Private) Limited	Property owner and developer	Singapore	100	100
(9)	HSRE Crosslane (Coventry) Limited	Property owner	Jersey	99.9	99.9
(9)	HSRE Crosslane (Leeds) Limited	Property owner	Jersey	99.9	99.9
(9)	Hoko Mina Pty Ltd	Property owner and developer	Australia	100	100
(1)	Hong Leong Properties Pte. Limited	Property owner	Singapore	100	100
(2)	Highline Investments LP	Property owner	United Kingdom	100	100
(2)	Highline Properties LP	Property owner	United Kingdom	100	100
(9)	Infinity Properties Limited	Property owner and developer	Jersey	100	100
(1)	Ingensys Pte. Ltd.	Systems integration activities	Singapore	100	100
(2)	Krungthep Rimnam Limited	Hotel business	Thailand	49 ^(a)	49 ^(a)
(9)	Landco Properties Limited	Property owner	Jersey	100	100
(1)	Land Equity Development Pte Ltd	Property owner	Singapore	100	100
(9)	Melvale Holdings Limited	Investment holding and property developer	Jersey	100	100

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

43 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

	Principal activity	Principal place of business/ Country of incorporation	Ownership interest		
			2025 %	2024 %	
Direct/Indirect subsidiaries of the Company (cont'd)					
⁽²⁾	Millennium & Copthorne Hotels Limited	Investment holding	United Kingdom	100	100
⁽²⁾	MPG St Katherine 2 LP	Property holding	United Kingdom	99.9	99.9
⁽²⁾	125 OBS Limited Partnership	Property holding	United Kingdom	100	100
⁽²⁾	New Bath Court Limited	Property owner	United Kingdom	99.9	99.9
⁽⁹⁾	New Bath Court (OpCo) Limited	Operating company	United Kingdom	99.9	99.9
⁽⁹⁾	Northgate Investments Limited	Investment holding	Jersey	100	100
⁽¹⁾	Novel Developments Pte. Ltd.	Property owner and developer	Singapore	100	100
⁽⁹⁾	Paradise Investments Limited	Property owner and developer	Jersey	100	100
⁽¹⁾	Pavo Properties Pte. Ltd.	Property owner and developer	Singapore	60	60
⁽²⁾	Phuket Square Co., Ltd.	Retail and hotel business	Thailand	49 ^(a)	49 ^(a)
⁽⁹⁾	Pinenorth Properties Limited	Property owner and developer	Jersey	100	100
⁽⁹⁾	Rehi Normanby Pty Ltd	Trustee	Australia	100	100
⁽⁹⁾	Reselton Properties Limited	Property owner and developer	Jersey	100	100
⁽¹⁾	Republic Plaza City Club (Singapore) Pte Ltd	Owner and operator of clubs	Singapore	100	100
⁽⁹⁾	Reach Across International Limited	Investment holding	British Virgin Islands	100	100
⁽²⁾	Shanghai Anting Waratah Real Estate Development Co., Ltd.	Property owner	People's Republic of China	100	100
⁽²⁾	Shanghai Galaxy Enterprise Management Co., Ltd.	Property owner	People's Republic of China	100	100
⁽³⁾	Shanghai Meidao Investment Co., Ltd.	Property owner and developer	People's Republic of China	100	100
⁽²⁾	Shanghai Rainbow Enterprise Management Co., Ltd.	Property owner	People's Republic of China	100	100

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43 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

	Principal activity	Principal place of business/ Country of incorporation	Ownership interest		
			2025 %	2024 %	
Direct/Indirect subsidiaries of the Company (cont'd)					
⁽²⁾	Shanghai Star Enterprise Management Co., Ltd.	Property owner	People's Republic of China	100	100
⁽²⁾	Shanghai Yulan Real Estate Development Co., Ltd.	Property owner and developer	People's Republic of China	100	100
⁽⁴⁾	Shenzhen Longgang District Hong Leong Technology Park Development Co., Ltd	Property owner and developer	People's Republic of China	100	100
⁽¹⁾	Singapura Developments (Private) Limited	Property owner, developer and investment holding	Singapore	100	100
⁽²⁾	SKD Marina Limited	Property owner	United Kingdom	99.9	99.9
⁽²⁾	Suzhou Gaoxin Properties Co., Ltd	Real estate development and operation	People's Republic of China	100	100
⁽⁸⁾	Suzhou Global City Genway Properties Co., Ltd.	Property owner and developer	People's Republic of China	100	100
⁽²⁾	Sycamore House Manco Limited	Operating company	United Kingdom	99.9	99.9
⁽¹⁾	Systematic Laundry & Healthcare Services Pte. Ltd.	Laundry and dry cleaning services, washing and other cleaning preparations	Singapore	100	100
⁽⁹⁾	The Aldgate House Unit Trust	Property investment	Jersey	100	100
⁽⁹⁾	Trentworth Properties Limited	Property owner and developer	Jersey	100	100
⁽⁹⁾	White City Investments Limited	Investment holding	Jersey	100	100
⁽⁹⁾	Wideachieve Holdings Limited	Investment holding	British Virgin Islands	100	100
⁽²⁾	Anchorage-Lakefront Limited Partnership	Hotel owner	USA	100	100
⁽⁹⁾	Archyield Limited	Hotel owner and operator	United Kingdom	100	100
⁽²⁾	Avon Wynfield LLC	Hotel owner	USA	100	100

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43 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

	Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2025 %	Ownership interest 2024 %
Direct/Indirect subsidiaries of Millennium & Copthorne Hotels Limited				
⁽²⁾	Beijing Fortune Hotel Co., Ltd.	Hotel owner and operator	People's Republic of China	70 70
⁽²⁾	Bostonian Hotel Limited Partnership	Hotel owner	USA	100 100
⁽²⁾	Buffalo RHM Operating LLC	Hotel owner	USA	100 100
⁽²⁾	CDL (New York) LLC	Hotel owner	USA	100 100
⁽⁹⁾	CDL Hotels (Chelsea) Limited	Hotel owner and operator	United Kingdom	100 100
⁽²⁾	CDL Hotels (Korea) Ltd.	Hotel owner and operator	Republic of Korea	100 100
⁽²⁾	CDL Hotels (Malaysia) Sdn. Bhd.	Hotel owner and operator	Malaysia	100 100
⁽⁹⁾	CDL Hotels (UK) Limited	Hotel owner and operator	United Kingdom	100 100
⁽²⁾	CDL Hotels USA, Inc.	Hotel investment holding company	USA	100 100
⁽²⁾	CDL Investments New Zealand Limited	Investment and property management company	New Zealand	56 53
⁽²⁾	CDL West 45th Street LLC	Hotel owner	USA	100 100
⁽⁶⁾	Chalon Heritage Hotel Operations SAS	Hotel operator	France	100 100
⁽⁶⁾	Chalon Heritage Hotel SNC	Property owner	France	100 100
⁽²⁾	Chicago Hotel Holdings, Inc.	Hotel ownership	USA	100 100
⁽¹⁾	City Hotels Pte. Ltd.	Hotel operator and investment holding company	Singapore	100 100
⁽²⁾	Copthorne Aberdeen Limited	Hotel management	United Kingdom	83 83
⁽⁹⁾	Copthorne Hotel (Birmingham) Limited	Hotel owner and operator	United Kingdom	100 100
⁽⁹⁾	Copthorne Hotel (Cardiff) Limited	Hotel owner and operator	United Kingdom	100 100
⁽⁹⁾	Copthorne Hotel (Effingham Park) Limited	Hotel owner and operator	United Kingdom	100 100

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

43 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

	Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2025 %	Ownership interest 2024 %
Direct/Indirect Subsidiaries of Millennium & Copthorne Hotels Limited (cont'd)				
⁽⁹⁾	Copthorne Hotel (Gatwick) Limited	Hotel owner and operator	United Kingdom	100 100
⁽⁹⁾	Copthorne Hotel (Manchester) Limited	Hotel owner and operator	United Kingdom	100 100
⁽⁹⁾	Copthorne Hotel (Merry Hill) Limited	Hotel owner and operator	United Kingdom	100 100
⁽²⁾	Copthorne Hotel (Newcastle) Limited	Hotel owner and operator	United Kingdom	96 96
⁽⁹⁾	Copthorne Hotel (Plymouth) Limited	Hotel owner and operator	United Kingdom	100 100
⁽⁹⁾	Copthorne Hotel (Slough) Limited	Hotel owner and operator	United Kingdom	100 100
⁽⁹⁾	Copthorne Hotel Holdings Limited	Investment holding company	United Kingdom	100 100
⁽⁹⁾	Copthorne Hotels Limited	Hotel investment holding company	United Kingdom	100 100
⁽²⁾	Copthorne Orchid Penang Sdn. Bhd.	Hotel owner	Malaysia	100 100
⁽²⁾	Durham Operating Partnership L.P.	Hotel ownership	USA	100 100
⁽²⁾	Gateway Regal Holdings LLC	Hotel owner and operator	USA	100 100
⁽²⁾	Grand Plaza Hotel Corporation	Hotel owner and operator and investment holding company	Philippines	66 66
⁽¹⁾	Harbour View Hotel Pte Ltd	Hotel operator	Singapore	100 100
⁽²⁾	Hong Leong Ginza TMK	Property owner	Japan	100 100
⁽²⁾	Hong Leong Hotel Development Limited	Hotel owner and operator	Taiwan	84 84
⁽¹⁾	Hospitality Holdings Pte. Ltd.	Investment holding company	Singapore	100 100
⁽⁹⁾	Hotel Liverpool Limited	Property letting	United Kingdom	100 100
⁽⁹⁾	Hotel Liverpool Management Limited	Operating company	United Kingdom	100 100
⁽¹⁰⁾	Kensington Unity Hotel Limited	Hotel owner and operator	United Kingdom	100 -

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

43 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

	Principal activity	Principal place of business/ Country of incorporation	Ownership interest		
			2025 %	2024 %	
Direct/Indirect subsidiaries of Millennium & Copthorne Hotels Limited (cont'd)					
(1)	King's Tanglin Shopping Pte. Ltd.	Property owner	Singapore	100	100
(2)	Lakeside Operating Partnership L.P.	Hotel ownership	USA	100	100
(9)	London Britannia Hotel Limited	Hotel owner	United Kingdom	100	100
(9)	London Tara Hotel Limited	Hotel owner and operator	United Kingdom	100	100
(2)	M&C Crescent Interests, LLC	Property owner	USA	100	100
(2)	M&C Hotel Interests, Inc.	Hotel management services company	USA	100	100
(2)	M&C Hotels France SAS	Hotel owner	France	100	100
(2)	M&C New York (Times Square) EAT II LLC	Hotel owner	USA	100	100
(2)	M&C New York (Times Square), LLC	Investment holding	USA	100	100
(1)	M&C REIT Management Limited	REIT investment management services	Singapore	100	100
(7)	M&C Sakura TMK	Property owner	Japan	100	100
(2)	Marquee Brisbane Hotel Trust	Property owner	Australia	93	90
(2)	Marquee Brisbane Hotel 2 Trust	Hotel owner	Australia	93	90
(5)	Millennium & Copthorne Hotels Management (Shanghai) Limited	Provision of hotel management and consultancy services	People's Republic of China	100	100
(2)	Millennium & Copthorne Hotels New Zealand Limited	Hotel investment holding company	New Zealand	86	81
(1)	Millennium & Copthorne International Limited	Hotels and resorts management	Singapore	100	100
(2)	Millennium Charles De Gaulle Paris SAS	Hotel operator	France	100	100
(2)	Millennium Hotels Italy Holdings S.r.l	Holding company	Italy	100	100
(2)	Millennium Hotels Palace Management S.r.l	Hotel operator	Italy	100	100

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

43 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

	Principal activity	Principal place of business/ Country of incorporation	Ownership interest		
			2025 %	2024 %	
Direct/Indirect subsidiaries of Millennium & Copthorne Hotels Limited (cont'd)					
(2)	Millennium Hotels Property S.r.l	Property owner	Italy	100	100
(9)	Millennium Hotels (West London) Limited	Property letting	United Kingdom	100	100
(9)	Millennium Hotels (West London) Management Limited	Hotel operator	United Kingdom	100	100
(2)	M Social Paris SAS (formerly known as Millennium Opera Paris SAS)	Hotel operator	France	100	100
(2)	PT. Millennium Sirih Jakarta Hotel	Hotel owner	Indonesia	100	100
(1)	Republic Hotels & Resorts Limited	Hotel operator and investment holding company	Singapore	100	100
(1)	Republic Iconic Hotel Pte. Ltd.	Hotel operator	Singapore	100	100
(2)	RHH Operating LLC	Hotel owner	USA	100	100
(2)	RHM Aurora LLC	Hotel ownership	USA	100	100
(2)	RHM Management LLC	Hotel ownership	USA	100	100
(2)	RHM Ranch LLC	Hotel owner	USA	100	100
(2)	RHM-88, LLC	Hotel owner and operator	USA	100	100
(2)	Sunnyvale Partners Ltd.	Hotel ownership	USA	100	100
(2)	Trimark Hotel Corporation	Hotel owner and operator	USA	100	100
(2)	WHB Biltmore LLC	Hotel owner and operator	USA	100	100

(1) Audited by KPMG LLP Singapore

(2) Audited by other member firms of KPMG International

(3) Audited by Shanghai Xiao Tian Cheng Certified Public Accountant Co., Ltd

(4) Audited by Shenzhen Shuibao Certified Public Accountants (Special General Partnership)

(5) Audited by Shanghai Certified Public Accountants

(6) Audited by Deloitte & Touche LLP

(7) Audited by Nanatsu-boshi Audit Corporation

(8) Audited by Sukong Certified Public Accountants LLP (Suzhou Branch)

(9) Not subject to audit by law of country of incorporation

(10) Audited by MHA Audit Services LLP

(a) Phuket Square Co., Ltd and Krungthep Rinnam Limited are considered subsidiaries of the Group as the Group is exposed to variable returns from the companies and has the ability to affect those returns through the management's control over the relevant activities of the companies.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

44 ASSOCIATES AND JOINT VENTURES

The following are the Group's significant investments in associates and joint ventures:

	Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2025 %	Ownership interest 2024 %
Associates of the Company				
(1)	Cityview Place Holdings Pte. Ltd.	Property owner and developer	Singapore	33 ^(a) 33 ^(a)
(3)	IREIT Global	Real estate investment trust	Singapore	21 21
(7)	Suzhou Dragonrise Pan- Artificial Intelligence High-Tech Fund	Venture capital investment and management	People's Republic of China	50 50
Associates of Millennium & Copthorne Hotels Limited				
(4)	First Sponsor Group Limited	Investment holding company	Singapore/ Cayman Islands	35 35
(1)	CDL Hospitality Trusts	See footnote ^(b) below	Singapore	29 28
Joint Ventures of the Company				
(8)	ACC Smith Street Pty Limited	Trustee	Australia	50 50
(1)	Aster Land Development Pte Ltd	Property development and investment dealing	Singapore	30 30
(1)	Branbury Investments Ltd	Property owner	Singapore	43 43
(2)	CBM Qatar LLC	Provision of facilities management services	State of Qatar	49 49
(2)	CBM Facilities & Security Management (Thailand) Co. Ltd.	Provision of integrated facilities management services in Thailand	Thailand	49 49
(1)	CDL-MFA Altair Property Pte. Ltd.	Real estate developers	Singapore	50 50
(1)	CDL-MFA Vega Property Pte. Ltd.	Property owner and investment holding	Singapore	50 50
(8)	CDL Metro Kenmore Pty Ltd	Trustee	Australia	50 50
(9)	Emerging Markets Affordable Housing Fund Pte. Ltd.	Investment in affordable housing projects in emerging markets	Singapore	69 ^(c) 69 ^(c)
(8)	FSCT DE Property 1 Real Estate GmbH & Co. KG	Property investment	Germany	43 43
(1)	Granmil Holdings Pte Ltd	Property owner and developer	Singapore	40 40

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

44 ASSOCIATES AND JOINT VENTURES (CONT'D)

	Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2025 %	Ownership interest 2024 %
Joint Ventures of the Company (cont'd)				
(4)	HThree City Australia Pte. Ltd.	Property fund management (including REIT management and direct property fund management)	Singapore	33 33
(4)	HThree City Jade Pte. Ltd.	Other holding company	Singapore	50 50
(3)	IREIT Global Group Pte. Ltd.	Property fund management	Singapore	49.5 ^(d) 49.5 ^(d)
(1)	Legend Quay Pte. Ltd.	Property owner and developer	Singapore	50 50
(1)	Legend Commercial Trust	Property owner and developer	Singapore	50 50
(8)	Macaulay North Melbourne Pty Ltd	Trustee	Australia	50 50
(1)	Richmond Hotel Pte Ltd	Property owner, developer and investment holding	Singapore	33 33
(2)	Suzhou Fulong Zhidi Investment Center (Limited Partnership)	Equity Investment	People's Republic of China	59 ^(c) 59 ^(c)
(5)	Suzhou Gsun Jiu hao Equity Investment Partnership (Limited Partnership)	Equity Investment	People's Republic of China	25 40
(1)	South Beach Consortium Pte. Ltd.	Property owner, developer and investment holding	Singapore	— ^(e) 50.1 ^(c)
(1)	Siena Commercial Trust	Property owner and developer	Singapore	50 50
(8)	Spencer West Melbourne Pty Ltd	Trustee	Australia	50 50
(8)	Spencer West Melbourne Parking Pty Ltd	Trustee	Australia	50 50
(6)	Tembusu Residential Pte. Ltd.	Property owner and developer	Singapore	51 ^(c) 51 ^(c)
(1)	Transcend Residential (Toa Payoh) Pte. Ltd.	Property owner and developer	Singapore	50 50
(1)	Tomlinson Hotel Pte. Ltd.	Hotel owner	Singapore	33 33
(1)	Tripartite Developers Pte. Limited	Property developer	Singapore	33 33
(8)	New Unity Holdings Ltd.	Investment holding company	British Virgin Islands	50 50

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

44 ASSOCIATES AND JOINT VENTURES (CONT'D)

- (1) Audited by KPMG LLP Singapore
 (2) Audited by other member firms of KPMG International
 (3) Audited by Deloitte & Touche LLP
 (4) Audited by Ernst & Young LLP
 (5) Audited by Suzhou PricewaterhouseCoopers Zhong Tian LLP
 (6) Audited by PricewaterhouseCoopers LLP
 (7) Audited by Shanghai PricewaterhouseCoopers Zhong Tian LLP
 (8) Not subject to audit by law of country of incorporation
 (9) Audited by CLA Global TS Public Accounting Corporation

(a) Although the Group is the legal owner of the entire equity interests in Cityview Place Holdings Pte. Ltd. (Cityview), the Group has determined that it does not have control over Cityview upon the sale of cash flows in Cityview in 2014 as described below. The Group has significant influence in Cityview through Sunbright Holdings Limited (Sunbright). Accordingly, Cityview is classified as an associate of the Group.

On 15 December 2014, Baynes Investment Pte. Ltd. (Baynes), a wholly-owned subsidiary of the Group, sold the Dividends (as defined in the sale and purchase agreement) in its wholly-owned subsidiary, Cityview, to Sunbright.

On 22 December 2014, the Group through its wholly-owned subsidiary, Astoria Holdings Limited (Astoria), subscribed for 37.5% interest in a capital instrument called profit participation securities (PPS) issued by Sunbright (comprising 33.3% interest in residential component (Residential Component) and 49% interest in non residential component (Non-Residential Component)). The Group will receive from Sunbright the cash flows purchased from Baynes (after satisfying certain senior ranking liabilities, including capital contributions from the other third party investors (the Third Party Investors) in accordance with a pre-agreed order of priority as set out under the terms of the PPS. In addition, shares of Baynes with an investment amount of \$1,502,000 (2024: \$1,502,000) was pledged to Sunbright.

Under the Investors' Agreement between Astoria, Third Party Investors and Sunbright, the management of the affairs of Sunbright and its subsidiaries are delegated to the Residential Investment Committee and Non-Residential Investment Committee. The Group had determined that it had significant influence over Sunbright because of its representation on the Investment Committees. Accordingly, Sunbright was considered an associate of the Group.

In April 2019, the Group, through its indirect wholly-owned subsidiary, Astoria, acquired the remaining PPS units in the Non-Residential component of Sunbright, which held W Hotel and Quayside Isle. Following the acquisition, the Group has power over the relevant activities of the Non-Residential Component, which became a wholly-owned subsidiary of the Group.

In October 2023, Astoria subscribed for 20% of shareholding in Lion Heritage 2 (B.V.I) Limited (LH2), along with a third party investor subscribing for the remaining 80% interest in LH2. LH2 is classified as an associate of the Group. LH2, through its wholly owned subsidiary, Lion Heritage 3 (B.V.I) Limited (LH3), acquired the remaining PPS units in the Residential Component that the Group does not own from the then-existing third party investor. Following the acquisition, the Group continues to have an interest in the Residential Component from Astoria's 33.3% direct interest in the Residential Component, and has an indirect interest in the Residential Component from Astoria's 20% interest in LH2. The Group continues to have significant influence over the Residential Component through its representation in the Residential Component's Investment Committee, which has not changed. Accordingly, the Residential Component remains as an associate of the Group.

(b) CDL Hospitality Trusts (CDLHT) is a stapled group comprising CDL Hospitality Real Estate Investment Trust (H-REIT), a real estate investment trust, and CDL Hospitality Business Trust (HBT), a business trust. H-REIT has an investment strategy of investing directly or indirectly, in a diversified portfolio of income-producing real estate which is primarily used for hospitality, hospitality-related and other accommodation and/or lodging purposes, whether wholly or partially, and real-estate related assets in relation to the foregoing.

HBT is a business trust which currently acts as master lessee, asset owner and hotel operator. HBT may also undertake certain hospitality, hospitality-related and other accommodation and/or lodging development projects, acquisition and investments which may not be suitable for H-REIT.

(c) Although the Group holds more than 50% ownership interest in the investee, pursuant to a contractual agreement between the Group and its joint venture partner(s), joint control is exercised by all parties over the relevant activities of the investee. Accordingly, the investee is accounted for as a joint venture of the Group.

(d) Although the Group holds less than 50% voting interest in the IREIT Global Group Pte. Ltd. (the "IREIT Manager"), pursuant to a contractual agreement between the Group and its joint venture partner in the IREIT Manager, joint control is exercised by both parties over the relevant activities of the IREIT Manager. Accordingly, the IREIT Manager is accounted for as a joint venture of the Group.

(e) Disposed on 1 September 2025.

The Group does not consider the above associates and joint ventures to be individually material to the Group under the context of SFRS(I) 12 *Disclosure of Interests in Other Entities*.

STATISTICS OF ORDINARY SHAREHOLDINGS

As at 10 March 2026

Class of Shares	: Ordinary Shares
No. of Issued Ordinary Shares	: 909,301,330
No. of Issued Ordinary Shares (excluding Treasury Shares)	: 893,401,730
No. of Treasury Shares	: 15,899,600 (representing 1.78% of the total number of issued shares, excluding treasury shares)
No. of Subsidiary Holdings#	: Nil
Voting Rights	: One vote for one Ordinary Share. The Company cannot exercise any voting rights in respect of the shares held as treasury shares.

Subject to the Companies Act 1967, subsidiaries cannot exercise any voting rights in respect of shares held by them as subsidiary holdings#.

Range of Ordinary Shareholdings	No. of Ordinary Shareholders	%	No. of Ordinary Shares	%
1 – 99	252	1.41	8,010	0.00
100 – 1,000	6,415	35.82	4,939,456	0.55
1,001 – 10,000	9,554	53.36	36,254,596	4.06
10,001 – 1,000,000	1,656	9.25	56,434,112	6.32
1,000,001 and above	29	0.16	795,765,556	89.07
	17,906	100.00	893,401,730	100.00

Based on information available to the Company as at 10 March 2026, approximately 50.40% of the issued Ordinary Shares (excluding treasury shares) is held by the public, and accordingly, Rule 723 of the Listing Manual of Singapore Exchange Securities Trading Limited has been complied with.

MAJOR ORDINARY SHAREHOLDERS LIST - TOP 20 AS AT 10 MARCH 2026

No.	Name	No. of Ordinary Shares Held	%*
1	Hong Leong Investment Holdings Pte. Ltd.	169,549,915	18.98
2	Hong Leong Holdings Limited	148,787,477	16.65
3	Citibank Nominees Singapore Pte Ltd	101,422,787	11.35
4	DBS Nominees (Private) Limited	61,951,371	6.93
5	DBSN Services Pte. Ltd.	55,873,406	6.25
6	HSBC (Singapore) Nominees Pte Ltd	37,169,982	4.16
7	Hong Realty (Private) Limited	34,457,782	3.86
8	BNP Paribas Nominees Singapore Pte. Ltd.	29,378,761	3.29
9	Raffles Nominees (Pte.) Limited	27,998,636	3.13
10	Garden Estates (Pte) Limited	20,484,365	2.29
11	Euroform (S) Pte. Limited	19,603,045	2.19
12	Hong Leong Corporation Holdings Pte Ltd	18,634,760	2.09
13	BPSS Nominees Singapore (Pte.) Ltd.	10,387,954	1.16
14	Gordon Properties Pte. Limited	9,304,616	1.04
15	Hong Leong Enterprises Pte. Ltd.	8,524,530	0.95
16	Interfab Private Limited	5,648,781	0.63
17	United Overseas Bank Nominees (Private) Limited	5,358,020	0.60
18	Hong Leong Foundation	4,301,106	0.48
19	Phillip Securities Pte Ltd	3,857,656	0.43
20	Abbottin Properties Pte. Ltd.	3,729,188	0.42
	TOTAL	776,424,138	86.88

"Subsidiary Holdings" is defined in the Listing Manual of Singapore Exchange Securities Trading Limited to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

* The percentage of Ordinary Shares held is based on the total number of issued Ordinary Shares, excluding treasury shares, as at 10 March 2026.

APPENDIX II

**RISK FACTORS RELATING TO
THE OPERATING ENVIRONMENT AND STRATEGY OF UBS AG**

This section supersedes in its entirety Appendix 2 of the Base Listing Document.

Risk factors relating to UBS AG

Certain risks, including those described below, may affect the ability of UBS AG to execute its strategy or its business activities, financial condition, results of operations and prospects. It is inherently exposed to multiple risks, many of which may become apparent only with the benefit of hindsight. As a result, risks that UBS AG does not consider to be material, or of which it is not currently aware, could also adversely affect UBS AG. Within each category, the risks that UBS AG considers to be most material are presented first.

Strategy, management and operational risks

Substantial changes in regulation may adversely affect UBS AG's businesses and its ability to execute its strategic plans

The UBS AG Group is subject to significant regulatory requirements, including capital and liquidity, legal structure requirements, recovery and resolution planning, new and revised market standards and fiduciary duties, as well as new and developing environmental, social and governance (ESG) standards and requirements. In addition, measures adopted or proposed for banking and other regulation differ significantly across the major jurisdictions, making it increasingly difficult to manage a global institution. Regulatory reviews of the events leading to the failures of US banks and the acquisition of Credit Suisse by UBS Group AG in 2023, as well as regulatory measures to complete the implementation of the Basel III standards, may increase capital, liquidity and other requirements applicable to banks, including UBS AG. Swiss regulatory changes with regard to such matters as capital and liquidity have often proceeded more quickly than those in other major jurisdictions, and Switzerland's requirements for major international banks are among the strictest of the major financial centres. Switzerland has implemented the final Basel III requirements effective 1 January 2025, while implementation in other jurisdictions, including the United States, the EU and the UK, remains uncertain.

In June 2025, the Swiss Federal Council published for consultation proposed amendments to the Capital Adequacy Ordinance and in September 2025, it began a second public consultation on legislative amendments to capital requirements related to foreign subsidiaries. In April 2026, the Swiss Federal Council published the revised Capital Adequacy Ordinance reflecting amendments to, among other things, the regulatory capital treatment of select assets, which amendments will become effective in January 2027 or January 2029, as applicable. At the same time as publishing the revised Capital Adequacy Ordinance, the Swiss Federal Council submitted to the Swiss Parliament its final proposal for amendments to the Banking Act governing the capital treatment of foreign participations of systemically relevant banks, which, as currently proposed, would be phased in over a period of seven years. The Swiss Federal Council is expected to publish for consultation, in the first half of 2026, the remainder of the legislative changes implementing the recommendations from the review. The capital measures proposed by the Swiss Federal Council, if adopted as proposed, would require significant additional capital at UBS AG and have the effect of requiring a higher capital ratio at the UBS Group. Increased capital or liquidity requirements would put UBS at a disadvantage when competing with peer financial institutions subject to lower capital or liquidity requirements.

The UBS AG Group's implementation of additional regulatory requirements and changes in supervisory standards, as well as its compliance with existing laws and regulations, has entailed significant implementation and ongoing costs and continues to receive heightened scrutiny from supervisors. If the UBS AG Group does not meet supervisory expectations in relation to these or other matters, or if

additional supervisory or regulatory issues arise, it would likely be subject to further regulatory scrutiny, as well as measures that may constrain its strategic flexibility.

Resolvability and resolution and recovery planning: The UBS AG Group has moved significant operations into subsidiaries to improve resolvability and meet other regulatory requirements, and this has resulted in substantial implementation costs, increased its capital and funding costs and reduced operational flexibility. For example, the UBS AG Group has transferred all of its US subsidiaries under a US intermediate holding company to meet US regulatory requirements and has transferred substantially all the operations of Personal & Corporate Banking booked in Switzerland to UBS Switzerland AG to improve resolvability.

These changes create operational, capital, liquidity, funding and tax inefficiencies. The operations of the UBS AG Group in subsidiaries are subject to local capital, liquidity, stable funding, capital planning and stress testing requirements. These requirements have resulted in increased capital and liquidity requirements in affected subsidiaries, which limit the operational flexibility of UBS AG and negatively affect its ability to benefit from synergies between business units and to distribute earnings to the Group.

Under the Swiss too-big-to-fail (TBTF) framework, the UBS AG Group is required to put in place a viable emergency plan to preserve the operation of systemically important functions in the event of a failure. Moreover, under this framework and similar regulations in the US, the UK, the EU and other jurisdictions in which it operates, UBS AG is required to prepare credible recovery and resolution plans detailing the measures that would be taken to recover in a significant adverse event or in the event of winding down the Group, UBS AG or the operations in a host country through resolution or insolvency proceedings. If a recovery or resolution plan that UBS AG produces is determined by the relevant authority to be inadequate or not credible, relevant regulation may permit the authority to place limitations on the scope or size of its business in that jurisdiction, or oblige it to hold higher amounts of capital or liquidity or to change its legal structure or business in order to remove the relevant impediments to resolution.

The authorities in Switzerland and internationally have published lessons learned from the Credit Suisse and the US regional bank failures, which are expected to result in additional requirements regarding recovery and resolution planning as well as early intervention tools for authorities. In September 2025, FINMA published its 2025 resolution report on UBS related to the 2024 fiscal year and FINMA concluded that UBS remains resolvable under UBS's existing preferred resolution strategy. However, given the lessons learned from the Credit Suisse crisis, FINMA also determined that the Swiss emergency plan of UBS – although largely compliant with the current legal requirements – requires further development, in particular better integration into UBS's global resolution plan, to meet the objective of maintaining systemically important functions while also safeguarding financial stability at the international level. Due to the ongoing integration of Credit Suisse into UBS, FINMA has refrained from assessing UBS's recovery plan, which outlines measures that aim to restore financial strength if UBS should come under severe capital or liquidity stress. UBS AG expects to make adjustments to its resolution plans to reflect additional guidance from FINMA and may be required to make further adjustments to reflect any changes to law that are enacted.

Increases in capital and changes in liquidity requirements may, in the aggregate require the UBS AG Group to maintain significantly higher levels of capital, which may have an effect on its ability to achieve its strategic plans, to meet ambitions for return on capital, and to achieve its ambitions for capital returns to shareholders. Significantly higher capital or liquidity requirements applied to the UBS Group or UBS AG relative to competitors in Switzerland or abroad may affect the UBS AG Group's

ability to compete with firms subject to less stringent capital requirements and increase UBS AG Group's costs to serve customers.

Market regulation and fiduciary standards: the UBS AG Group's businesses operate in an environment of increasing regulatory scrutiny and changing standards with respect to fiduciary and other standards of care and the focus on mitigating or eliminating conflicts of interest between a manager or advisor and the client, which require effective implementation across the global systems and processes of investment managers and other industry participants. Future changes in the regulation of the UBS AG Group's duties to customers, including any potential changes to banking examination and oversight practices and standards as a result of interpretations of law, may require it to make further changes to its businesses, which would result in additional expense and may adversely affect its business. The UBS AG Group may also become subject to other similar regulations substantively limiting the types of activities in which it may engage or the way it conducts its operations.

In many instances, the UBS AG Group provides services on a cross-border basis, and it is therefore sensitive to barriers restricting market access for third-country firms. In particular, efforts in the EU to harmonize the regime for third-country firms to access the European market may have the effect of creating new barriers that adversely affect the UBS AG Group's ability to conduct business in these jurisdictions from Switzerland. In addition, a number of jurisdictions are increasingly regulating cross-border activities based on determinations of equivalence of home country regulation, substituted compliance or similar principles of comity. A negative determination with respect to Swiss equivalence could limit the UBS AG Group's access to the market in those jurisdictions and may negatively influence its ability to act as a global firm.

UBS's acquisition of Credit Suisse Group AG exposes UBS AG to heightened litigation risk and regulatory scrutiny and entails significant additional costs, liabilities and business integration risks

UBS Group AG acquired Credit Suisse Group AG under exceptional circumstances and the continued outflows and deteriorating overall financial position of the Credit Suisse Group, in order to avert a failure of the Credit Suisse Group and thus damage to the Swiss financial centre and to global financial stability. The acquisition was effected through a merger of Credit Suisse Group AG with and into UBS Group AG, with UBS Group AG succeeding to all assets and all liabilities of Credit Suisse Group AG, becoming the direct or indirect shareholder of the former Credit Suisse Group AG's direct and indirect subsidiaries. Therefore, on a consolidated basis, all assets, risks and liabilities of the Credit Suisse Group became a part of the UBS Group. This includes all ongoing and future litigation, regulatory and similar matters arising out of the business of the Credit Suisse Group, thereby materially increasing UBS's exposure to litigation and regulatory risks. The UBS Group, including UBS AG, has, and expects to continue to, incur substantial costs to manage and resolve litigation, regulatory and other issues arising from the Credit Suisse Group. In addition to the litigation and regulatory risks inherited from the Credit Suisse Group, various legal challenges to the acquisition transaction have been brought by former securityholders of Credit Suisse Group AG. Former Credit Suisse Group AG shareholders have brought claims challenging the amount of merger consideration received and seeking a valuation under the Swiss Merger Act. Former holders of Credit Suisse Group AG additional tier 1 capital instruments have brought claims seeking a determination that FINMA's order directing Credit Suisse Group AG to write down such instruments was unauthorized and unlawful. In a partial ruling, the Swiss Federal Administrative Court has ruled that FINMA's order was unlawful without addressing any potential remedy. This ruling has been appealed by FINMA and by UBS to the Swiss Federal Supreme Court. Although UBS believes these claims are without merit, a final adverse decision in any of these matters could be material to UBS AG.

The UBS AG Group has also incurred and expects to continue to incur costs to manage other issues arising from the Credit Suisse Group. This includes substantial resources in connection with UBS's voluntary review of historical records relating to the Credit Suisse Group's World War II-era conduct.

The UBS AG Group has incurred and will continue to incur, substantial integration and restructuring costs as it combines the operations of UBS and Credit Suisse. In addition, UBS AG may not realize all of the expected cost reductions and other benefits of the transaction. UBS AG may not be able to successfully execute its strategic plans or to achieve the expected benefits of the acquisition of the Credit Suisse Group. The success of the transaction, including anticipated benefits and cost savings, will depend, in part, on UBS AG's ability to successfully complete the integration of the operations of both firms rapidly and effectively, while maintaining stability of operations and high levels of service to customers of the combined franchise.

The UBS AG Group's ability to complete the integration of Credit Suisse will depend on a number of factors, some of which are outside of its control, including its ability to:

- combine the operations of the two firms in a manner that preserves client service, simplifies infrastructure and results in operating cost savings, including successful completion of the transfer of clients from legacy Credit Suisse platforms to UBS platforms in Switzerland, its largest booking centre;
- maintain deposits and client invested assets in its Global Wealth Management division and in Switzerland, and to attract additional deposits and invested assets to the combined firm;
- achieve cost reductions at the levels and in the timeframe it plans;
- enhance, integrate and, where necessary, remediate risk management and financial control and other systems and frameworks;
- complete the simplification of the legal structure of the combined firm in an expedited manner, including obtaining regulatory approvals and licenses required to implement these changes;
- complete the wind-down of the assets and liabilities in its Non-core and Legacy division and release capital and resources for other purposes;
- decommission the information technology and other legacy Credit Suisse operational infrastructure to simplify its infrastructure, reduce operational complexity and lower its operating expenses; and
- resolve outstanding litigation, regulatory and similar matters, including matters relating to Credit Suisse, on terms that are not significantly adverse to the UBS AG Group, as well as to successfully remediate outstanding regulatory and supervisory matters and meet other regulatory commitments.

The level of success in the absorption of Credit Suisse, in the integration of the two groups and their businesses, the execution of cost reductions and divestment of non-core assets, as well as resulting impairments and write-downs, may impact the operational results, share price and the credit rating of UBS entities. The combined Group will be required to devote significant management attention and resources to integrating its business practices and support functions. The diversion of management's attention and any delays or difficulties encountered in connection with the transaction and the coordination of the two companies' operations could have an adverse effect on the business, financial results, financial condition or the share price of the combined Group following the transaction.

UBS AG's reputation is critical to its success

UBS AG's reputation is critical to the success of its strategic plans, business and prospects. Reputational damage is difficult to reverse, and improvements tend to be slow and difficult to measure. In the past,

UBS AG's reputation has been adversely affected by its losses during the 2008 financial crisis, investigations into its cross-border private banking services, criminal resolutions of London Interbank Offered Rates (LIBOR)-related and foreign exchange matters, as well as other matters. UBS AG believes that reputational damage as a result of these events was an important factor in its loss of clients and client assets across its asset-gathering businesses. The Credit Suisse Group was more recently subject to significant litigation and regulatory matters and to financial losses that adversely affected its reputation and the confidence of clients, which played a significant role in the events leading to the acquisition of the Credit Suisse Group in March 2023. These events, or new events that cause reputational damage, could have a material adverse effect on UBS AG's results of operation and financial condition, as well as its ability to achieve its strategic goals and financial targets.

Operational risks affect UBS AG's business

UBS AG's businesses depend on its ability to process a large number of transactions, many of which are complex, across multiple and diverse markets in different currencies, to comply with requirements of many different legal and regulatory regimes to which it is subject and to prevent, or promptly detect and stop, unauthorised, fictitious or fraudulent transactions. The UBS AG Group also relies on access to, and on the functioning of, systems maintained by third parties, including clearing systems, exchanges, information processors and central counterparties. Any failure of its or third-party systems could have an adverse effect on the UBS AG Group. These risks may be greater as the UBS AG Group deploys newer technologies, such as blockchain, or processes, platforms or products that rely on these technologies. UBS AG Group's operational risk management and control systems and processes are designed to help ensure that the risks associated with its activities – including those arising from process error, failed execution, misconduct, unauthorised trading, fraud, system failures, financial crime, cyberattacks, breaches of information security, inadequate or ineffective access controls and failure of security and physical protection – are appropriately controlled. If its internal controls fail or prove ineffective in identifying and remedying these risks, the UBS AG Group could suffer operational failures that might result in material losses. The acquisition of the Credit Suisse Group may elevate these risks, particularly during the first phases of integration, as the firms have historically operated under different procedures, IT systems, risk policies and structures of governance.

The UBS AG Group uses automation as part of its efforts to improve efficiency, reduce the risk of error and improve its client experience. The UBS AG Group intends to expand the use of robotic processing, machine learning and artificial intelligence ("AI") to further these goals. Use of these tools presents their own risks, including the need for effective design and testing; the quality of the data used for development and operation of machine learning and AI tools may adversely affect their functioning and result in errors and other operational risks.

Financial services firms have increasingly been subject to breaches of security and to cyber- and other forms of attack, some of which are sophisticated and targeted attacks intended to gain access to confidential information or systems, disrupt service or steal or destroy data, which may result in business disruption or the corruption or loss of data at the UBS AG Group's locations or those of third parties. Cyberattacks by hackers, terrorists, criminal organisations, nation states and extremists have also increased in frequency and sophistication. Current geopolitical tensions have also led to increased risk of cyberattack from foreign state actors. In particular, the Russia-Ukraine war and the imposition of significant sanctions on Russia by Switzerland, the US, the EU, the UK and others has resulted and may continue to result in an increase in the risk of cyberattacks. Such attacks may occur on the UBS AG Group's own systems or on the systems that are operated by external service providers, may be attempted through the introduction of ransomware, viruses or malware, phishing and other forms of

social engineering, distributed denial of service attacks and other means. These attempts may occur directly or using equipment or security passwords of the UBS AG Group's employees, third-party service providers or other users. Cybersecurity risks also have increased due to the widespread use of digital technologies, cloud computing and mobile devices to conduct financial business and transactions, as well as due to generative AI, which increases the capabilities of adversaries to mount sophisticated phishing attacks, for example, through the use of deepfake technologies, and presents new challenges to the protection of the UBS AG Group's systems and networks and the confidentiality and integrity of its data. In addition to external attacks, the UBS AG Group has experienced loss of client data from failure by employees and others to follow internal policies and procedures and from misappropriation of its data by employees and others.

The UBS AG Group may not be able to anticipate, detect or recognise threats to its systems or data and its preventative measures may not be effective to prevent an attack or a security breach. In the event of a security breach, notwithstanding its preventative measures, the UBS AG Group may not immediately detect a particular breach or attack. The acquisition of the Credit Suisse Group may elevate and intensify these risks, as would-be attackers have a larger potential target in the combined bank and differences in systems, policies, and platforms could make threat detection more difficult. In addition, the implementation of the large-scale technological change programme that is necessary to integrate the combined bank's systems at pace may also result in increased risks. Once a particular attack is detected, time may be required to investigate and assess the nature and extent of the attack, and to restore and test systems and data. If a successful attack occurs at a service provider, as the UBS AG Group has recently experienced, the UBS AG Group may be dependent on the service provider's ability to detect the attack, investigate and assess the attack and successfully restore the relevant systems and data. A successful breach or circumvention of security of the UBS AG Group's or a service provider's systems or data could have significant negative consequences for the UBS AG Group, including disruption of its operations, misappropriation of confidential information concerning it or its clients, damage to its systems, financial losses for the UBS AG Group's or its clients, violations of data privacy and similar laws, litigation exposure, and damage to its reputation. The UBS AG Group may be subject to enforcement actions as regulatory focus on cybersecurity increases and regulators have announced new rules, guidance and initiatives on ransomware and other cybersecurity-related issues.

The UBS AG Group is subject to complex and frequently changing laws and regulations governing the protection of client and personal data, such as the EU General Data Protection Regulation. Ensuring that the UBS AG Group complies with applicable laws and regulations when it collects, uses and transfers personal information requires substantial resources and may affect the ways in which the UBS AG Group conducts its business. In the event that the UBS AG Group fails to comply with applicable laws, it may be exposed to regulatory fines and penalties and other sanctions. The UBS AG Group may also incur such penalties if its vendors or other service providers or clients or counterparties fail to comply with these laws or to maintain appropriate controls over protected data. In addition, any loss or exposure of client or other data may adversely damage the UBS AG Group's reputation and adversely affect its business.

A major focus of US and other countries' governmental policies relating to financial institutions in recent years has been on fighting money laundering and terrorist financing. The UBS AG Group is required to maintain effective policies, procedures and controls to detect, prevent and report money laundering and terrorist financing, and to verify the identity of its clients under the laws of many of the countries in which it operates. The UBS AG Group is also subject to laws and regulations related to corrupt and illegal payments to government officials by others, such as the US Foreign Corrupt Practices Act and the UK Bribery Act. The UBS AG Group has implemented policies, procedures and internal

controls that are designed to comply with such laws and regulations. Failure by the UBS AG Group to maintain and implement adequate programmes to combat money laundering, terrorist financing or corruption, or any failure of its programmes in these areas, could have serious consequences both from legal enforcement action and from damage to its reputation. Frequent changes in sanctions imposed and increasingly complex sanctions imposed on countries, entities and individuals, as exemplified by the breadth and scope of the sanctions imposed in relation to the war in Ukraine, increase UBS AG Group's cost of monitoring and complying with sanctions requirements and increase the risk that UBS AG will not identify in a timely manner client activity that is subject to a sanction.

As a result of new and changed regulatory requirements and the changes the UBS AG Group has made in its legal structure, the volume, frequency and complexity of its regulatory and other reporting has remained elevated. Regulators have also significantly increased expectations regarding the UBS AG Group's internal reporting and data aggregation, as well as management reporting. The UBS AG Group has incurred, and continues to incur, significant costs to implement infrastructure to meet these requirements. Failure by the UBS AG Group to meet external reporting requirements accurately and in a timely manner or failure to meet regulatory expectations of internal reporting, data aggregation and management reporting could result in enforcement action or other adverse consequences for UBS AG.

In addition, despite the contingency plans that the UBS AG Group has in place, its ability to conduct business may be adversely affected by a disruption in the infrastructure that supports its businesses and the communities in which it operates. This may include a disruption due to natural disasters, pandemics, civil unrest, war or terrorism and involve electrical, communications, transportation or other services that the UBS AG Group uses or that are used by third parties with whom it conducts business.

UBS AG depends on its risk management and control processes to avoid or limit potential losses in its businesses

Controlled risk-taking is a major part of the business of a financial services firm. Some losses from risk-taking activities are inevitable, but, to be successful over time, the UBS AG Group must balance the risks it takes against the returns generated. Therefore, it must diligently identify, assess, manage and control its risks, not only in normal market conditions but also as they might develop under more extreme, stressed conditions, when concentrations of exposures can lead to severe losses.

The UBS AG Group has not always been able to prevent serious losses arising from risk management failures and extreme or sudden market events. UBS AG recorded substantial losses on fixed-income trading positions in the 2008 financial crisis, in the unauthorised trading incident in 2011 and, more recently, positions resulting from the default of a US prime brokerage client. Credit Suisse has suffered very significant losses from the default of the US prime brokerage client and losses in supply chain finance funds managed by it, as well as other matters.

The UBS AG Group regularly revises and strengthens its risk management and control frameworks to seek to address identified shortcomings. Nonetheless, it could suffer further losses in the future if, for example:

- it does not fully identify the risks in its portfolio, in particular risk concentrations and correlated risks;
 - its assessment of the risks identified, or its response to negative trends, proves to be untimely, inadequate, insufficient or incorrect;
 - its risk models prove insufficient to predict the scale of financial risks the bank faces;
-

- markets move in ways that it does not expect – in terms of their speed, direction, severity or correlation – and its ability to manage risks in the resulting environment is, therefore, affected;
- third parties to whom it has credit exposure or whose securities it holds are severely affected by events and it suffers defaults and impairments beyond the level implied by its risk assessment; or
- collateral or other security provided by its counterparties and clients proves inadequate to cover their obligations at the time of default.

The UBS AG Group also holds legacy risk positions, primarily in Non-core and Legacy, that, in many cases, are illiquid and may deteriorate in value. The acquisition of the Credit Suisse Group and the integration of UBS AG with Credit Suisse AG have increased, materially, the portfolio of business that is outside of the UBS AG Group's risk appetite and subject to exit in the Non-core and Legacy segment.

The UBS AG Group also manages risk on behalf of its clients. The performance of assets it holds for its clients may be adversely affected by the aforementioned factors. If clients suffer losses or the performance of their assets held with the UBS AG Group is not in line with relevant benchmarks against which clients assess investment performance, the UBS AG Group may suffer reduced fee income and a decline in assets under management, or withdrawal of mandates.

Investment positions, such as equity investments made as part of strategic initiatives and seed investments made at the inception of funds that the UBS AG Group manages, may also be affected by market risk factors. These investments are often not liquid and generally are intended or required to be held beyond a normal trading horizon. Deteriorations in the fair value of these positions would have a negative effect on the UBS AG Group's earnings.

UBS AG may be unable to identify or capture revenue or competitive opportunities, or retain and attract qualified employees

The financial services industry is characterised by intense competition, continuous innovation, restrictive, detailed and sometimes fragmented regulation and ongoing consolidation. The UBS AG Group faces competition at the level of local markets and individual business lines and from global financial institutions that are comparable to it in their size and breadth, as well as competition from new technology-based market entrants, which may not be subject to the same level of regulation. Barriers to entry in individual markets and pricing levels are being eroded by new technology. The UBS AG Group expects these trends to continue and competition to increase. Its competitive strength and market position could be eroded if the UBS AG Group is unable to identify market trends and developments, does not respond to such trends and developments by devising and implementing adequate business strategies, does not adequately develop or update its technology, including its digital channels and tools and deployment of artificial intelligence, or is unable to attract or retain the qualified people needed.

The amount and structure of the UBS AG Group's employee compensation is affected not only by its business results but also by competitive factors and regulatory considerations.

In response to the demands of various stakeholders, including regulatory authorities and shareholders, and in order to better align the interests of its staff with other stakeholders, the UBS AG Group's compensation framework includes deferral periods for stock awards, forfeiture provisions and clawback provisions for certain awards linked to business performance. UBS AG also has individual caps on the proportion of fixed to variable pay for the members of the Executive Board (EB), as well as certain other employees. UBS is also required to maintain and enforce provisions requiring UBS to recover from EB members a portion of performance-based incentive compensation in the event that the UBS

Group and UBS AG, or another entity with securities listed on a US national securities exchange, is required to restate its financial statements as a result of a material error.

Constraints on the amount or structure of employee compensation, high levels of deferral, performance conditions and other circumstances triggering the forfeiture of unvested awards may adversely affect the ability of the UBS AG Group to retain and attract key employees, particularly where it competes with companies that are not subject to these constraints. The loss of key staff and the inability to attract qualified replacements could seriously compromise the ability of the UBS AG Group to execute its strategy and to successfully improve its operating and control environment, and could affect its business performance. Swiss law requires that shareholders approve the compensation of the Board of Directors of UBS Group AG (the “**Group BoD**”) and the Group Executive Board (“**GEB**”) each year. If UBS Group AG’s shareholders fail to approve the compensation for the GEB or the Group BoD, this could have an adverse effect on UBS AG’s ability to retain experienced directors and its senior management.

UBS AG’s operating results, financial condition and ability to pay its obligations in the future may be affected by funding, dividends and other distributions received directly or indirectly from subsidiaries, which may be subject to restrictions

UBS AG’s ability to pay its obligations in the future will depend on the level of funding, dividends and other distributions, if any, received from UBS Switzerland AG and other subsidiaries. The ability of such subsidiaries to make loans or distributions, directly or indirectly, to UBS AG may be restricted as a result of several factors, including restrictions in financing agreements and the requirements of applicable law and regulatory, fiscal or other restrictions. In particular, UBS AG’s direct and indirect subsidiaries, including UBS Switzerland AG, UBS Americas Holding LLC, UBS Europe SE and Credit Suisse International, are subject to laws and regulations that require the entities to maintain minimum levels of capital and liquidity, that restrict dividend payments, that authorise regulatory bodies to block or reduce the flow of funds from those subsidiaries to UBS AG or that could affect their ability to repay any loans made to, or other investments in, such subsidiary by UBS AG or another member of the Group. Restrictions and regulatory actions could impede access to funds that UBS AG may need to meet its obligations. In addition, UBS AG’s right to participate in a distribution of assets upon a subsidiary’s liquidation or reorganisation is subject to all prior claims of the subsidiary’s creditors.

Furthermore, UBS AG may guarantee some of the payment obligations of certain of the Group’s subsidiaries from time to time. These guarantees may require UBS AG to provide substantial funds or assets to subsidiaries or their creditors or counterparties at a time when UBS AG is in need of liquidity to fund its own obligations.

Market, credit and macroeconomic risks

Performance in the financial services industry is affected by market conditions and the macroeconomic climate

The UBS AG Group’s businesses are materially affected by market and macroeconomic conditions. A market downturn and weak macroeconomic conditions can be precipitated by a number of factors, including geopolitical events, such as international armed conflicts, war, or acts of terrorism, the imposition of sanctions, global trade or global supply chain disruptions, including energy shortages and food insecurity, changes in monetary or fiscal policy, changes in trade policies or international trade disputes, significant inflationary or deflationary price changes, disruptions in one or more concentrated economic sectors, natural disasters, pandemics or local and regional civil unrest. Such developments can have unpredictable and destabilising effects.

Adverse changes in interest rates, credit spreads, securities prices, market volatility and liquidity, foreign exchange rates, commodity prices, and other market fluctuations, as well as changes in investor sentiment, can affect the UBS AG Group's earnings and ultimately its financial and capital positions. As financial markets are global and highly interconnected, local and regional events can have widespread effects well beyond the countries in which they occur. Any of these developments may adversely affect the UBS AG Group's business or financial results.

In periods of significant market volatility, the UBS AG Group's businesses may experience a decrease in client activity levels and market volumes, which would adversely affect its ability to generate transaction fees and commissions, particularly in Global Wealth Management and the Investment Bank. A market downturn would likely reduce the volume and valuation of assets that the UBS AG Group manages on behalf of clients, which would reduce recurring fee income that is charged based on invested assets, primarily in Global Wealth Management and Asset Management. Such a downturn could also cause a decline in the value of assets that the UBS AG Group owns and accounts for as investments or trading positions. In addition, reduced market liquidity or volatility may limit trading opportunities and therefore may reduce transaction-based income and may also impede the UBS AG Group's ability to manage risks.

Health emergencies, including pandemics and measures taken by governmental authorities to manage them, may have effects such as labour market displacements, supply chain disruptions, and inflationary pressures, and adversely affect global and regional economic conditions, resulting in contraction in the global economy, substantial volatility in the financial markets, crises in markets for goods and services, disruptions in real estate markets, increased unemployment, increased credit and counterparty risk, and operational challenges, as was seen with the COVID-19 pandemic. Such economic or market disruptions, including inflationary pressures, may lead to reduced levels of client activity and demand for the UBS AG Group's products and services, increased utilisation of lending commitments, significantly increased client defaults, continued and increasing credit and valuation losses in its loan portfolios, loan commitments and other assets, and impairments of other financial assets.

Geopolitical events: US – China tensions, conflict in the Middle East, the continuing Russia–Ukraine war, as well as other geopolitical events may have significant impacts on global markets, exacerbate global inflationary pressures and slow global growth. In addition, the ongoing conflicts and other events may continue to cause significant population displacement, and lead to shortages of vital commodities, including energy shortages or significantly higher energy prices and food insecurity outside the areas immediately involved in armed conflict. Governmental responses to armed conflicts, including, with respect to the Russia–Ukraine war, coordinated successive sets of sanctions on Russia and Belarus, and Russian and Belarusian entities and nationals, and the uncertainty as to whether the ongoing conflicts will widen and intensify, may continue to have significant adverse effects on the market and macroeconomic conditions, including in ways that cannot be anticipated. If individual countries impose restrictions on cross-border payments or trade, or other exchange or capital controls, or change their currency, the UBS AG Group could suffer adverse effects on its business, losses from enforced default by counterparties, be unable to access its own assets or be unable to effectively manage its risks.

The UBS AG Group could be materially affected if a crisis develops, regionally or globally, as a result of disruptions in markets due to macroeconomic or political developments, trade restrictions, or the failure of a major market participant. Over time, the UBS AG Group's strategic plans have become more heavily dependent on its ability to generate growth and revenue in emerging markets, including China, causing it to be more exposed to the risks associated with such markets.

Global Wealth Management derives revenues from all the principal regions but has a greater concentration in Asia than many peers and a substantial presence in the US, unlike many European peers. The Investment Bank's business is more heavily weighted to Europe and Asia than the UBS AG Group's peers, while its derivatives business is more heavily weighted to structured products for wealth management clients, in particular with European and Asian underlyings. The UBS AG Group's performance may therefore be more affected by political, economic and market developments in these regions and businesses than some other financial service providers.

The extent to which ongoing conflicts, current inflationary pressures and related adverse economic conditions affect the UBS AG Group's businesses, results of operations and financial condition, as well as its regulatory capital and liquidity ratios, will depend on future developments, including the effects of the current conditions on its clients, counterparties, employees and third-party service providers.

UBS AG's credit risk exposure to clients, trading counterparties and other financial institutions would increase under adverse or other economic conditions

Credit risk is an integral part of many of the UBS AG Group's activities, including lending, underwriting and derivatives activities. Adverse economic or market conditions, or the imposition of sanctions or other restrictions on clients, counterparties or financial institutions, may lead to impairments and defaults on these credit exposures. Losses may be exacerbated by declines in the value of collateral securing loans and other exposures. In the UBS AG Group's prime brokerage, securities finance and Lombard lending businesses, it extends substantial amounts of credit against securities collateral the value or liquidity of which may decline rapidly. Market closures and the imposition of exchange controls, sanctions or other measures may limit the ability of the UBS AG Group to settle existing transactions or to realise on collateral, which may result in unexpected increases in exposures. The UBS AG Group's Swiss mortgage and corporate lending portfolios are a large part of its overall lending. The UBS AG Group is therefore exposed to the risk of adverse economic developments in Switzerland, including property valuations in the housing market, the strength of the Swiss franc and its effect on Swiss exports, low or negative interest rates applied by the Swiss National Bank, economic conditions within the Eurozone or the EU, and the evolution of agreements between Switzerland and the EU or European Economic Area, which represent Switzerland's largest export market. Although the UBS AG Group believes this portfolio is prudently managed, it could nevertheless be exposed to losses if a substantial deterioration in the Swiss real estate market were to occur.

As the UBS AG Group experienced in 2020, under the IFRS 9 expected credit loss ("ECL") regime, credit loss expenses may increase rapidly at the onset of an economic downturn as a result of higher levels of credit impairments (stage 3), as well as higher ECL from stages 1 and 2. Substantial increases in ECL could exceed expected loss for regulatory capital purposes and adversely affect the UBS AG Group's common equity tier 1 ("CET1") capital and regulatory capital ratios.

Interest rate trends and changes could negatively affect UBS AG's financial results

UBS's businesses are sensitive to changes in interest rate trends. A prolonged period of low or negative interest rates, particularly in Switzerland and the Eurozone, adversely affected the net interest income generated by UBS's Personal & Corporate Banking and Global Wealth Management businesses prior to 2022. The return to a zero policy rate by the Swiss National Bank in 2025 has and, UBS AG expects, will continue to adversely affect its net interest income. Actions that UBS took in the 2022 period to mitigate adverse effects on income, such as the introduction of selective deposit fees or minimum lending rates, contributed to outflows of customer deposits, net new money outflows and a declining market share in its Swiss lending business.

Higher interest rates generally benefit the UBS AG Group's net interest income. When interest rates increase substantially, returns on alternatives to deposits, such as returns on money market funds, may increase relative to deposit rates, leading to outflows of customer deposits and shifts of deposits from lower-interest account types to higher interest products, such as savings and certificates of deposit. Customer deposit outflows could require the UBS AG Group to obtain alternative funding, which would likely be more costly than customer deposits.

Currency fluctuation may have an adverse effect on UBS AG's profits, balance sheet and regulatory capital

The UBS AG Group is subject to currency fluctuation risks as a substantial portion of its assets and liabilities are denominated in currencies other than the UBS AG Group's presentation currency, the US dollar. In order to hedge its CET1 capital ratio, the UBS AG Group's CET1 capital must have foreign currency exposure, which leads to currency sensitivity. As a consequence, it is not possible to simultaneously fully hedge both CET1 capital and the CET1 capital ratio. Accordingly, changes in foreign exchange rates may adversely affect the UBS AG Group's profits, balance sheet, and capital, leverage and liquidity coverage ratios. During 2025, the US dollar materially depreciated against other major currencies, including the Swiss franc and the euro. This depreciation resulted in an increase of the US dollar value of assets denominated in other currencies reflected on the UBS AG Group's balance sheet, increasing its leverage ratio denominator.

Regulatory and legal risks

Material legal and regulatory risks arise in the conduct of UBS AG's business

As a global financial services firm operating in more than 50 countries, the UBS AG Group is subject to many different legal, tax and regulatory regimes, including extensive regulatory oversight, and are exposed to significant liability risk. The UBS AG Group is subject to a large number of claims, disputes, legal proceedings and government investigations, and it expects that its ongoing business activities will continue to give rise to such matters in the future. In addition, UBS inherited claims against Credit Suisse entities as part of the acquisition, including matters that may be material to the operating results of the combined group. The extent of its financial exposure to these and other matters is material and could substantially exceed the level of provisions that UBS AG has established. UBS AG is not able to predict the financial and non-financial consequences these matters may have when resolved.

The UBS AG Group may be subject to adverse preliminary determinations or court decisions that may negatively affect public perception and its reputation, result in prudential actions from regulators, and cause UBS AG to record additional provisions for such matters even when it believes it has substantial defences and expects to ultimately achieve a more favourable outcome. This risk is illustrated by the award of aggregate penalties and damages of EUR 4.5 billion against UBS by the court of first instance in France. This award was reduced to an aggregate of EUR 1.8 billion by the Court of Appeal, and, in a further appeal, the French Supreme Court referred the case back to the Paris Court of Appeal to reconsider the amount after a new trial. Ultimately, the case was resolved in September 2025 and UBS AG agreed to pay a fine of EUR 730 million and EUR 105 million in civil damages to the French State.

Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. Among other things, a guilty plea to, or conviction of, a crime could have material consequences for the UBS AG Group.

Resolution of regulatory proceedings has required the UBS AG Group to obtain waivers of regulatory disqualifications to maintain certain operations, may entitle regulatory authorities to limit, suspend or

terminate licenses and regulatory authorisations, and may permit financial market utilities to limit, suspend or terminate the UBS AG Group's participation in them. The UBS AG Group and Credit Suisse have each required waivers or exemptions in order to continue to act as investment manager to pension plans and registered investment companies in the US, among other things; failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorisations or participations arising from a disqualifying event, could have material adverse consequences for the UBS AG Group.

The UBS AG Group's settlements with governmental authorities in connection with foreign exchange, LIBOR and other benchmark interest rates starkly illustrate the significantly increased level of financial and reputational risk now associated with regulatory matters in major jurisdictions. In connection with investigations related to LIBOR and other benchmark rates, and to foreign exchange and precious metals, very large fines and disgorgement amounts were assessed against the UBS AG Group, and it was required to enter guilty pleas despite its full cooperation with the authorities in the investigations and despite its receipt of conditional leniency or conditional immunity from anti-trust authorities in a number of jurisdictions, including the US and Switzerland.

For a number of years, the UBS AG Group has been, and continues to be, subject to a very high level of regulatory scrutiny. The UBS AG Group believes it has remediated the deficiencies that led to significant losses in the past and has made substantial changes in its controls and conduct risk frameworks to address the issues highlighted by past regulatory resolutions. The UBS AG Group has also undertaken extensive efforts to implement new regulatory requirements and meet heightened supervisory expectations. Prior to its acquisition by UBS, Credit Suisse was also subject to a high level of regulatory scrutiny and had significant regulatory and other remediation programmes to address identified issues, including as a result of the Archegos, Mozambique, supply chain finance and cross-border tax matters. As part of the integration of Credit Suisse, UBS will likely remain under additional regulatory scrutiny until the integration is substantially completed.

The UBS AG Group continues to be in active dialogue with regulators concerning the actions it is taking to improve its operational risk management, risk control, anti-money laundering, data management and other frameworks, and otherwise seeks to meet supervisory expectations, but there can be no assurance that its efforts will have the desired effects. As a result of this history, UBS AG's level of risk with respect to regulatory enforcement may be greater than that of some of its peers.

If UBS AG experiences severe financial difficulties, FINMA has the power to open restructuring or liquidation proceedings or impose protective measures in relation to UBS Group AG, UBS AG or UBS Switzerland AG, and such proceedings or measures may have a material adverse effect on UBS AG's creditors

Under the Swiss Banking Act, FINMA is able to exercise broad statutory powers with respect to Swiss banks and Swiss parent companies of financial groups, such as UBS Group AG, UBS AG and UBS Switzerland AG, if there is justified concern that an entity is over-indebted, has serious liquidity problems or, after the expiration of any relevant deadline, no longer fulfils capital adequacy requirements. Such powers include ordering protective measures, instituting restructuring proceedings (and exercising any Swiss resolution powers in connection therewith), and instituting liquidation proceedings, all of which may have a material adverse effect on shareholders and creditors or may prevent UBS AG or UBS Switzerland AG from paying dividends or making payments on debt obligations.

UBS would have limited ability to challenge any such protective measures, and creditors and shareholders would also have limited ability under Swiss law or in Swiss courts to reject them, seek

their suspension, or challenge their imposition, including measures that require or result in the deferment of payments.

If restructuring proceedings are opened with respect to UBS Group AG, UBS AG or UBS Switzerland AG the resolution powers that FINMA may exercise include the power to: (i) transfer all or some of the assets, debt and other liabilities, and contracts of the entity subject to proceedings to another entity; (ii) stay for a maximum of two business days (a) the termination of, or the exercise of rights to terminate, netting rights, (b) rights to enforce or dispose of certain types of collateral or (c) rights to transfer claims, liabilities or certain collateral, under contracts to which the entity subject to proceedings is a party; and (iii) partially or fully write down the equity capital and regulatory capital instruments, including the relevant entity's senior debt and additional tier 1 capital instruments, and, if such regulatory capital is fully written down, write down or convert into equity the other debt instruments of the entity subject to proceedings. Creditors would have no right to reject, or to seek the suspension of, any restructuring plan pursuant to which such resolution powers are exercised. They would have only limited rights to challenge any decision to exercise resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise.

Upon full or partial write-down of the equity and regulatory capital instruments of the entity subject to restructuring proceedings, the relevant creditors would receive no payment in respect of the equity and debt that is written down, the write-down would be permanent, and the investors would likely not, at such time or at any time thereafter, receive any shares or other participation rights, or be entitled to any write-up or any other compensation in the event of a potential subsequent recovery of the debtor. If FINMA orders the conversion of debt of the entity subject to restructuring proceedings into equity, the securities received by the investors may be worth significantly less than the original debt and may have a significantly different risk profile. In addition, creditors receiving equity would be effectively subordinated to all creditors of the restructured entity in the event of a subsequent winding up, liquidation or dissolution of the restructured entity, which would increase the risk that investors would lose all or some of their investment.

FINMA has significant discretion in the exercise of its powers in connection with restructuring proceedings. Furthermore, certain categories of debt obligations, such as certain types of deposits, are subject to preferential treatment. As a result, holders of obligations of an entity subject to a Swiss restructuring proceeding may have their obligations written down or converted into equity even though obligations ranking on par with such obligations are not written down or converted.

Developments in sustainability, climate, environmental and social standards and regulations may affect UBS AG's business and impact UBS AG's ability to fully realize its goals

The UBS AG Group is subject to separate, and sometimes conflicting, ESG regulations and regulator expectations in the various jurisdictions in which it operates. For example, in certain jurisdictions, the UBS AG Group is required to set diversity targets or other ESG-related goals that are considered illegal or contrary to regulatory expectations in other jurisdictions. In addition, with respect to decarbonisation mandates, there is substantial uncertainty as to the scope of actions that may be required of the UBS AG Group, governments and others to achieve the goals the UBS AG Group has set, and many of its goals and objectives are only achievable with a combination of government and private action. National and international standards and expectations, industry and scientific practices, regulatory taxonomies, and disclosure obligations addressing these matters continue to rapidly evolve. In addition, there are significant limitations in the data available to measure the UBS AG Group's climate and other goals. Although the UBS AG Group has defined and disclosed its goals based on the standards existing at the time of disclosure, there can be no assurance (i) that the various ESG regulatory and disclosure regimes

under which it operates will not come into further conflict with one another, (ii) that the current standards will not be interpreted differently than the UBS AG Group's understanding or change in a manner that substantially increases the cost or effort for it to achieve such goals or (iii) that additional data or methods, whether voluntary or required by regulation, may substantially change the UBS AG Group's calculation of its goals and ambitions. It is possible that such goals may prove to be considerably more difficult or even impossible to achieve. The evolving standards may also require the UBS AG Group to substantially change the stated goals and ambitions. If the UBS AG Group is not able to achieve the goals it has set, or can only do so at significant expense to its business, it may fail to meet regulatory expectations, incur damage to its reputation or be exposed to an increased risk of litigation or other adverse action.

While ESG regulatory regimes and international standards are being developed, including to require consideration of ESG risks in investment decisions, some jurisdictions, notably in the US, have developed rules restricting the consideration of ESG factors in investment and business decisions. Under these anti-ESG rules, companies that are perceived as boycotting or discriminating against certain industries may be restricted from doing business with certain governmental entities. The UBS AG Group's businesses may be adversely affected if it is considered as discriminating against companies based on ESG considerations, or if further anti-ESG rules are developed or broadened.

UBS AG's financial results may be negatively affected by changes to assumptions and valuations, as well as changes to accounting standards

UBS AG prepares its consolidated financial statements in accordance with IFRS Accounting Standards. The application of these accounting standards requires the use of judgment based on estimates and assumptions that may involve significant uncertainty at the time they are made. This is the case, for example, with respect to the measurement of fair value of financial instruments, the recognition of deferred tax assets (DTAs), the assessment of the impairment of goodwill, expected credit losses and estimation of provisions for litigation, regulatory and similar matters. Such judgments, including the underlying estimates and assumptions, which encompass historical experience, expectations of the future and other factors, are regularly evaluated to determine their continuing relevance based on current conditions. Using different assumptions could cause the reported results to differ. Changes in assumptions, or failure to make the changes necessary to reflect evolving market conditions, may have a significant effect on the financial statements in the periods when changes occur. Estimates of provisions may be subject to a wide range of potential outcomes and significant uncertainty. For example, the broad range of potential outcomes in the UBS AG Group's legal proceedings in France and in a number of Credit Suisse's legal proceedings increase the uncertainty associated with assessing the appropriate provision. If the estimates and assumptions in future periods deviate from the current outlook, the UBS AG Group's financial results may also be negatively affected.

Changes to IFRS Accounting Standards or interpretations thereof may cause future reported results and financial positions of the UBS AG Group to differ from current expectations, or historical results to differ from those previously reported due to the adoption of accounting standards on a retrospective basis. Such changes may also affect the regulatory capital and ratios of the UBS AG Group. For example, the introduction of the ECL regime under IFRS 9 in 2018 fundamentally changed how credit risk arising from loans, loan commitments, guarantees and certain revocable facilities is accounted for. Under the ECL regime, credit loss expenses may increase rapidly at the onset of an economic downturn as a result of higher levels of credit impairments (stage 3), as well as higher ECL from stages 1 and 2, only gradually diminishing once the economic outlook improves. As UBS AG observed in 2020, this effect may be more pronounced in a deteriorating economic environment. Substantial increases in ECL could

exceed expected loss for regulatory capital purposes and adversely affect the CET1 capital and regulatory capital ratios of the UBS AG Group.

UBS AG may be unable to maintain its capital strength

Capital strength enables the UBS AG Group to grow its businesses and absorb increases in regulatory and capital requirements. The ability of the UBS AG Group to maintain its capital ratios is subject to numerous risks, including the financial results of its businesses, the effect of changes to capital standards, methodologies and interpretations that may adversely affect the calculation of its capital ratios, the imposition of risk add-ons or capital buffers, and the application of additional capital, liquidity and similar requirements to subsidiaries. The UBS AG Group's capital and leverage ratios are driven primarily by RWA, LRD and eligible capital, all of which may fluctuate based on a number of factors, some of which are outside of UBS AG's control. The results of the UBS AG Group's businesses may be adversely affected by events arising from other risk factors described herein. In some cases, such as litigation and regulatory risk and operational risk events, losses may be sudden and large.

The UBS AG Group's eligible capital may be reduced by losses recognised within net profit or other comprehensive income. Eligible capital may also be reduced for other reasons, including acquisitions that change the level of goodwill, changes in temporary differences related to DTAs included in capital, adverse currency movements affecting the value of equity, prudential adjustments that may be required due to the valuation uncertainty associated with certain types of positions, changes in regulatory interpretations on the inclusion or exclusion of items contributing to shareholders' equity in regulatory capital, and changes in the value of certain pension fund assets and liabilities or in the interest rate and other assumptions used to calculate the changes in UBS AG's net defined benefit obligation recognised in other comprehensive income.

RWA are driven by the UBS AG Group's business activities, by changes in the risk profile of its exposures, by changes in its foreign currency exposures and foreign exchange rates, and by regulation. For instance, substantial market volatility, a widening of credit spreads, adverse currency movements, increased counterparty risk, deterioration in the economic environment or increased operational risk could result in an increase in RWA. Changes in the calculation of RWA, the imposition of additional supplemental RWA charges or multipliers applied to certain exposures and other methodology changes, as well as the finalisation of the Basel III framework and Fundamental Review of the Trading Book promulgated by the BCBS, which are expected to affect the UBS AG Group's RWA.

The leverage ratio is a balance sheet-driven measure and therefore limits balance sheet-intensive activities, such as lending, more than activities that are less balance sheet intensive, and it may constrain the UBS AG Group's business even if the UBS AG Group satisfies other risk-based capital requirements. Its LRD is driven by, among other things, the level of client activity, including deposits and loans, foreign exchange rates, interest rates, other market factors and changes in required liquidity. Many of these factors are wholly or partly outside of UBS AG's control.

The effect of taxes on the financial results of UBS AG is significantly influenced by changes in tax law, or reinterpretations of existing laws by courts or tax authorities, reassessments of its deferred tax assets and operating losses of certain entities with no associated tax benefit

The UBS AG Group's effective tax rate is highly sensitive to its performance, its expectation of future profitability and any potential increases or decreases in statutory tax rates, such as any potential increase or decrease in the US federal corporate tax rate, and changes in the interpretation of tax law. Furthermore, based on prior years' tax losses and deductible temporary differences, the UBS AG Group has

recognised DTAs reflecting the probable recoverable level based on future taxable profit as informed by its business plans. If UBS AG Group's performance is expected to produce diminished taxable profit in future years, particularly in the US, it may be required to write down all or a portion of the currently recognised DTAs through the income statement in excess of anticipated amortisation. This would have the effect of increasing the effective tax rate of UBS AG in the year in which any write-downs are taken. Conversely, if the UBS AG Group expects the performance of entities in which it has unrecognised tax losses to improve, particularly in the US or the UK, it could potentially recognise additional DTAs. The effect of doing so would be to reduce the effective tax rate in years in which additional DTAs are recognised and to increase its effective tax rate in future years. The effective tax rate of UBS AG is also sensitive to any future reductions in statutory tax rates, particularly in the US, which would cause the expected future tax benefit from items such as tax loss carry-forwards in the affected locations to diminish in value. This, in turn, would cause a write-down of the associated DTAs. Conversely, an increase in US corporate tax rates would result in an increase in the Group's recognised DTAs.

Changes in tax law may materially affect the effective tax rate of UBS AG and, in some cases, may substantially affect the profitability of certain activities. In addition, statutory and regulatory changes, as well as changes to the way in which courts and tax authorities interpret tax laws, including assertions that UBS AG is required to pay taxes in a jurisdiction as a result of activities connected to that jurisdiction constituting a permanent establishment or similar theory, and changes in the assessment of uncertain tax positions by UBS AG, could cause the amount of taxes ultimately paid by UBS AG to materially differ from the amount accrued.

UBS AG may incur material future tax liabilities in connection with the combination with Credit Suisse

In the past, the Credit Suisse Group has recorded significant impairments of the tax value of its participations in subsidiaries below their tax acquisition costs. Following the acquisition of the Credit Suisse Group and the subsequent combination of Credit Suisse AG with UBS AG, tax acquisition costs of certain participations held by Credit Suisse Group AG and its subsidiaries have been transferred to the UBS AG Group. UBS Group AG and its subsidiaries may become subject to additional Swiss tax on future reversals of such impairments for Swiss tax purposes. Reversals of prior impairments may occur to the extent that the net asset value of the previously impaired subsidiary increases, e.g. as a result of an increase in retained earnings. Although it is difficult to quantify this additional future tax exposure, as various potential mitigants (e.g. transfers of assets and liabilities, business activities, subsidiary investments, as well as other restructuring measures within the combined Group in the course of the integration) exist, it may be material.

Liquidity and funding risk

Liquidity and funding management are critical to UBS AG's ongoing performance

The viability of the UBS AG Group's business depends on the availability of funding sources, and its success depends on its ability to obtain funding at times, in amounts, for tenors and at rates that enable it to efficiently support its asset base in all market conditions. The funding sources of UBS AG have generally been stable, but could change in the future because of, among other things, general market disruptions or widening credit spreads, which could also influence the cost of funding. A substantial part of the liquidity and funding requirements of UBS AG are met using short-term unsecured funding sources, including retail and wholesale deposits and the regular issuance of money market securities. A change in the availability of short-term funding could occur quickly.

Reductions in UBS AG's credit ratings may adversely affect the market value of the securities and other obligations and increase its funding costs, in particular with regard to funding from wholesale unsecured sources, and could affect the availability of certain kinds of funding. In addition, as experienced in connection with the Moody's Investors Service Ltd. downgrade of UBS AG's long-term debt rating in June 2012, rating downgrades can require UBS AG to post additional collateral or make additional cash payments under trading agreements. UBS AG's credit ratings, together with its capital strength and reputation, also contribute to maintaining client and counterparty confidence, and it is possible that rating changes could influence the performance of some of its businesses. The acquisition of the Credit Suisse Group has elevated these risks and may cause these risks to intensify. Upon the close of the acquisition in June 2023, Fitch Ratings Ireland Limited downgraded the Long-Term Issuer Default Ratings (IDRs) of UBS AG to "A+" from "AA-". Fitch Ratings Ltd. also upgraded Credit Suisse AG's Long-Term IDR to "A+" from "BBB+".

The requirement to maintain a liquidity coverage ratio of high-quality liquid assets to estimated stressed short-term net cash outflows, and other similar liquidity and funding requirements, oblige UBS AG to maintain high levels of overall liquidity, limit its ability to optimise interest income and expense, make certain lines of business less attractive and reduce its overall ability to generate profits. The liquidity coverage ratio and net stable funding ratio requirements are intended to ensure that UBS AG is not overly reliant on short-term funding and that it has sufficient long-term funding for illiquid assets. The relevant calculations make assumptions about the relative likelihood and amount of outflows of funding and available sources of additional funding in market-wide and firm-specific stress situations. In an actual stress situation, however, UBS AG's funding outflows could exceed the assumed amounts.

APPENDIX III

RECENT DEVELOPMENTS IN THE ISSUER'S BUSINESS

This section supersedes in its entirety the section in the Base Listing Document entitled "Information Relating to UBS AG".

1. Overview

UBS AG ("**Issuer**") with its subsidiaries (together, "**UBS AG consolidated**", or "**UBS AG Group**"; and UBS Group AG (which is the holding company of the Issuer) and its subsidiaries (including the Issuer and its subsidiaries) is referred to herein as "**UBS**", the "**UBS Group**" or the "**Group**") is a regulated bank in Switzerland providing a full range of financial services activities in Switzerland and abroad. The UBS AG Group operates through five business divisions: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank and Non-core and Legacy. Group functions are support and control functions that provide services to the UBS AG Group.

On 31 March 2026, the UBS AG consolidated CET1 capital ratio was 14.2%, the CET1 leverage ratio was 4.3%, and the total loss-absorbing capacity ratio was 38.4%.¹ On the same date, invested assets stood at USD 6,881 billion and equity attributable to UBS AG shareholders was USD 91,404 million. As of 31 March, UBS AG Group employed 61,146 people.²

The rating agencies S&P Global Ratings Europe Limited ("**S&P**"), Moody's Investors Service Ltd. ("**Moody's**"), and Fitch Ratings Ireland Limited ("**Fitch**") have published solicited credit ratings reflecting their assessment of the creditworthiness of UBS AG, i.e. its ability to fulfil in a timely manner payment obligations, such as principal or interest payments on long-term loans, also known as debt servicing. The ratings from Fitch and S&P may be attributed a plus or minus sign, and those from Moody's a number. These supplementary attributes indicate the relative position within the respective rating class. UBS AG has a long-term counterparty credit rating of A+ from S&P, long-term senior debt rating of Aa2 from Moody's, and long-term issuer default rating of AA- from Fitch.

An explanation of the significance of ratings may be obtained from the rating agencies. Generally, rating agencies base their ratings on such material and information, and such of their own investigations, studies and assumptions, as they deem appropriate. The ratings of UBS AG should be evaluated independently from similar ratings of other entities, and from the rating, if any, of its securities. A credit rating is not a recommendation to buy, sell or hold securities issued or guaranteed by the rated entity and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency. Moody's is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK CRA Regulation**") and currently appears on the list of credit rating agencies registered or certified with the Financial Conduct Authority published on its website www.fca.org.uk/firms/credit-rating-agencies. Ratings given by Moody's are endorsed by Moody's Deutschland GmbH, which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**") and currently appears on the list of credit ratings agencies published by ESMA on its website www.esma.europa.eu in accordance with the EU CRA Regulation. S&P and Fitch are established in the European Union and registered under the EU CRA Regulation and currently appear on the list of credit ratings agencies published by ESMA on its website in accordance with the EU CRA Regulation. Ratings given by S&P and Fitch are endorsed by Standard & Poor's Global Ratings UK Limited and Fitch Ratings Ltd, respectively, which are established in the UK and registered under the UK CRA Regulation and currently appear on the list of credit rating agencies registered or certified with the FCA published on its website.

¹ All figures based on the Swiss systemically relevant bank framework. Refer to the "*Capital management*" section of the Annual Report 2025 and UBS AG First Quarter 2026 Report for more information.

² Full-time equivalents.

No profit forecasts or estimates are included in this document.

No recent events particular to the Issuer have occurred which are to a material extent relevant to the evaluation of the Issuer's solvency.

2. Information about the Issuer

2.1 Corporate Information

The legal and commercial name of the Issuer is UBS AG.

The Issuer was incorporated on 28 February 1978 for an unlimited duration, when entered in the Commercial Register of Canton Basel-City under its predecessor entity. The Issuer in its present form was established on 29 June 1998 by the merger of Union Bank of Switzerland and Swiss Bank Corporation. On 31 May 2024, Credit Suisse AG merged with and into UBS AG. UBS AG is entered in the Commercial Registers of Canton Zurich and Canton Basel-City under the registration number CHE-101.329.561.

UBS AG is incorporated and domiciled in Switzerland and operates under the Swiss Code of Obligations as an Aktiengesellschaft, a corporation limited by shares. UBS AG's Legal Entity Identifier (LEI) code is BFM8T61CT2L1QCEMIK50.

According to article 2 of the articles of association of UBS AG ("**Articles of Association**"), the purpose of UBS AG is the operation of a bank. Its scope of operations extends to all types of banking, financial, advisory, trading and service activities in Switzerland and abroad. UBS AG may establish branches and representative offices as well as banks, finance companies and other enterprises of any kind in Switzerland and abroad, hold equity interests in these companies, and conduct their management. UBS AG is authorized to acquire, mortgage and sell real estate and building rights in Switzerland and abroad. UBS AG may borrow and invest money on the capital markets. UBS AG is part of the group of companies controlled by the group parent company UBS Group AG. It may promote the interests of the group parent company or other group companies. It may provide loans, guarantees and other kinds of financing and security for group companies. The Articles of Association were last updated on 23 April 2024.

The addresses and telephone numbers of UBS AG's two registered offices and principal places of business are: Bahnhofstrasse 45, 8001 Zurich, Switzerland, telephone +41 44 234 1111; and Aeschenvorstadt 1, 4051 Basel, Switzerland, telephone +41 61 288 2020.

2.2 UBS's borrowing and funding structure and financing of UBS's activities

For information on UBS's expected financing of its business activities, please refer to "*Liquidity and funding management*" in the "*Risk, capital, liquidity and funding, and balance sheet*" section of the UBS AG Annual Report 2025 published on 9 March 2026 (the "**Annual Report 2025**").

3. Business Overview

3.1 Organisational Structure of the Issuer

UBS AG is a Swiss bank and the parent company of the UBS AG Group. It is 100% owned by UBS Group AG, which is the holding company of the UBS Group. UBS AG operates as a group with five business divisions, and in addition, UBS AG has Group functions as support and control functions that provide services to UBS.

In 2014, UBS began adapting its legal entity structure in response to too-big-to-fail requirements and other regulatory initiatives. First, UBS Group AG was established as the ultimate parent holding company for the Group. In 2015, UBS AG transferred its personal & corporate banking and Swiss-booked wealth management businesses to the newly established UBS Switzerland AG. That same

year, UBS Business Solutions AG, a wholly owned subsidiary of UBS Group AG, was set up as the Group's service company. In 2016, UBS Americas Holding LLC became the intermediate holding company for UBS's US subsidiaries, and UBS's wealth management subsidiaries across Europe were merged into UBS Europe SE, UBS's German-headquartered European intermediate parent undertaking. In 2019, UBS Limited, UBS's UK headquartered subsidiary, was merged into UBS Europe SE.

On 12 June 2023, Credit Suisse Group AG merged with and into UBS Group AG (*Absorptionsfusion*), with UBS Group AG becoming the holding company of Credit Suisse AG. In 2024 and 2025, several mergers of subsidiaries and other developments in UBS's legal entity structure were effected, as the process of integrating Credit Suisse progressed further. The mergers included those of UBS AG and Credit Suisse AG, and UBS Switzerland AG and Credit Suisse (Schweiz) AG, both in 2024, and that of UBS Americas Inc. and Credit Suisse Holdings (USA), Inc. in 2025. In addition, the transition to a single US intermediate holding company was completed in 2024, and, in 2025, UBS Europe SE was established as the single EU intermediate parent undertaking.

UBS AG is the parent company of, and conducts a significant portion of its operations through, its subsidiaries. UBS AG has contributed a significant portion of its capital and provides substantial liquidity to subsidiaries. In addition, UBS Business Solutions AG provides substantial services to group companies including UBS AG and its subsidiaries. To this extent, UBS AG is dependent on certain of the entities of the UBS AG Group and of the UBS Group.

UBS AG's interests in subsidiaries and other entities as of 31 December 2025, including interests in significant subsidiaries, are discussed in "Note 27 Interests in subsidiaries and other entities" to UBS AG's consolidated financial statements included in the Annual Report 2025.

3.2 Principal activities

UBS AG's businesses are organised globally into five business divisions: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank, and Non-core and Legacy.

All five business divisions are supported by the Group functions and qualify as reportable segments for the purpose of segment reporting. Together with the Group functions, the five business divisions reflect the management structure of UBS AG. Each of the business divisions and Group functions are described below. A description of their businesses, organisational structures, products and services and targeted markets can be found under "Our businesses" in the "Our business model and environment" section of the Annual Report 2025.

- *Global Wealth Management* provides financial services, advice and solutions to private wealth clients, as well as select institutional clients. Its offering ranges from investment management to estate planning and corporate finance advice, in addition to specific wealth management and banking products and services.
- *Personal & Corporate Banking* provides an extensive range of financial products and services, from banking to retirement, financing, investments and strategic transactions, to private, corporate and institutional clients, in Switzerland, through its branch network and digital channels.
- *Asset Management* is a global, large-scale and diversified asset manager, offering investment capabilities and strategies across all major traditional and alternative asset classes and investing styles to institutions, wholesale intermediaries and Global Wealth Management clients.
- The *Investment Bank* provides services to institutional, corporate, financial sponsor and Global Wealth Management clients, helping them raise capital, invest and manage risks. Its offering includes equities, foreign exchange, precious metals, research, advisory and capital markets, complemented by a focused rates and credit platform.

- *Non-core and Legacy* incorporates selected assets and liabilities originating from the former Credit Suisse businesses not aligned with UBS AG’s long-term strategic priorities or risk appetite, including associated financial and non-financial assets, operating expenses, and funding costs. A small part of the division is made up of positions from UBS’s former Non-core and Legacy Portfolio and some other legacy UBS assets and liabilities that were assessed as non-strategic in the context of the acquisition of the Credit Suisse Group.
- The *Group functions* are support and control functions that provide services to the Group. Virtually all costs incurred by the Group functions are allocated to the business divisions, leaving a residual amount referred to as *Group Items* in UBS AG’s segment reporting. Group functions include the following major areas: Group Services (which consists of Group Technology, Group Compliance and Operational Risk Control, Group Finance, Group Risk Control, Group Human Resources and Corporate Services, Group Corporate Communications and Group Brand & Marketing, Group Legal, the Group Integration Office, Group Sustainability and Impact, and the Chief Strategy Office) and Group Treasury.

3.3 Competition

The financial services industry is characterised by intense competition, continuous innovation, restrictive, detailed, and sometimes fragmented regulation and ongoing consolidation. UBS AG faces competition at the level of local markets and individual business lines, and from global financial institutions that are comparable to UBS AG in their size and breadth, as well as competition from new technology-based market entrants, which may not be subject to the same level of regulation. Barriers to entry in individual markets and pricing levels are being eroded by new technology. UBS expects these trends to continue and competition to increase.

Any statements regarding the competitive position of UBS AG, UBS AG Group or the Group contained in this document are made on the basis of the opinion of UBS AG or the Group.

3.4 Recent Developments

3.4.1 UBS AG consolidated key figures

UBS AG derived the selected consolidated financial information included in the table below for the years ended 31 December 2024 and 31 December 2025 from the Annual Report 2025. The selected consolidated financial information included in the table below for the quarters ended 31 March 2026 and 31 March 2025 was derived from the First Quarter 2026 Report.

The consolidated financial statements were prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”). Information for the years ended 31 December 2024 and 2025 which is indicated as being unaudited in the table below was included in the Annual Report 2025 but has not been audited on the basis that the respective disclosures are not required under IFRS Accounting Standards, and therefore are not part of the audited financial statements. Prospective investors should read the whole of this document, the Annual Report 2025 and the First Quarter 2026 Report and should not rely solely on the summarized information set out below.

	As of or for the quarter ended		As of or for the year ended	
	31.3.26	31.3.25	31.12.25	31.12.24
<i>USD million, except where indicated</i>				
	<i>unaudited</i>		<i>audited, except where indicated</i>	

Results¹**Income Statement**

Total revenues	14,030	12,163	47,688	42,323
<i>of which: Net interest income</i>	1,993	1,328	6,354	4,678
<i>of which: Other net income from financial instruments measured at fair value through profit or loss</i>	3,956	3,924	13,952	12,959
<i>of which: Net fee and commission income</i>	7,678	6,630	27,400	23,438
<i>of which: Other income</i>	403	281	(17)	1,248
Credit loss expense / (release)	64	124	549	544
Operating expenses	10,780	10,701	43,038	39,346
Operating profit / (loss) before tax	3,186	1,339	4,101	2,433
Net profit / (loss) attributable to shareholders	2,500	1,028	3,541	1,481

Balance sheet

Total assets	1,687,883		1,617,173	1,568,060
<i>of which: Loans and advances to customers</i>	664,217		658,760	587,347
Total financial liabilities measured at amortized cost	1,121,611		1,099,169	1,054,796
<i>of which: customer deposits</i>	792,270		796,330	749,476
<i>of which: debt issued measured at amortized cost</i>	109,743		100,207	101,104
<i>of which: subordinated debt²</i>	-		328	689
Total financial liabilities measured at fair value through profit or loss	463,161		415,001	401,555
<i>of which: debt issued designated at fair value</i>	107,652		107,544	102,567
Total liabilities	1,596,162		1,527,994	1,473,394
Total equity	91,722		89,179	94,666
<i>of which: Equity attributable to shareholders</i>	91,404		88,845	94,003

Profitability and growth

Return on equity (%) ³	11.1	4.3	3.8	1.9*
Return on tangible equity (%) ⁴	12.0	4.6	4.0	2.0*
Return on common equity tier 1 capital (%) ⁵	14.2	5.7	5.0	2.2*
Cost / income ratio (%) ⁶	76.8	88.0	90.2	93.0*
Net profit growth (%) ⁷	143.2	2.2	139.0	(55.0)*

Resources

Common equity tier 1 capital ⁸	70,867	70,756	70,394	73,792
Risk-weighted assets ⁸	497,433	481,539	489,775*	495,110*
Common equity tier 1 capital ratio (%) ⁸	14.2	14.7	14.4*	14.9*
Going concern capital ratio (%) ⁸	18.9	18.5	18.4*	18.1*
Total loss-absorbing capacity ratio (%) ⁸	38.4	38.0	36.8*	36.7*
Leverage ratio denominator ⁸	1,655,400	1,565,845	1,622,921*	1,523,277*
Common equity tier 1 leverage ratio (%) ⁸	4.3	4.5	4.3*	4.8*
Liquidity coverage ratio (%) ⁹	172.4	180.3	176.2*	186.1*
Net stable funding ratio (%)	116.1	122.8	115.7*	124.1*

Other

Invested assets (USD billion) ¹⁰	6,881	6,153	7,005	6,087
Personnel (full-time equivalents)	61,146	67,373	61,899*	68,982*

* unaudited

¹ Profit and loss information and other flow-based information for the year ended 31 December 2025 is based entirely on consolidated data following the merger of UBS AG and Credit Suisse AG. Comparative information for the year ended 31 December 2024 includes seven months of consolidated data following the merger (June to December 2024) and five months of pre-merger UBS AG data only (January to May 2024). Balance sheet information as at 31 December 2025 and 31 December 2024 includes post-merger consolidated information.

² From 2026, this information is not part of the financial information of UBS AG published for the first and third quarters.

³ Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average equity attributable to shareholders. This measure provides information about the profitability of the business in relation to equity.

⁴ Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average equity attributable to shareholders less average goodwill and intangible assets. This measure provides information about the profitability of the business in relation to tangible equity.

⁵ Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average common equity tier 1 capital. This measure provides information about the profitability of the business in relation to common equity tier 1 capital.

⁶ Calculated as operating expenses divided by total revenues. This measure provides information about the efficiency of the business by comparing operating expenses with total revenues.

⁷ Calculated as the change in net profit attributable to shareholders from continuing operations between current and comparison periods divided by net profit attributable to shareholders from continuing operations of the comparison period. This measure provides information about profit growth since the comparison period.

⁸ Based on the Swiss systemically relevant bank framework.

⁹ The disclosed ratios represent quarterly averages for each of the quarters presented and have been calculated based on an average of 62 data points in the first quarter of 2026 and 62 data points in the first quarter of 2025.

¹⁰ Consists of invested assets for Global Wealth Management, Asset Management (including invested assets from associates) and Personal & Corporate Banking. Calculated as the sum of managed fund assets, managed institutional assets, discretionary and advisory wealth management portfolios, fiduciary deposits, time deposits, savings accounts, and wealth management securities or brokerage accounts. This measure provides information about the volume of client assets managed by or deposited with UBS for investment purposes.

3.4.2 *Regulatory, legal and other developments*

Refer to “Recent Developments” in the UBS Group First Quarter 2026 Report, as well as to “*Our environment*” and “*Regulatory and legal developments*” in the Annual Report 2025, for information on key regulatory, legal and other developments.

3.5 **Trend Information**

For information on trends, refer to “*Recent Developments*” and to ‘*Outlook*’ in the UBS Group First Quarter 2026 Report, as well as to “*Our environment*”, “*Top and emerging risks*” in the “*Risk management and control*” section, and to “*Regulatory and legal developments*” in the Annual Report 2025. In addition, please refer to the section “*Risk factors*” included in the Annual Report 2025 for more information.

4. **Administrative, Management and Supervisory Bodies of the Issuer**

As a non-US company with securities listed on the New York Stock Exchange (“**NYSE**”), UBS AG complies with all relevant corporate governance standards applicable to foreign private issuers listing debt securities. In addition, it also follows the standards established in the Swiss Code of Best Practice for Corporate Governance.

UBS AG operates under a strict dual board structure, as mandated by Swiss banking law. The Board of Directors of UBS AG (“**BoD**”) decides on the strategy of UBS AG, upon recommendations by the President of the Executive Board of UBS AG (“**EB**”), and exercises ultimate supervision over

management; whereas the EB, headed by the President of the EB, has executive management responsibility for UBS AG and its business. The functions of Chairman of the BoD and President of the EB are assigned to two different persons, leading to a separation of powers. This structure establishes checks and balances and preserves the institutional independence of the BoD from the executive management of UBS AG Group, for which responsibility is delegated to the EB. No member of one board may simultaneously be a member of the other.

Supervision and control of the EB remain with the BoD. The authorities and responsibilities of the two bodies are governed by the Articles of Association and the Organization Regulations of UBS AG.

4.1 Board of Directors

The BoD consists of between 5 and 12 members. All the members of the BoD are elected individually by the shareholders at the Annual General Meeting (“AGM”) for a term of office of one year, which expires after the completion of the next AGM. Shareholders also elect the Chairman upon proposal of the BoD.

The BoD meets as often as business requires, and at least six times a year.

The current members of the BoD are listed below.

Member	Title	Term of office	Current principal activities outside UBS AG
Colm Kelleher	Chairman	2027	Chairman of the Board of Directors of UBS Group AG; member of the Board of Directors of the Bretton Woods Committee; member of the Board of the Swiss Finance Council; member of the Board of the International Monetary Conference; member of the Board of the Bank Policy Institute; member of the Board of Americans for Oxford; Visiting Professor of Banking and Finance, Loughborough Business School; member of the European Financial Services Round Table; member of the European Banking Group; member of the International Advisory Council of the China Securities Regulatory Commission; member of the Chief Executive’s Advisory Council (Hong Kong).
Markus Ronner	Vice Chairman	2027	Vice Chairman of the Board of Directors of UBS Group AG; member of the Board and Board Committee of economiesuisse; member of the Board of Directors and the Board of Directors Committee of the Swiss Bankers Association; member of the Board of the Swiss Finance Council; Member of the Board of Trustees of Avenir Suisse.
Jeremy Anderson	Vice Chairman	2027	Senior Independent Director of the Board of Directors of UBS Group AG; member of the Board of Prudential plc (Chair of the Risk Committee); Chairman of Lamb’s Passage Holding Ltd; member of the Board of Directors of Credit Suisse International; Trustee of the UK’s Productivity Leadership Group.
Agustín Carstens	Member	2027	Member of the Board of Directors of UBS Group AG;

			Member of the Group of Thirty; Member of the Board of Directors of the Bretton Woods Committee; Member of the Advisory Board of the Global Finance & Technology Network; Member of the Visa Economic Empowerment Institute Advisory Council; Co-Convenor, Cambridge Digital Innovation and Regulation Initiative, University of Cambridge.
Patrick Firmenich	Member	2027	Member of the Board of Directors of UBS Group AG; Vice Chairman of the Board of dsm-firmenich (Chair of the Governance and Nomination Committee); member of the Advisory Council of the Swiss Board Institute.
Fred Hu	Member	2027	Member of the Board of Directors of UBS Group AG; founder, Chairman and CEO of Primavera Capital Group; Non-Executive Chairman of the Board of Yum China Holdings (Chair of the Nomination and Governance Committee); member of the Board of Chubb Limited; Chairman of Primavera Capital Ltd; Trustee of the China Medical Board; Member of the Global Board of The Nature Conservancy and Co-Chairman of its Asia Pacific Council; member of the Board of Trustees of the Institute for Advanced Study.
Mark Hughes	Member	2027	Member of the Board of Directors of UBS Group AG; Senior Advisor to McKinsey & Company.
Renata Jungo Brüngger	Member	2027	Member of the Board of Directors of UBS Group AG; member of the Supervisory Board of Daimler Truck Holding AG; member of the Supervisory Board of Daimler Truck AG; member of the Supervisory Board of Munich Re (Chair of Remuneration Committee); member of the Board of Trustees of Internationale Bachakademie Stuttgart; member of the Board of Trustees of Gesellschaft der Freunde von Bayreuth e. V. (Friends of Bayreuth).
Gail Kelly	Member	2027	Member of the Board of Directors of UBS Group AG; member of the Board of Singtel Communications (Chairperson of the Executive Resource and Compensation Committee); member of the Group of Thirty; member of the Board of Directors of the Bretton Woods Committee; member of the Australian American Leadership Dialogue Advisory Board; Senior advisor to McKinsey & Company.
Luca Maestri	Member	2027	Member of the Board of Directors of UBS Group AG; member of the Board of Directors of Nestlé S.A.
Julie G. Richardson	Member	2027	Member of the Board of Directors of UBS Group AG; member of the Board of BXP; member of the Board of Datadog (Chair of the Audit Committee); member of the

			Board of Fivetran; member of the Board of Coalition, Inc.
Lila Tretikov	Member	2027	Member of the Board of Directors of UBS Group AG; Partner and Head of Artificial Intelligence Strategy, New Enterprise Associates, Inc.; member of the Board of Capgemini SE; member of the Board of Volvo Car Corporation; member of the Board of Xylem Inc.; member of the Board of Zendesk Inc.; member of the Board of Backflip AI, Inc.; member of the Board of Cusp AI Limited; member of the Board of Horizon 3 AI, Inc.

4.2 Executive Board (“EB”)

The President of the EB is appointed by the BoD upon proposal of the Chairman. All other EB members are appointed by the BoD upon proposal of the President of the EB.

The current members of the EB are listed below.

Member and business address	Function	Current principal activities outside UBS AG
Sergio P. Ermotti UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	President of the Executive Board	Member of the Group Executive Board and Group Chief Executive Officer of UBS Group AG; member of the Board of Ermenegildo Zegna N.V. (Lead Non-Executive Director); member of the Board of Società Editrice del Corriere del Ticino SA; member of the Board of Innosuisse – Swiss Innovation Agency; member of Institut International D’Etudes Bancaires; member of the WEF International Business Council and Governor of the Financial Services / Banking Community; member of the Monetary Authority of Singapore International Advisory Panel; member of the Board of the Institute of International Finance; member of the Board of the Swiss-American Chamber of Commerce.
George Athanopoulos UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Co-President Investment Bank	Member of the Group Executive Board and Co-President Investment Bank of UBS Group AG.
Michelle Bereaux UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Chief Compliance and Operational Risk Control Officer	Member of the Group Executive Board and Group Chief Compliance and Operational Risk Control Officer of UBS Group AG.
Aleksandar Ivanovic	President Asset Management	Member of the Group Executive Board and President Asset Management of UBS Group AG;

UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland		Chairman of UBS Asset Management AG; Chairman of UBS Asset Management Switzerland AG; member of the Board of UBS Optimus Foundation.
Robert Karofsky UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Co-President Global Wealth Management and President UBS Americas	Member of the Group Executive Board and Co-President Global Wealth Management of UBS Group AG; President UBS Americas of UBS Group AG; member of the board of UBS Americas Holding LLC; Chair of the Board of UBS Optimus Foundation US; member of Board of the American Swiss Foundation.
Iqbal Khan UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Co-President Global Wealth Management and President UBS Asia Pacific	Member of the Group Executive Board and Co-President Global Wealth Management of UBS Group AG; President UBS Asia Pacific of UBS Group AG.
Barbara Levi UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	General Counsel	Member of the Group Executive Board and Group General Counsel of UBS Group AG; member of the Board of Directors of the European General Counsel Association; member of the Legal Committee of the Swiss-American Chamber of Commerce.
Beatriz Martin Jimenez UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Chief Operating Officer, Head Non-Core and Legacy and President UBS Europe, Middle East and Africa	Member of the Group Executive Board and Group Chief Operating Officer; Head Non-Core and Legacy and President UBS Europe, Middle East and Africa of UBS Group AG; member of the Board of Directors and President of the Executive Board of UBS Business Solutions AG; member of the Supervisory Board of UBS Europe SE; member of the Board of Directors of Credit Suisse International.
Stefan Seiler UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Head Human Resources & Corporate Services	Member of the Group Executive Board and Head Group Human Resources & Corporate Services of UBS Group AG; member of the Board of UBS Optimus Foundation; member of the Foundation Board of the Pension Fund of UBS; member of the Foundation Council of the UBS Center for Economics in Society, University of Zurich; Chairman of the Foundation Board of the Swiss Finance Institute; member of the IMD Foundation Board; Adjunct Professor for Leadership and Strategic Human Resource Management, Nanyang Technological University (NTU), Singapore.
Todd Tuckner UBS AG,	Chief Financial Officer	Member of the Group Executive Board and Group Chief Financial Officer of UBS Group AG; Member of the Financial Services Chapter of the

Bahnhofstrasse 45, 8001 Zurich, Switzerland		Swiss-American Chamber of Commerce.
Marco Valla UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Co-President Investment Bank	Member of the Group Executive Board and Co-President Investment Bank of UBS Group AG; member of the Board of Directors of Good Shepherd Services; member of the Board of the Mount Sinai Department of Urology.
Damian Vogel UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Chief Risk Officer	Member of the Group Executive Board and Chief Risk Officer for UBS Group AG; member of the Board of UBS Switzerland AG; member of the Foundation Board of the International Financial Risk Institute (IFRI).

4.3 Potential Conflicts of Interest

Members of the BoD and the EB may act as directors or executive officers of other companies (for current principal positions outside UBS AG, if any, of BoD and EB members, please see sections 4.1 and 4.2 above, respectively) and may have economic or other private interests that differ from those of UBS AG. Conflicts of interest may potentially arise from these positions or interests. For example, it cannot be excluded that a member of the BoD or EB has or will have a function within a company, the shares of which are or will be traded by UBS AG or which has or will have a business relationship with UBS AG. UBS AG is confident that its internal corporate governance practices and its compliance with relevant legal and regulatory provisions reasonably ensure that any conflicts of interest of the type described above are appropriately managed, including through disclosure when appropriate.

Other than as indicated above, UBS is not aware of potential conflicts of interests between any duties to the Issuer of the members of the BoD and the EB and their private interests or other duties.

5. Auditors

Based on article 31 of the Articles of Association, UBS AG shareholders elect the auditors for a term of office of one year. At the AGMs on 8 April 2025 and 14 April 2026, Ernst & Young Ltd, Aeschengraben 27, 4051 Basel, Switzerland ("**Ernst & Young**") was elected as auditor for the consolidated and standalone financial statements of UBS AG for a one-year term.

Ernst & Young is a member of EXPERTsuisse, the Swiss Expert Association for Audit, Tax and Fiduciary. Ernst & Young is also registered with the Swiss Federal Audit Oversight Authority, which is responsible for the licensing and supervision of audit firms and individuals that provide audit services in Switzerland.

6. Major Shareholders of the Issuer

UBS Group AG owns 100% of the outstanding shares of UBS AG. UBS AG is a wholly owned subsidiary of UBS Group AG. While UBS has no specific corporate measures intended to prevent abuse of control to the detriment of minority shareholders, UBS has adopted a comprehensive and integrated governance framework which takes into account the specific requirements of each relevant jurisdiction. This governance framework includes separate articles of association and organizational regulations for UBS Group AG and UBS AG. In addition, as UBS AG is regulated as a bank in Switzerland, it is subject to capital regulation and close supervisory oversight. This includes the general requirement under Swiss law that contracts of UBS AG with affiliates are subject to an arm's length principle of negotiation.

7. Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses

7.1 Historical Annual Financial Information

Detailed information about UBS AG consolidated and UBS AG assets and liabilities, financial position and profits and losses for financial years 2025 and 2024 is available in the section "*Consolidated financial statements*" of the Annual Report 2025 and in UBS AG's standalone financial statements for the year ended 31 December 2025 (the "**Standalone Financial Statements 2025**"). The consolidated and standalone financial accounts are closed on 31 December of each year.

The annual financial reports form an essential part of UBS AG's reporting. They include the audited consolidated financial statements of UBS AG, prepared in accordance with the IFRS Accounting Standards, as issued by the International Accounting Standards Board. The annual reports also include discussions and analysis of the consolidated financial and business results of UBS, its business divisions and Group Items. In addition, UBS AG prepares and publishes standalone financial statements in accordance with Swiss GAAP, as well as certain additional disclosures required under US Securities and Exchange Commission regulations.

7.2 Auditing of Historical Annual Financial Information

The consolidated financial statements and the standalone financial statements of UBS AG for the financial years 2025 and 2024 were audited by Ernst & Young, and the reports of the auditors on the abovementioned financial statements are included in the Annual Report 2025 and in the Standalone Financial Statement 2025, respectively. There are no qualifications in the auditors' reports on the consolidated financial statements of UBS AG and the standalone financial statements of UBS AG for the years ended on 31 December 2025 and 31 December 2024.

7.3 Interim Financial Information

Reference is also made to the UBS Group AG First Quarter 2022 Report and the UBS AG First Quarter 2026 Report, which contain information on the financial condition and results of operations, including the interim financial statements of UBS Group AG (consolidated) and interim financial information of UBS AG (consolidated), respectively, as of and for the quarter ended 31 March 2026. The interim consolidated financial statements and information are not audited.

7.4 Litigation, Regulatory and Similar Matters

UBS operates in a legal and regulatory environment that exposes it to significant litigation and similar risks arising from disputes and regulatory proceedings. As a result, UBS is involved in various disputes and legal proceedings, including litigation, arbitration, and regulatory and criminal investigations. Such matters are subject to many uncertainties, and the outcome and the timing of resolution are often difficult to predict, particularly in the earlier stages of a case. The uncertainties inherent in all such matters affect the amount and timing of any potential outflows for both matters with respect to which provisions have been established and other contingent liabilities. Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. Resolution of regulatory proceedings may require UBS to obtain waivers of regulatory disqualifications to maintain certain operations, may entitle regulatory authorities to limit, suspend or terminate licenses and regulatory authorisations, and may permit financial market utilities to limit, suspend or terminate UBS's participation in such utilities. Failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorisations or participations, could have material consequences for UBS.

Specific litigation, regulatory and other matters, including all such matters that management considers to be material and others that management believes to be of significance to UBS due to potential financial, reputational and other effects, are described in the “*Provisions and contingent liabilities*” section of UBS AG First Quarter 2026 Report. The amount of damages claimed, the size of a transaction or other information is provided where available and appropriate in order to assist users in considering the magnitude of potential exposures.

7.5 Material Contracts

Except as otherwise disclosed in this document (including the documents incorporated herein by reference), no material contracts have been entered into outside of the ordinary course of UBS AG’s or UBS AG Group’s business which could result in any member of the UBS AG Group being under an obligation or entitlement that is material to UBS AG’s ability to meet its obligations to the investors in relation to the issued securities.

7.6 Significant Changes in the Financial Position and Performance; Material Adverse Change in Prospects

Except as otherwise indicated in this document (including the documents incorporated herein by reference), no material changes have occurred in UBS AG’s assets and liabilities, financial position or profits and losses since 31 March 2026.

8. Share Capital

As reflected in the Articles of Association most recently registered with the Commercial Register of the Canton of Zurich and the Commercial Register of Basel-City, UBS AG has (i) fully paid and issued share capital of USD 385,840,846.60, divided into 3,858,408,466 registered shares with a par value of USD 0.10 each (article 4); (ii) conditional capital (*bedingtes Kapital*) in the amount of USD 38,000,000, for the issuance of up to 380,000,000 registered shares with a par value of USD 0.10 each that can be issued upon the voluntary or mandatory exercise of conversion rights and/or warrants (article 4a); and (iii) conversion capital (*Wandlungskapital*) in the amount of USD 70,000,000 for the issuance of a maximum of 700,000,000 registered shares with a par value of USD 0.10 each, through the mandatory conversion of claims arising upon the occurrence of one or more trigger events under financial market instruments with contingent conversion features (article 4b).

9. Documents Available

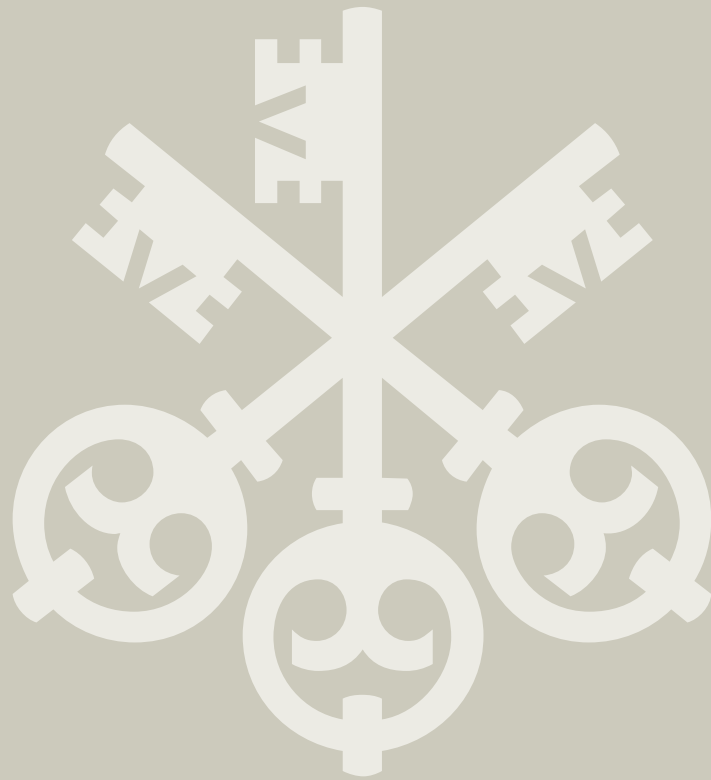
The most recent Articles of Association of UBS AG are available on UBS’s Corporate Governance website, at <https://www.ubs.com/global/en/our-firm/governance/ubs-ag/articles-of-association.html>. Save as otherwise indicated herein, information on or accessible through the Group’s corporate website, www.ubs.com, does not form part of and is not incorporated into this document.

APPENDIX IV

**EXTRACT OF
THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
UBS AG AND ITS SUBSIDIARIES
FOR THE FIRST QUARTER ENDED 31 MARCH 2026**

UBS AG

First quarter 2026 report



UBS

Corporate calendar UBS AG

Information about future publication dates is generally available at ubs.com/global/en/investor-relations/events/calendar.html

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Terms used in this report, unless the context requires otherwise

"UBS", "UBS Group", "UBS Group AG consolidated", "Group" and "the Group"	UBS Group AG and its consolidated subsidiaries
"UBS AG" and "UBS AG consolidated", "we", "us" and "our"	UBS AG and its consolidated subsidiaries
"1m"	One million, i.e. 1,000,000
"1bn"	One billion, i.e. 1,000,000,000
"1trn"	One trillion, i.e. 1,000,000,000,000

In this report, unless the context requires otherwise, references to any gender shall apply to all genders.

Alternative performance measures

An alternative performance measure (an APM) is a financial measure of historical or future financial performance, financial position or cash flows other than a financial measure defined or specified in IFRS Accounting Standards, as issued by the International Accounting Standards Board (the IASB), or in other applicable recognized accounting standards or regulations. We report a number of APMs in the discussion of the financial and operating performance of UBS AG, our business divisions and Group Items. We use APMs to provide a more complete picture of our operating performance and to reflect management's view of the fundamental drivers of our business results. A definition of each APM, the method used to calculate it and the information content are presented under "Alternative performance measures" in the appendix to this report. Each APM that qualifies as a non-GAAP measure as defined by US Securities and Exchange Commission (SEC) regulations is designated as such in the table of APMs in the appendix to this report.

› Refer to "Alternative performance measures" in the appendix to this report for additional information

Comparison between UBS AG consolidated and UBS Group AG consolidated

This report should be read in conjunction with the UBS Group first quarter 2026 report that was published on 29 April 2026 and is available under "Quarterly reporting" at ubs.com/investors. A comparison of selected financial and capital information of UBS AG consolidated and of UBS Group AG consolidated is provided in the Introduction section of this report.

Quarterly reporting change

Starting from the first quarter of 2026, UBS AG will no longer publish interim financial reports prepared in accordance with IAS 34, *Interim Financial Reporting*, for the first and third quarters. Instead, UBS AG will publish financial information that is prepared in accordance with UBS AG accounting policies, which are consistent with IFRS Accounting Standards, but does not include all notes as required under IAS 34 and therefore does not constitute an "interim financial report", as defined by IAS 34. This change is intended to improve efficiency, while maintaining a high level of transparency for investors.

As a result, the section previously titled "Consolidated financial statements" has been renamed "Consolidated financial information", and the scope of the disclosures has been amended. The income statement and the statement of comprehensive income, and related information, are presented for 31 March 2026 and 31 March 2025 on a year-to-date basis. The balance sheet and related information are presented as of 31 March 2026 and 31 December 2025.

Starting from the first half of 2026, UBS AG will publish a half-year interim financial report prepared in accordance with IAS 34 as of and for the six-month period ending 30 June.

Key figures

UBS AG consolidated key figures

UBS AG consolidated key figures

<i>USD m, except where indicated</i>	As of or for the quarter ended		
	31.3.26	31.12.25	31.3.25
Results			
Total revenues	14,030	11,444	12,163
Credit loss expense / (release)	64	161	124
Operating expenses	10,780	10,890	10,701
Operating profit / (loss) before tax	3,186	393	1,339
Net profit / (loss) attributable to shareholders	2,500	33	1,028
Profitability and growth			
Return on equity (%) ¹	11.1	0.1	4.3
Return on tangible equity (%) ¹	12.0	0.2	4.6
Return on common equity tier 1 capital (%) ¹	14.2	0.2	5.7
Cost / income ratio (%) ¹	76.8	95.2	88.0
Net profit growth (%) ¹	143.2	n.m.	2.2
Resources			
Total assets	1,687,883	1,617,173	1,547,489
Equity attributable to shareholders	91,404	88,845	96,553
Common equity tier 1 capital ²	70,867	70,394	70,756
Risk-weighted assets ²	497,433	489,775	481,539
Common equity tier 1 capital ratio (%) ²	14.2	14.4	14.7
Going concern capital ratio (%) ²	18.9	18.4	18.5
Total loss-absorbing capacity ratio (%) ²	38.4	36.8	38.0
Leverage ratio denominator ²	1,655,400	1,622,921	1,565,845
Common equity tier 1 leverage ratio (%) ²	4.3	4.3	4.5
Liquidity coverage ratio (%) ³	172.4	176.2	180.3
Net stable funding ratio (%)	116.1	115.7	122.8
Other			
Invested assets (USD bn) ^{1,4}	6,881	7,005	6,153
Personnel (full-time equivalents)	61,146	61,899	67,373

¹ Refer to "Alternative performance measures" in the appendix to this report for the relevant definition and calculation method. Each alternative performance measure (APM) that qualifies as a non-GAAP measure as defined by US Securities and Exchange Commission (SEC) regulations is designated as such in the table of APMs in the appendix to this report. ² Based on the Swiss systemically relevant bank framework. Refer to the "Capital management" section of this report for more information. ³ The disclosed ratios represent quarterly averages for each of the quarters presented and have been calculated based on an average of 62 data points in the first quarter of 2026, 64 data points in the fourth quarter of 2025 and 62 data points in the first quarter of 2025. Refer to the "Liquidity and funding management" section of the UBS Group first quarter 2026 report, available under "Quarterly reporting" at ubs.com/investors, for more information. ⁴ Consists of invested assets for Global Wealth Management, Asset Management (including invested assets from associates) and Personal & Corporate Banking. Refer to "Note 30 Invested assets and net new money" in the "Consolidated financial statements" section of the UBS AG Annual Report 2025, available under "Annual reporting" at ubs.com/investors, for more information.

Introduction

Overview

UBS Group AG is the holding company for the UBS Group and the parent company of UBS AG. UBS Group AG holds 100% of the issued shares in UBS AG. UBS AG and UBS Group both prepare annual consolidated financial statements in accordance with IFRS Accounting Standards and half-yearly consolidated financial statements in accordance with IAS 34.

The financial information included in this report has been prepared in accordance with UBS AG's accounting policies as described in "Note 1 Summary of material accounting policies" to the UBS AG consolidated annual financial statements for the year ended 31 December 2025.

› Refer to the **"Consolidated financial information" section of this report for more information**

UBS Group has applied acquisition accounting as defined by IFRS 3, *Business Combinations*, to the acquisition of the Credit Suisse Group in 2023. The merger of UBS AG and Credit Suisse AG on 31 May 2024 has been accounted for as a business combination under common control, as defined in IFRS 3, using the historic carrying values of the assets and liabilities of Credit Suisse AG as at the date of the transaction (31 May 2024), determined under IFRS Accounting Standards. Therefore, differences exist between the accounting treatments applied at the UBS Group and UBS AG consolidated levels. There are also certain scope and presentation differences, as noted below.

› Refer to **"Note 28 Changes in organization and acquisitions and disposals of subsidiaries and businesses" in the "Consolidated financial statements" section of the UBS AG Annual Report 2025, available under "Annual reporting" at ubs.com/investors, for more information about the accounting for the merger of UBS AG and Credit Suisse AG**

Except for the differences related to the above, financial information for UBS AG consolidated does not differ materially from that for UBS Group AG consolidated.

› Refer to the **UBS Group first quarter 2026 report, available under "Quarterly reporting" at ubs.com/investors, for more information**

Comparison between UBS AG consolidated and UBS Group AG consolidated

The table below provides a comparison of selected financial and capital information of UBS AG consolidated and of UBS Group AG consolidated.

Assets, liabilities, revenues, operating expenses and tax expenses / (benefits) relating to UBS Group AG and its directly held subsidiaries, including UBS Business Solutions AG, are reflected in the consolidated financial statements of UBS Group AG but not in those of UBS AG. UBS AG's assets, liabilities, revenues and operating expenses related to transactions with UBS Group AG and its directly held subsidiaries, including UBS Business Solutions AG and other shared services subsidiaries, are not subject to elimination in the UBS AG consolidated financial statements, but are eliminated in the UBS Group AG consolidated financial statements.

In the first quarter of 2026, UBS AG consolidated recognized a net profit of USD 2,514m, while UBS Group AG consolidated recognized a net profit of USD 3,054m. The USD 540m difference was mainly due to certain purchase price allocation (PPA) effects recognized at the UBS Group AG level upon the acquisition of the Credit Suisse Group. These resulted in net accretion income at the UBS Group AG level, net of tax effects, whereas UBS AG has not applied acquisition accounting and does not have the PPA effects or the corresponding net income. The PPA effects also resulted in lower expenses for litigation, regulatory and similar matters at the UBS Group AG consolidated level. Other differences in net profit mainly arose due to UBS Business Solutions AG and other shared services subsidiaries of UBS Group AG charging other legal entities within the UBS AG consolidation scope a markup on costs incurred for services provided.

As of 31 March 2026, the total assets of UBS AG consolidated were USD 1.4bn higher than the total assets of UBS Group AG consolidated. The difference mainly reflected PPA effects recognized at the UBS Group AG level upon the acquisition of the Credit Suisse Group, partly offset by consolidation scope differences. The total liabilities of UBS AG consolidated were USD 2.1bn higher than the total liabilities of UBS Group AG consolidated, mainly due to consolidation scope differences.

The equity of UBS AG consolidated was USD 0.8bn lower than the equity of UBS Group AG consolidated as of 31 March 2026. This difference was mainly due to consolidation scope differences of USD 2.5bn, partly offset by PPA effects of USD 1.6bn recognized at the UBS Group AG level upon the acquisition of the Credit Suisse Group that did not impact UBS AG consolidated, primarily related to loans and loan commitments measured at amortized cost and contingent liabilities recognized under IFRS 3 for litigation, partly offset by PPA effects on real estate and debt issued.

The going concern capital of UBS AG consolidated was USD 2.8bn lower than the going concern capital of UBS Group AG consolidated as of 31 March 2026, reflecting the common equity tier 1 (CET1) capital of UBS AG consolidated being lower by USD 2.4bn and going concern loss-absorbing additional tier 1 (AT1) capital being USD 0.4bn lower.

The USD 2.4bn lower CET1 capital of UBS AG consolidated was primarily due to a USD 6.4bn difference in dividend accruals between UBS AG and UBS Group AG and UBS AG consolidated equity being USD 0.8bn lower, partly offset by compensation-related regulatory capital accruals at the UBS Group AG level of USD 2.3bn and a capital reserve for expected future share repurchases of USD 2.2bn and a USD 0.4bn effect from eligible deferred tax assets on temporary differences.

The going concern loss-absorbing AT1 capital of UBS AG consolidated was USD 0.4bn lower than that of UBS Group AG consolidated as of 31 March 2026, mainly reflecting deferred contingent capital plan awards granted at the Group level to eligible employees for the 2021 to 2025 performance years.

Differences in capital between UBS AG consolidated and UBS Group AG consolidated related to employee compensation plans will reverse to the extent underlying services are performed by employees of, and are consequently charged to, UBS AG and its subsidiaries. Such reversal generally occurs over the service period of the employee compensation plan.

The leverage ratio denominator (the LRD) of UBS AG consolidated was USD 1.9bn higher than the LRD of UBS Group AG consolidated, mainly reflecting intercompany exposures in UBS AG toward Group entities, as well as PPA adjustments that apply at the Group level but not at the UBS AG level, partly offset by fixed assets held outside of the UBS AG consolidation scope.

The risk-weighted assets (RWA) of UBS AG consolidated were USD 2.9bn lower than the RWA of UBS Group AG consolidated, mainly reflecting non-counterparty-related assets held outside the UBS AG consolidation scope, partly offset by intercompany credit risk exposures in UBS AG toward Group entities outside of the UBS AG consolidation scope.

The LRD for UBS AG consolidated exceeds that of UBS Group AG consolidated, and UBS AG's RWA are lower than those of UBS Group AG consolidated. This divergence stems mainly from certain PPA adjustments that apply at the Group level but not at the UBS AG level and are subject to low risk weights.

The quarterly average liquidity coverage ratio (the LCR) of UBS AG consolidated was 5.4 percentage points lower than the quarterly average LCR of UBS Group AG consolidated. The difference mainly reflected the higher net cash outflows of UBS AG consolidated from intercompany deposits and loans that are not within the Group consolidation scope but are within the UBS AG consolidation scope.

The net stable funding ratio (the NSFR) of UBS AG consolidated was 0.8 percentage points lower than the NSFR of UBS Group AG consolidated. The difference primarily reflected lower UBS AG consolidated eligible regulatory capital as compared with UBS Group AG consolidated.

Comparison between UBS AG consolidated and UBS Group AG consolidated

USD m, except where indicated	As of or for the quarter ended 31.3.26			As of or for the quarter ended 31.12.25		
	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)
Income statement						
Total revenues	14,030	14,243	(213)	11,444	12,145	(700)
Credit loss expense / (release)	64	70	(6)	161	159	3
Operating expenses	10,780	10,333	447	10,890	10,286	604
Operating profit / (loss) before tax	3,186	3,841	(655)	393	1,700	(1,307)
Net profit / (loss)	2,514	3,054	(540)	39	1,205	(1,166)
Balance sheet						
Total assets	1,687,883	1,686,521	1,362	1,617,173	1,617,427	(255)
Total liabilities	1,596,162	1,594,019	2,143	1,527,994	1,526,944	1,050
Total equity	91,722	92,502	(781)	89,179	90,484	(1,305)
Capital, liquidity and funding information						
Common equity tier 1 capital	70,867	73,313	(2,447)	70,394	71,262	(868)
Going concern capital	94,129	96,963	(2,834)	89,993	91,176	(1,183)
Risk-weighted assets	497,433	500,355	(2,922)	489,775	493,397	(3,622)
Common equity tier 1 capital ratio (%)	14.2	14.7	(0.4)	14.4	14.4	(0.1)
Going concern capital ratio (%)	18.9	19.4	(0.5)	18.4	18.5	(0.1)
Total loss-absorbing capacity ratio (%)	38.4	39.5	(1.1)	36.8	38.0	(1.2)
Leverage ratio denominator	1,655,400	1,653,460	1,940	1,622,921	1,622,438	483
Common equity tier 1 leverage ratio (%)	4.3	4.4	(0.2)	4.3	4.4	(0.1)
Liquidity coverage ratio (%) ¹	172.4	177.8	(5.4)	176.2	182.6	(6.4)
Net stable funding ratio (%)	116.1	116.9	(0.8)	115.7	116.1	(0.4)

¹ The disclosed ratios represent quarterly averages for each of the quarters presented and have been calculated based on an average of 62 data points in the first quarter of 2026 and 64 data points in the fourth quarter of 2025. Refer to the "Liquidity and funding management" section of the UBS Group first quarter 2026 report, available under "Quarterly reporting" at ubs.com/investors, for more information.

Additional information about our business divisions

Global Wealth Management

<i>USD m</i>	For the quarter ended 31.3.26			For the quarter ended 31.12.25		
	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)
Results						
Total revenues	6,996	7,106	(110)	6,585	6,695	(110)
Credit loss expense / (release)	9	9	0	34	32	2
Operating expenses	5,349	5,305	44	5,393	5,373	19
Operating profit / (loss) before tax	1,638	1,792	(153)	1,158	1,290	(132)

Profit before tax was USD 1,638m at the UBS AG level, compared with profit before tax of USD 1,792m at the UBS Group level. The USD 153m difference was mainly due to PPA effects on total revenues recognized in Global Wealth Management at the UBS Group level.

Personal & Corporate Banking – in Swiss francs

<i>CHF m</i>	For the quarter ended 31.3.26			For the quarter ended 31.12.25		
	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)
Results						
Total revenues	1,872	2,029	(157)	1,664	1,830	(166)
Credit loss expense / (release)	54	55	(1)	79	80	(1)
Operating expenses	1,154	1,164	(10)	1,288	1,297	(9)
Operating profit / (loss) before tax	664	809	(145)	297	452	(155)

Profit before tax was CHF 664m at the UBS AG level, compared with profit before tax of CHF 809m at the UBS Group level. The CHF 145m difference was mainly due to PPA effects on total revenues recognized in Personal & Corporate Banking at the UBS Group level.

Personal & Corporate Banking – in US dollars

<i>USD m</i>	For the quarter ended 31.3.26			For the quarter ended 31.12.25		
	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)
Results						
Total revenues	2,400	2,601	(201)	2,079	2,286	(207)
Credit loss expense / (release)	69	70	(2)	100	101	(1)
Operating expenses	1,477	1,491	(14)	1,610	1,621	(12)
Operating profit / (loss) before tax	854	1,040	(186)	370	565	(194)

Asset Management

<i>USD m</i>	For the quarter ended 31.3.26			For the quarter ended 31.12.25		
	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)
Results						
Total revenues	772	772	0	796	800	(4)
Credit loss expense / (release)	0	0	0	1	1	0
Operating expenses	556	555	1	593	588	5
Operating profit / (loss) before tax	215	217	(2)	203	212	(9)

Investment Bank

<i>USD m</i>	For the quarter ended 31.3.26			For the quarter ended 31.12.25		
	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)
Results						
Total revenues	3,991	4,054	(63)	2,886	2,946	(60)
Credit loss expense / (release)	61	65	(4)	36	34	2
Operating expenses	2,817	2,784	34	2,283	2,272	11
Operating profit / (loss) before tax	1,112	1,205	(93)	567	640	(73)

Profit before tax was USD 1,112m at the UBS AG level, compared with profit before tax of USD 1,205m at the UBS Group level. The USD 93m difference was mainly due to PPA effects on total revenues recognized in the Investment Bank at the UBS Group level.

Non-core and Legacy

<i>USD m</i>	For the quarter ended 31.3.26			For the quarter ended 31.12.25		
	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)
Results						
Total revenues	(20)	(10)	(10)	(18)	(8)	(10)
Credit loss expense / (release)	(74)	(74)	(1)	(13)	(12)	(1)
Operating expenses	319	219	100	648	459	188
Operating profit / (loss) before tax	(265)	(155)	(110)	(653)	(455)	(197)

Loss before tax was USD 265m at the UBS AG level, compared with the loss before tax of USD 155m at the UBS Group level. The USD 110m difference was mainly due to PPA effects that resulted in releases for litigation, regulatory and similar matters for UBS Group (Non-core and Legacy at the UBS AG level incurred net expenses).

Group Items

<i>USD m</i>	For the quarter ended 31.3.26			For the quarter ended 31.12.25		
	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)
Results						
Total revenues	(109)	(279)	171	(885)	(575)	(309)
Credit loss expense / (release)	0	0	0	4	3	0
Operating expenses	260	(21)	282	365	(27)	392
Operating profit / (loss) before tax	(369)	(258)	(111)	(1,253)	(552)	(701)

Loss before tax was USD 369m at the UBS AG level, compared with the loss before tax of USD 258m at the UBS Group level. The USD 111m difference mainly arose due to UBS Business Solutions AG and other shared services subsidiaries of UBS Group AG charging other legal entities within the UBS AG consolidation scope a markup on costs incurred for services provided.

Risk and capital management

Management report

Risk management and control

This section provides information about key developments during the reporting period and should be read in conjunction with the “Risk management and control” section of the UBS AG Annual Report 2025, available under “Annual reporting” at ubs.com/investors, and the “Recent developments” section of the UBS Group first quarter 2026 report, available under “Quarterly reporting” at ubs.com/investors, for more information about the integration of Credit Suisse.

UBS AG consolidated risk profile

The risk profile of UBS AG consolidated does not differ materially from that of UBS Group AG consolidated, and the risk information provided in the UBS Group first quarter 2026 report is equally applicable to UBS AG consolidated.

The credit risk profile of UBS AG consolidated as of 31 March 2026 differed from that of UBS Group AG consolidated in relation to total banking products exposure, mainly reflecting purchase price allocation effects booked at the Group level relating to the acquisition of the Credit Suisse Group, as well as receivables of UBS AG and UBS Switzerland AG from UBS Group AG and UBS Business Solutions AG, reflecting consolidation scope differences.

The total banking products exposure of UBS AG consolidated as of 31 March 2026 was USD 1,112.5bn, i.e. USD 6.8bn, or 0.6%, higher than the exposure of UBS Group AG consolidated. As of 31 December 2025, the total banking products exposure of UBS AG consolidated was USD 1,091.9bn, i.e. USD 5.6bn, or 0.5%, higher than the exposure of UBS Group AG consolidated.

- › Refer to the “Risk management and control” section of the UBS Group first quarter 2026 report, available under “Quarterly reporting” at ubs.com/investors, for more information
- › Refer to the “Comparison between UBS AG consolidated and UBS Group AG consolidated” section of this report for more information about selected financial and capital information of UBS AG consolidated and UBS Group AG consolidated

Capital management

The disclosures in this section are provided for UBS AG on a consolidated basis and focus on information in accordance with the Basel III framework, as applicable to Swiss systemically relevant banks (SRBs). They should be read in conjunction with the "Capital management" section of the UBS AG Annual Report 2025, available under "Annual reporting" at ubs.com/investors, which provides more information about relevant capital management objectives, planning and activities, as well as the Swiss SRB total loss-absorbing capacity framework, on a UBS AG consolidated basis.

In Switzerland, the amendments to the Capital Adequacy Ordinance (the CAO) that incorporate the final Basel III standards into Swiss law, including the new ordinances containing the implementing provisions for the revised CAO, entered into force on 1 January 2025.

UBS AG contributes a significant portion of capital to, and provides substantial liquidity to, its subsidiaries. Many of these subsidiaries are subject to regulations requiring compliance with minimum capital, liquidity and similar requirements.

- › Refer to the UBS Group and significant regulated subsidiaries and sub-groups 31 March 2026 Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors, for more information about additional regulatory disclosures for UBS Group AG on a consolidated basis, as well as the significant regulated subsidiaries and sub-groups of UBS Group AG

Swiss SRB going and gone concern requirements and information

As of 31.3.26	RWA		LRD	
USD m, except where indicated	in %		in %	
Required going concern capital				
Total going concern capital	15.20 ¹	75,634	5.08 ¹	84,119
Common equity tier 1 capital	10.84 ²	53,918	3.58 ³	59,288
of which: minimum capital	4.50	22,384	1.50	24,831
of which: buffer capital	5.72	28,433	2.08	34,350
of which: countercyclical buffer	0.45	2,219		
Maximum additional tier 1 capital	4.37 ²	21,716	1.50	24,831
of which: additional tier 1 capital	3.50	17,410	1.50	24,831
of which: additional tier 1 buffer capital	0.80	3,979		
Eligible going concern capital				
Total going concern capital	18.92	94,129	5.69	94,129
Common equity tier 1 capital	14.25	70,867	4.28	70,867
Total loss-absorbing additional tier 1 capital	4.68 ⁴	23,262	1.41	23,262
of which: high-trigger loss-absorbing additional tier 1 capital	4.68	23,262	1.41	23,262
Required gone concern capital				
Total gone concern loss-absorbing capacity^{5,6,7}	10.89	54,156	3.81	63,009
of which: base requirement including add-ons for market share and LRD	10.89 ⁸	54,156	3.81 ⁸	63,009
Eligible gone concern capital				
Total gone concern loss-absorbing capacity⁹	19.44	96,717	5.84	96,717
TLAC-eligible unsecured debt	19.44	96,707	5.84	96,707
Total loss-absorbing capacity				
Required total loss-absorbing capacity	26.09	129,790	8.89	147,127
Eligible total loss-absorbing capacity	38.37	190,846	11.53	190,846
Risk-weighted assets / leverage ratio denominator				
Risk-weighted assets		497,433		
Leverage ratio denominator				1,655,400

¹ Includes applicable add-ons of 1.90% for risk-weighted assets (RWA) and 0.58% for leverage ratio denominator (LRD), of which 2 basis points for RWA and 1 basis point for LRD reflect a Pillar 2 capital add-on of USD 107m related to the supply chain finance funds matter at Credit Suisse. An additional 22 basis points for RWA reflect a Pillar 2 capital add-on for the residual exposure (after collateral mitigation) to hedge funds, private equity and family offices, effective 1 January 2025. ² Includes the Pillar 2 add-on for the residual exposure (after collateral mitigation) to hedge funds, private equity and family offices of 0.16% for CET1 capital and 0.07% for AT1 capital, effective 1 January 2025. For AT1 capital under Pillar 1 requirements a maximum of 4.3% of AT1 capital can be used to meet going concern requirements; 4.37% includes the aforementioned Pillar 2 capital add-on. ³ Our CET1 leverage ratio requirement of 3.58% consists of a 1.5% base requirement, a 1.5% base buffer capital requirement, a 0.28% LRD add-on requirement, a 0.30% market share add-on requirement based on our Swiss credit business and a 0.01% Pillar 2 capital add-on related to the supply chain finance funds matter at Credit Suisse. ⁴ UBS fulfills its minimum going concern capital requirements with CET1 capital and AT1 capital. The actual available and eligible AT1 capital is above the AT1 capital used to meet the minimum requirements (which is capped at 4.37% as explained in footnote 2) as UBS exceeds its minimum going concern requirements. ⁵ A maximum of 25% of the gone concern requirements can be met with instruments that have a remaining maturity of between one and two years. Once at least 75% of the minimum gone concern requirement has been met with instruments that have a remaining maturity of greater than two years, all instruments that have a remaining maturity of between one and two years remain eligible to be included in the total gone concern capital. ⁶ Systemically important banks (SIBs) are subject to base gone concern capital requirements equivalent to 75% of the total going concern requirements (excluding countercyclical buffer requirements and the Pillar 2 add-ons). ⁷ FINMA has the authority to impose a surcharge of up to 25% of the total going concern capital requirements (excluding countercyclical buffer requirements and the Pillar 2 add-ons) should obstacles to an SIB's resolvability be identified in future resolvability assessments. ⁸ Includes applicable add-ons of 1.24% for RWA and 0.43% for LRD. ⁹ Includes an add-back of 45% of unrealized gains from financial assets measured at fair value through other comprehensive income. Such gains do not qualify as CET1 capital, but 45% of these gains can be recognized as gone concern capital.

UBS AG, on a consolidated basis, is subject to the going and gone concern requirements of the Swiss CAO, which include additional requirements applicable to Swiss SRBs. The table above provides the risk-weighted asset (RWA)- and leverage ratio denominator (LRD)-based requirements and information as of 31 March 2026.

UBS AG and UBS Switzerland AG are subject to going and gone concern requirements on a standalone basis.

On a standalone basis as of 31 March 2026, UBS AG's fully applied common equity tier 1 (CET1) capital ratio was 13.9%. Additional capital information for UBS AG standalone is provided in the UBS Group and significant regulated subsidiaries and sub-groups 31 March 2026 Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors.

Total loss-absorbing capacity

The table below provides Swiss SRB going and gone concern information based on the Swiss SRB framework and requirements that are discussed in the "Capital management" section of the UBS AG Annual Report 2025, available under "Annual reporting" at ubs.com/investors.

Swiss SRB going and gone concern information

<i>USD m, except where indicated</i>	31.3.26	31.12.25
Eligible going concern capital		
Total going concern capital	94,129	89,993
Total tier 1 capital	94,129	89,993
Common equity tier 1 capital	70,867	70,394
Total loss-absorbing additional tier 1 capital	23,262	19,600
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	23,262	19,600
<i>of which: low-trigger loss-absorbing additional tier 1 capital</i>		
Eligible gone concern capital		
Total gone concern loss-absorbing capacity ¹	96,717	90,164
TLAC-eligible unsecured debt	96,707	90,139
Total loss-absorbing capacity		
Total loss-absorbing capacity	190,846	180,157
Risk-weighted assets / leverage ratio denominator		
Risk-weighted assets	497,433	489,775
Leverage ratio denominator	1,655,400	1,622,921
Capital and loss-absorbing capacity ratios (%)		
Going concern capital ratio	18.9	18.4
<i>of which: common equity tier 1 capital ratio</i>	14.2	14.4
Gone concern loss-absorbing capacity ratio	19.4	18.4
Total loss-absorbing capacity ratio	38.4	36.8
Leverage ratios (%)		
Going concern leverage ratio	5.7	5.5
<i>of which: common equity tier 1 leverage ratio</i>	4.3	4.3
Gone concern leverage ratio	5.8	5.6
Total loss-absorbing capacity leverage ratio	11.5	11.1

¹ Includes an add-back of 45% of unrealized gains from financial assets measured at fair value through other comprehensive income. Such gains do not qualify as CET1 capital, but 45% of these gains can be recognized as gone concern capital.

UBS AG vs UBS Group AG consolidated loss-absorbing capacity and leverage information

Swiss SRB going and gone concern information (UBS AG vs UBS Group AG consolidated)

As of 31.3.26

<i>USD m, except where indicated</i>	UBS AG (consolidated)	UBS Group AG (consolidated)	Difference
Eligible going concern capital			
Total going concern capital	94,129	96,963	(2,834)
Total tier 1 capital	94,129	96,963	(2,834)
Common equity tier 1 capital	70,867	73,313	(2,447)
Total loss-absorbing additional tier 1 capital	23,262	23,649	(387)
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	23,262	23,649	(387)
Eligible gone concern capital			
Total gone concern loss-absorbing capacity¹	96,717	100,593	(3,876)
TLAC-eligible senior unsecured debt	96,707	100,583	(3,876)
Total loss-absorbing capacity			
Total loss-absorbing capacity	190,846	197,556	(6,710)
Risk-weighted assets / leverage ratio denominator			
Risk-weighted assets	497,433	500,355	(2,922)
Leverage ratio denominator	1,655,400	1,653,460	1,940
Capital and loss-absorbing capacity ratios (%)			
Going concern capital ratio	18.9	19.4	(0.5)
<i>of which: common equity tier 1 capital ratio</i>	14.2	14.7	(0.4)
Gone concern loss-absorbing capacity ratio	19.4	20.1	(0.7)
Total loss-absorbing capacity ratio	38.4	39.5	(1.1)
Leverage ratios (%)			
Going concern leverage ratio	5.7	5.9	(0.2)
<i>of which: common equity tier 1 leverage ratio</i>	4.3	4.4	(0.2)
Gone concern leverage ratio	5.8	6.1	(0.2)
Total loss-absorbing capacity leverage ratio	11.5	11.9	(0.4)

¹ Includes an add-back of 45% of unrealized gains from financial assets measured at fair value through other comprehensive income. Such gains do not qualify as CET1 capital but 45% of these gains can be recognized as gone concern capital.

Reconciliation of equity under IFRS Accounting Standards to Swiss SRB common equity tier 1 capital (UBS AG vs UBS Group AG consolidated)

As of 31.3.26

<i>USD m</i>	UBS AG (consolidated)	UBS Group AG (consolidated)	Difference
Total equity under IFRS Accounting Standards	91,722	92,502	(781)
Equity attributable to non-controlling interests	(318)	(255)	(62)
Defined benefit plans, net of tax	(937)	(949)	13
Deferred tax assets recognized for tax loss carry-forwards	(2,457)	(2,457)	0
Deferred tax assets for unused tax credits	(864)	(864)	
Deferred tax assets on temporary differences, excess over threshold	(310)	(693)	382
Goodwill, net of tax	(6,278)	(5,773)	(505)
Intangible assets, net of tax	(94)	(654)	560
Compensation-related components (not recognized in net profit)		(2,254)	2,254
Expected losses on advanced internal ratings-based portfolio less provisions	(882)	(874)	(8)
Unrealized (gains) / losses from cash flow hedges, net of tax	1,586	1,586	
Own credit related to (gains) / losses on financial liabilities measured at fair value that existed at the balance sheet date, net of tax	948	898	51
Own credit related to (gains) / losses on derivative financial instruments that existed at the balance sheet date	(80)	(80)	
Prudential valuation adjustments	(223)	(223)	
Accruals for dividends to shareholders for 2025	(9,000) ¹	(3,449)	(5,552)
Accruals for expected dividends to shareholders for 2026	(1,750)	(938)	(813)
Capital reserve for expected future share repurchases in 2026		(2,150)	2,150
Other	(196)	(59)	(137)
Total common equity tier 1 capital	70,867	73,313	(2,447)

¹ Reflects an ordinary dividend distribution of USD 4.5bn and the appropriation of USD 4.5bn to a special dividend reserve, both approved at the 2026 Annual General Meeting in April 2026. The decision on the distribution of the special dividend is intended to be made at an Extraordinary General Meeting in the second half of 2026 and is subject to UBS AG meeting its capital requirements on a standalone and consolidated level, and the outcome and timing of the implementation of the new regulatory regime in Switzerland.

- › Refer to “Comparison between UBS AG consolidated and UBS Group AG consolidated” in the “Introduction” section of this report for more information about the differences between UBS AG consolidated and UBS Group AG consolidated
- › Refer to the “Capital management” section of the UBS Group first quarter 2026 report, available under “Quarterly reporting” at ubs.com/investors, for information about the developments of loss-absorbing capacity, RWA and LRD for UBS Group AG consolidated

Consolidated financial information

Unaudited

The accompanying unaudited interim consolidated financial information in this section is presented for UBS AG and its subsidiaries on a consolidated basis, unless otherwise specified, and is presented in US dollars. This financial information has been prepared in accordance with UBS AG accounting policies as described in “Note 1 Summary of material accounting policies” to the UBS AG consolidated annual financial statements for the year ended 31 December 2025, except for changes described below. These accounting policies are consistent with IFRS Accounting Standards, as issued by the International Accounting Standards Board (the IASB). The financial information presented is unaudited and does not constitute an interim financial report prepared in accordance with IAS 34, *Interim Financial Reporting*.

Amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures

Effective from 1 January 2026, UBS AG has adopted the *Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7* (the Amendments) related to classification of financial assets and derecognition of financial instruments, including the introduction of an accounting policy election to derecognize financial liabilities settled through electronic transfer systems before the settlement date, if certain conditions are met. The Amendments also introduced new disclosure requirements for financial instruments with contractual terms that can change the timing or amount of contractual cash flows. The impact of the Amendments on this consolidated financial information was not material.

UBS AG interim consolidated financial information (unaudited)

Income statement

	Year-to-date	
<i>USD m</i>	31.3.26	31.3.25
Interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	6,291	6,643
Interest expense from financial instruments measured at amortized cost	(5,741)	(6,909)
Net interest income from financial instruments measured at fair value through profit or loss and other	1,443	1,594
Net interest income	1,993	1,328
Other net income from financial instruments measured at fair value through profit or loss	3,956	3,924
Fee and commission income	8,389	7,280
Fee and commission expense	(711)	(650)
Net fee and commission income	7,678	6,630
Other income	403	281
Total revenues	14,030	12,163
Credit loss expense / (release)	64	124
Personnel expenses	6,206	5,910
General and administrative expenses	3,976	4,077
Depreciation, amortization and impairment of non-financial assets	598	714
Operating expenses	10,780	10,701
Operating profit / (loss) before tax	3,186	1,339
Tax expense / (benefit)	672	303
Net profit / (loss)	2,514	1,035
Net profit / (loss) attributable to non-controlling interests	14	7
Net profit / (loss) attributable to shareholders	2,500	1,028

Statement of comprehensive income

	Year-to-date	
USD m	31.3.26	31.3.25
Comprehensive income attributable to shareholders		
Net profit / (loss)	2,500	1,028
Other comprehensive income that may be reclassified to the income statement		
Foreign currency translation		
Foreign currency translation movements related to net assets of foreign operations, before tax	(459)	1,307
Effective portion of changes in fair value of hedging instruments designated as net investment hedges, before tax	168	(511)
Foreign currency translation differences on foreign operations reclassified to the income statement	(2)	0
Effective portion of changes in fair value of hedging instruments designated as net investment hedges reclassified to the income statement	1	0
Income tax relating to foreign currency translations, including the effect of net investment hedges	(12)	(2)
Subtotal foreign currency translation, net of tax	(304)	794
Financial assets measured at fair value through other comprehensive income		
Net unrealized gains / (losses), before tax	(56)	(3)
Net realized (gains) / losses reclassified to the income statement from equity	0	0
Income tax relating to net unrealized gains / (losses)	(3)	0
Subtotal financial assets measured at fair value through other comprehensive income, net of tax	(59)	(3)
Cash flow hedges of interest rate risk		
Effective portion of changes in fair value of derivative instruments designated as cash flow hedges, before tax	(476)	349
Net (gains) / losses reclassified to the income statement from equity	174	322
Income tax relating to cash flow hedges	60	(125)
Subtotal cash flow hedges, net of tax	(242)	545
Cost of hedging		
Cost of hedging, before tax	26	20
Income tax relating to cost of hedging	(5)	0
Subtotal cost of hedging, net of tax	21	20
Total other comprehensive income that may be reclassified to the income statement, net of tax	(584)	1,356
Other comprehensive income that will not be reclassified to the income statement		
Defined benefit plans		
Gains / (losses) on defined benefit plans, before tax	(29)	18
Income tax relating to defined benefit plans	14	0
Subtotal defined benefit plans, net of tax	(14)	19
Own credit on financial liabilities designated at fair value		
Gains / (losses) from own credit on financial liabilities designated at fair value, before tax	758	233
Income tax relating to own credit on financial liabilities designated at fair value	0	(1)
Subtotal own credit on financial liabilities designated at fair value, net of tax	758	233
Total other comprehensive income that will not be reclassified to the income statement, net of tax	743	251
Total other comprehensive income	159	1,607
Total comprehensive income attributable to shareholders	2,659	2,635
Comprehensive income attributable to non-controlling interests		
Net profit / (loss)	14	7
Total other comprehensive income that will not be reclassified to the income statement, net of tax	11	15
Total comprehensive income attributable to non-controlling interests	25	22
Total comprehensive income		
Net profit / (loss)	2,514	1,035
Other comprehensive income	170	1,622
<i>of which: other comprehensive income that may be reclassified to the income statement</i>	<i>(584)</i>	<i>1,356</i>
<i>of which: other comprehensive income that will not be reclassified to the income statement</i>	<i>754</i>	<i>266</i>
Total comprehensive income	2,684	2,657

Balance sheet

USD m	31.3.26	31.12.25
Assets		
Cash and balances at central banks	225,456	209,858
Amounts due from banks	19,874	19,243
Receivables from securities financing transactions measured at amortized cost	87,566	83,656
Cash collateral receivables on derivative instruments	50,624	41,552
Loans and advances to customers	664,217	658,760
Other financial assets measured at amortized cost	73,654	72,025
Total financial assets measured at amortized cost	1,121,392	1,085,094
Financial assets at fair value held for trading	164,361	174,854
<i>of which: assets pledged as collateral that may be sold or repledged by counterparties</i>	<i>42,625</i>	<i>44,627</i>
Derivative financial instruments	182,077	148,325
Brokerage receivables	40,789	35,579
Financial assets at fair value not held for trading	113,237	107,293
Total financial assets measured at fair value through profit or loss	500,465	466,051
Financial assets measured at fair value through other comprehensive income	13,749	13,868
Investments in associates	2,257	2,331
Property, equipment and software	12,270	12,125
Goodwill and intangible assets	6,721	6,734
Deferred tax assets	10,822	11,085
Other non-financial assets	20,208	19,884
Total assets	1,687,883	1,617,173
Liabilities		
Amounts due to banks	25,770	24,434
Payables from securities financing transactions measured at amortized cost	20,203	16,225
Cash collateral payables on derivative instruments	38,052	34,742
Customer deposits	792,270	796,330
Funding from UBS Group AG measured at amortized cost	118,837	110,614
Debt issued measured at amortized cost	109,743	100,207
Other financial liabilities measured at amortized cost	16,736	16,617
Total financial liabilities measured at amortized cost	1,121,611	1,099,169
Financial liabilities at fair value held for trading	59,248	53,700
Derivative financial instruments	184,444	156,267
Brokerage payables designated at fair value	75,167	62,202
Debt issued designated at fair value	107,652	107,544
Other financial liabilities designated at fair value	36,649	35,287
Total financial liabilities measured at fair value through profit or loss	463,161	415,001
Provisions	3,713	3,564
Other non-financial liabilities	7,676	10,260
Total liabilities	1,596,162	1,527,994
Equity		
Share capital	386	386
Share premium	84,750	84,849
Retained earnings	1,100	(2,147)
Other comprehensive income recognized directly in equity, net of tax	5,167	5,757
Equity attributable to shareholders	91,404	88,845
Equity attributable to non-controlling interests	318	334
Total equity	91,722	89,179
Total liabilities and equity	1,687,883	1,617,173

Additional information

Personnel expenses

Personnel expenses	Year-to-date	
	USD m	31.3.25
Salaries and variable compensation ¹	31,326	5,129
<i>of which: variable compensation – financial advisors²</i>	1,504	1,409
Contractors	25	37
Social security	314	310
Post-employment benefit plans	227	257
Other personnel expenses	179	176
Total personnel expenses	6,206	5,910

¹ Includes role-based allowances. ² Financial advisor compensation consists of cash compensation, determined using a formulaic approach based on production, and deferred awards. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements.

General and administrative expenses

General and administrative expenses	Year-to-date	
	USD m	31.3.25
Outsourcing costs	133	197
Technology costs	198	255
Consulting, legal and audit fees	190	257
Real estate and logistics costs	184	203
Market data services	142	152
Marketing and communication	65	76
Travel and entertainment	69	66
Litigation, regulatory and similar matters ¹	145	196
Other	2,852	2,676 ²
<i>of which: shared services costs charged by UBS Group AG or its subsidiaries</i>	2,570	2,231
Total general and administrative expenses	3,976	4,077

¹ Reflects the net increase / (decrease) in provisions for litigation, regulatory and similar matters recognized in the income statement. Refer to "Litigation, regulatory and similar matters" in this section for more information. ² Includes a USD 180m expense related to the payment to Swisscard for the sale of the Credit Suisse card portfolios to UBS AG. Refer to "Note 28 Changes in organization and acquisitions and disposals of subsidiaries and businesses" in the "Consolidated financial statements" section of the UBS AG Annual Report 2025 for more information.

Expected credit loss measurement

a) Credit loss expense / release

Total net credit loss expenses in the first quarter of 2026 were USD 64m, reflecting USD 77m net expenses related to performing positions and USD 13m net releases on credit-impaired positions.

Net expected credit loss expenses on the performing portfolio were mainly driven by post-model adjustments of USD 43m in the corporate lending portfolio, mainly in the Investment Bank, reflecting current macroeconomic and geopolitical uncertainty.

Net credit loss releases of USD 13m were recognized for credit-impaired positions and included a USD 157m release following the repayment of a corporate lending exposure, of which USD 85m was in Non-core and Legacy and USD 72m in the Investment Bank. The effect of this release was largely offset by net credit loss expenses primarily related to a small number of corporate counterparties across Personal & Corporate Banking, the Investment Bank, and Non-core and Legacy.

Credit loss expense / (release)

USD m	Performing positions	Credit-impaired positions	Total
	Stages 1 and 2	Stage 3	
Year-to-date 31.3.26			
Global Wealth Management	(4)	13	9
Personal & Corporate Banking	23	46	69
Asset Management	0	0	0
Investment Bank	59	3	61
Non-core and Legacy	0	(74)	(74)
Group Items	0	0	0
Total	77	(13)	64
Year-to-date 31.3.25			
Global Wealth Management	(7)	15	8
Personal & Corporate Banking	(8)	66	58
Asset Management	0	0	0
Investment Bank	(5)	54	49
Non-core and Legacy	0	10	10
Group Items	(1)	0	(1)
Total	(21)	145	124

Expected credit loss measurement (continued)

b) Changes to ECL models, scenarios and scenario weights

Scenarios and scenario weights

The expected credit loss (ECL) scenarios, along with their related macroeconomic factors and market data, were reviewed in light of the economic and political conditions prevailing in the first quarter of 2026 through a series of governance meetings, with input and feedback from UBS Risk and Finance experts across the business divisions and regions.

UBS kept the scenarios and scenario weights in line with those applied in the UBS Group fourth quarter 2025 report. All of the scenarios, including the asset price appreciation and the baseline scenarios, have been updated based on the latest macroeconomic forecasts as of 31 March 2026. The current scenario suite, together with the applied scenario weightings and the level of post-model adjustments, is deemed appropriate to sufficiently capture prevailing macroeconomic and geopolitical uncertainties. The assumptions on a calendar-year basis are included in the table below.

The baseline scenario was updated with the latest macroeconomic forecasts as of 31 March 2026. The scenario assumes that GDP growth in Switzerland will remain below trend, reflecting a subdued outlook driven by tariffs, a weakening labor market and negative spillovers from the Eurozone following the oil price shock. In the United States, labor market conditions will remain soft, while higher energy prices are adding to inflationary pressures and also increasing downside risks to growth.

The conflict in the Middle East has materially increased uncertainty around the global outlook. UBS is closely monitoring the current market situation, inflation and central banks' signals and will continue to carefully assess developments, potentially revisiting the narratives and shocks in the second quarter of 2026.

Comparison of shock factors

Key parameters	Baseline		
	2025	2026	2027
Real GDP growth (annual percentage change)			
US	2.1	2.2	2.1
Eurozone	1.5	0.8	1.2
Switzerland	1.3	1.1	1.1
Unemployment rate (% , annual average)			
US	4.2	4.5	4.5
Eurozone	6.3	6.3	6.3
Switzerland	2.8	3.1	3.1
Fixed income: 10-year government bonds (% , Q4)			
USD	4.2	4.4	4.5
EUR	2.9	3.1	3.2
CHF	0.3	0.4	0.5
Real estate (annual percentage change, Q4)			
US	1.3	1.6	2.8
Eurozone	3.8	4.2	4.3
Switzerland	3.8	2.5	2.0

Economic scenarios and weights applied

ECL scenario	Assigned weights in %		
	31.3.26	31.12.25	31.3.25
Asset price appreciation	5.0	5.0	5.0
Baseline	50.0	50.0	50.0
Moderate stagflationary crisis	30.0	30.0	0.0
Mild stagflationary crisis	0.0	0.0	30.0
Global crisis	0.0	0.0	15.0
Global trade war	15.0	15.0	0.0

Expected credit loss measurement (continued)

c) ECL-relevant balance sheet and off-balance sheet positions including ECL allowances and provisions

The following tables provide information about financial instruments and certain non-financial instruments that are subject to ECL requirements. For amortized-cost instruments, the carrying amount represents the maximum exposure to credit risk, taking into account the allowance for credit losses. Financial assets measured at fair value through other comprehensive income (FVOCI) are also subject to ECL; however, unlike amortized-cost instruments, the allowance for credit losses for FVOCI instruments does not reduce the carrying amount of these financial assets. Instead, the carrying amount of financial assets measured at FVOCI represents the maximum exposure to credit risk.

No purchased credit-impaired financial assets were recognized in the first quarter of 2026. Originated credit-impaired financial assets were not material and are not presented in the table below.

In addition to recognized financial assets, certain off-balance sheet financial instruments and other credit lines are also subject to ECL. The maximum exposure to credit risk for off-balance sheet financial instruments is calculated based on notional amounts.

ECL-relevant balance sheet and off-balance sheet positions

USD m	31.3.26								
	Carrying amount ¹				ECL allowances				
Financial instruments measured at amortized cost	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	
Cash and balances at central banks	225,456	225,434	23	0	(257)	0	(257)	0	
Amounts due from banks	19,874	19,667	207	0	(11)	(3)	(7)	0	
Receivables from securities financing transactions measured at amortized cost	87,566	87,566	0	0	(1)	(1)	0	0	
Cash collateral receivables on derivative instruments	50,624	50,624	0	0	0	0	0	0	
Loans and advances to customers	664,217	634,134	25,507	4,577	(3,138)	(362)	(283)	(2,493)	
<i>of which: Private clients with mortgages</i>	288,578	276,865	10,086	1,627	(147)	(40)	(25)	(82)	
<i>of which: Real estate financing</i>	93,228	86,888	6,028	311	(105)	(27)	(29)	(48)	
<i>of which: Large corporate clients</i>	26,962	23,282	3,136	544	(748)	(101)	(99)	(548)	
<i>of which: SME clients</i>	24,065	19,760	2,841	1,463	(1,486)	(96)	(89)	(1,301)	
<i>of which: Lombard</i>	168,132	167,829	0	304	(73)	(7)	0	(67)	
<i>of which: Credit cards</i>	2,436	1,874	514	48	(50)	(7)	(12)	(31)	
<i>of which: Commodity trade finance</i>	6,278	5,943	332	2	(120)	(8)	0	(112)	
<i>of which: Ship / aircraft financing</i>	8,930	7,861	987	82	(14)	(9)	(5)	0	
<i>of which: Consumer financing</i>	2,910	2,674	128	108	(173)	(27)	(26)	(120)	
Other financial assets measured at amortized cost	73,654	72,674	745	235	(121)	(33)	(9)	(79)	
<i>of which: Loans to financial advisors</i>	2,801	2,643	53	105	(34)	(4)	(1)	(29)	
Total financial assets measured at amortized cost	1,121,392	1,090,098	26,482	4,812	(3,528)	(400)	(555)	(2,572)	
Financial assets measured at fair value through other comprehensive income	13,749	13,749	0	0	0	0	0	0	
Total on-balance sheet financial assets in scope of ECL requirements	1,135,156	1,103,863	26,482	4,812	(3,528)	(400)	(555)	(2,572)	
		Notional exposure				ECL provisions			
Off-balance sheet (in scope of ECL)	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	
Guarantees	45,792	43,612	2,024	157	(77)	(15)	(23)	(39)	
<i>of which: Large corporate clients</i>	7,412	6,295	1,078	39	(20)	(7)	(6)	(7)	
<i>of which: SME clients</i>	3,360	2,892	375	93	(41)	(4)	(15)	(22)	
<i>of which: Financial intermediaries and hedge funds</i>	27,337	27,022	316	0	(1)	(1)	0	0	
<i>of which: Lombard</i>	3,409	3,383	0	25	(2)	0	0	(2)	
<i>of which: Commodity trade finance</i>	2,686	2,569	117	0	(1)	(1)	0	0	
Irrevocable loan commitments	80,685	76,394	3,981	310	(260)	(121)	(107)	(31)	
<i>of which: Large corporate clients</i>	47,180	43,587	3,383	210	(232)	(97)	(104)	(31)	
Forward starting reverse repurchase and securities borrowing agreements	15,234	15,234	0	0	0	0	0	0	
Committed unconditionally revocable credit lines	68,508	64,673	3,691	145	(68)	(48)	(20)	0	
<i>of which: Real estate financing</i>	6,521	5,402	1,119	0	(3)	(5)	2	0	
<i>of which: Large corporate clients</i>	9,871	8,852	1,018	1	(13)	(4)	(9)	0	
<i>of which: SME clients</i>	11,457	10,829	497	131	(32)	(24)	(8)	0	
<i>of which: Lombard</i>	12,475	12,475	0	0	0	0	0	0	
<i>of which: Credit cards</i>	12,954	12,341	609	4	(9)	(7)	(2)	0	
Irrevocable committed prolongation of existing loans	10,011	9,911	98	2	(4)	(4)	0	0	
Total off-balance sheet financial instruments and other credit lines	220,230	209,824	9,793	613	(409)	(188)	(150)	(71)	
Total allowances and provisions					(3,937)	(589)	(705)	(2,643)	

¹ The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances.

Expected credit loss measurement (continued)

The table below provides information about the exposures subject to ECL and the ECL coverage ratio for UBS AG's core loan portfolios (i.e. *Loans and advances to customers* and *Loans to financial advisors*) and relevant off-balance sheet exposures. *Cash and balances at central banks, Amounts due from banks, Receivables from securities financing transactions, Cash collateral receivables on derivative instruments* and *Financial assets measured at fair value through other comprehensive income* are not included in the table below, due to their lower sensitivity to ECL.

ECL coverage ratios are calculated by dividing ECL allowances and provisions by the gross carrying amount of the corresponding on-balance sheet exposures or by the notional amount of the off-balance sheet exposures.

The overall coverage ratio for performing positions increased by 1 basis point to 11 basis points as of 31 March 2026. Compared with 31 December 2025, the coverage ratio for performing positions related to real estate lending (on-balance sheet) was unchanged at 3 basis points, and the coverage ratio for performing positions related to corporate lending (on-balance sheet) increased by 2 basis points to 78 basis points.

Coverage ratios for core loan portfolio

On-balance sheet	Gross carrying amount (USD m)				ECL coverage (bps)				
	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stages 1&2	Stage 3
					31.3.26				
Private clients with mortgages	288,724	276,905	10,111	1,709	5	1	24	2	480
Real estate financing	93,332	86,915	6,058	359	11	3	49	6	1,339
Total real estate lending	382,057	363,820	16,169	2,068	7	2	34	3	629
Large corporate clients	27,710	23,383	3,234	1,092	270	43	305	75	5,021
SME clients	25,551	19,856	2,931	2,764	582	48	305	81	4,707
Total corporate lending	53,261	43,239	6,165	3,856	419	46	305	78	4,796
Lombard	168,206	167,835	0	370	4	0	211	0	1,804
Credit cards	2,486	1,881	526	79	200	37	233	80	3,881
Commodity trade finance	6,398	5,952	333	114	188	14	8	14	9,786
Ship / aircraft financing	8,944	7,870	992	82	16	11	50	16	0
Consumer financing	3,084	2,702	155	227	561	101	1,700	187	6,586
Other loans and advances to customers	42,921	41,197	1,450	274	52	10	0	9	5,655
Loans to financial advisors	2,834	2,646	54	134	119	14	146	17	2,180
Total other lending	234,873	230,084	3,509	1,280	29	4	117	6	4,240
Total¹	670,190	637,143	25,843	7,205	47	6	110	10	3,501
Off-balance sheet	Notional exposure (USD m)				ECL coverage (bps)				
	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stages 1&2	Stage 3
Private clients with mortgages	14,794	14,577	208	9	3	3	10	3	880
Real estate financing	8,667	7,536	1,130	0	7	12	0	7	73,021
Total real estate lending	23,460	22,114	1,338	9	5	6	0	4	1,093
Large corporate clients	64,688	58,919	5,520	250	41	18	216	35	1,446
SME clients	17,510	16,227	1,009	274	50	24	270	38	788
Total corporate lending	82,199	75,145	6,529	524	43	20	225	36	1,102
Lombard	17,073	17,048	0	25	3	2	0	2	658
Credit cards	12,954	12,341	609	4	7	6	34	7	0
Commodity trade finance	3,179	3,062	117	0	3	3	11	3	0
Ship / aircraft financing	1,551	1,410	141	0	12	1	116	12	0
Consumer financing	192	192	0	0	0	0	0	0	0
Financial intermediaries and hedge funds	28,884	28,368	516	0	1	1	8	1	0
Other off-balance sheet commitments	35,503	34,909	543	52	7	4	35	5	1,596
Total other lending	99,337	97,331	1,926	80	5	3	32	4	1,230
Total²	204,996	194,590	9,793	613	20	10	153	17	1,151
Total on- and off-balance sheet³	875,187	831,733	35,636	7,818	41	7	122	11	3,318

¹ Includes Loans and advances to customers and Loans to financial advisors, which are presented on the balance sheet line Other financial assets measured at amortized cost. ² Excludes Forward starting reverse repurchase and securities borrowing agreements. ³ Includes on-balance sheet exposure, gross and off-balance sheet exposure (notional) and the related ECL coverage ratio (bps).

Expected credit loss measurement (continued)

Coverage ratios for core loan portfolio

31.12.25

On-balance sheet	Gross carrying amount (USD m)				ECL coverage (bps)				
	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stages 1&2	Stage 3
Private clients with mortgages	288,393	277,220	9,653	1,520	5	2	19	2	473
Real estate financing	93,145	87,676	5,337	132	7	3	57	6	936
Total real estate lending	381,538	364,896	14,991	1,651	5	2	32	3	510
Large corporate clients	27,973	23,263	2,984	1,726	361	50	315	80	4,625
SME clients	25,246	20,064	2,632	2,550	517	40	307	71	4,487
Total corporate lending	53,219	43,327	5,616	4,276	435	46	311	76	4,543
Lombard	165,466	164,896	169	401	8	0	0	0	3,107
Credit cards	2,456	1,867	513	76	197	37	234	80	3,867
Commodity trade finance	4,986	3,593	1,274	118	273	22	2	17	10,800
Ship / aircraft financing	8,771	7,618	1,033	119	20	12	77	20	0
Consumer financing	3,124	2,718	154	252	533	69	1,590	151	4,884
Other loans and advances to customers	42,437	40,351	1,809	278	52	9	17	9	6,530
Loans to financial advisors	2,750	2,571	54	125	125	12	141	15	2,431
Total other lending	229,989	223,614	5,006	1,370	33	4	97	6	4,504
Total¹	664,747	631,837	25,612	7,298	49	6	106	10	3,623

Off-balance sheet	Notional exposure (USD m)				ECL coverage (bps)				
	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stages 1&2	Stage 3
Private clients with mortgages	13,016	12,757	245	13	3	2	16	3	0
Real estate financing	7,743	6,591	1,051	101	7	13	0	7	0
Total real estate lending	20,758	19,348	1,296	114	4	6	0	4	0
Large corporate clients	68,798	63,753	4,860	184	31	17	173	28	1,403
SME clients	16,511	15,531	732	247	46	23	386	39	468
Total corporate lending	85,308	79,284	5,592	432	34	18	201	30	868
Lombard	65,395	65,298	64	33	2	0	0	0	2,151
Credit cards	12,943	12,361	578	4	7	6	34	7	0
Commodity trade finance	5,490	5,389	101	0	2	2	6	2	0
Ship / aircraft financing	1,968	1,770	198	0	11	2	89	11	0
Consumer financing	153	153	0	0	0	0	0	0	0
Financial intermediaries and hedge funds	37,709	37,307	401	0	1	1	5	1	0
Other off-balance sheet commitments	30,782	30,127	635	20	7	5	19	6	2,053
Total other lending	154,441	152,406	1,978	57	3	2	26	2	1,963
Total²	260,508	251,038	8,867	603	13	7	129	11	806
Total on- and off-balance sheet³	925,254	882,875	34,479	7,900	39	6	112	10	3,408

¹ Includes Loans and advances to customers and Loans to financial advisors, which are presented on the balance sheet line Other financial assets measured at amortized cost. ² Excludes Forward starting reverse repurchase and securities borrowing agreements. ³ Includes on-balance sheet exposure, gross and off-balance sheet exposure (notional) and the related ECL coverage ratio (bps).

Provisions and contingent liabilities

a) Provisions

The table below presents an overview of total provisions.

Overview of total provisions

USD m	31.3.26	31.12.25
Provisions other than provisions for expected credit losses	3,305	3,217
Provisions for expected credit losses ¹	409	347
Total provisions	3,713	3,564

¹ Refer to "Expected credit loss measurement" in this section for more information about ECL provisions recognized for off-balance sheet financial instruments and credit lines.

Provisions and contingent liabilities (continued)

The table below presents additional information for provisions other than provisions for expected credit losses.

Additional information for provisions other than provisions for expected credit losses

<i>USD m</i>	Litigation, regulatory and similar matters ¹	Restructuring ²	Real estate ³	Other ⁴	Total
Balance as of 31 December 2025	2,109	560	229	319	3,217
Increase in provisions recognized in the income statement	161	271	3	37	473
Release of provisions recognized in the income statement	(8)	(19)	(9)	(20)	(56)
Provisions used in conformity with designated purpose	(155)	(170)	(4)	(3)	(333)
Foreign currency translation and other movements	(5)	(6)	(9)	25	5
Balance as of 31 March 2026	2,102	635	210	357	3,305

¹ Consists of provisions for losses resulting from legal, liability and compliance risks. ² Mainly includes USD 330m of personnel-related restructuring provisions as of 31 March 2026 (31 December 2025: USD 282m), USD 213m of provisions for onerous contracts related to real estate as of 31 March 2026 (31 December 2025: USD 229m) and USD 43m of restructuring provisions for onerous contracts related to technology as of 31 March 2026 (31 December 2025: USD 48m). ³ Mainly includes provisions for reinstatement costs with respect to leased properties. ⁴ Mainly includes provisions in relation to VAT, employee benefits and operational risks.

Information about provisions and contingent liabilities with respect to litigation, regulatory and similar matters, as a class, is included in part b). There are no material contingent liabilities associated with the other classes of provisions.

b) Litigation, regulatory and similar matters

UBS operates in a legal and regulatory environment that exposes it to significant litigation and similar risks arising from disputes and regulatory proceedings. As a result, UBS is involved in various disputes and legal proceedings, including litigation, arbitration, and regulatory and criminal investigations. "UBS", "we" and "our", for purposes of this Note, refer to UBS AG and / or one or more of its subsidiaries, as applicable.

Such matters are subject to many uncertainties, and the outcome and the timing of resolution are often difficult to predict, particularly in the earlier stages of a case. There are also situations where UBS may enter into a settlement agreement. This may occur in order to avoid the expense, management distraction or reputational implications of continuing to contest liability, even for those matters for which UBS believes it should be exonerated. The uncertainties inherent in all such matters affect the amount and timing of any potential outflows for both matters with respect to which provisions have been established and other contingent liabilities. UBS makes provisions for such matters brought against it when, in the opinion of management after seeking legal advice, it is more likely than not that UBS has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required, and the amount can be reliably estimated. Where these factors are otherwise satisfied, a provision may be established for claims that have not yet been asserted against UBS, but are nevertheless expected to be, based on UBS's experience with similar asserted claims. If any of those conditions is not met, such matters result in contingent liabilities. If the amount of an obligation cannot be reliably estimated, a liability exists that is not recognized even if an outflow of resources is probable. Accordingly, no provision is established even if the potential outflow of resources with respect to such matters could be significant. Developments relating to a matter that occur after the relevant reporting period, but prior to the issuance of financial information, which affect management's assessment of the provision for such matter (because, for example, the developments provide evidence of conditions that existed at the end of the reporting period), are adjusting events after the reporting period under IAS 10 and must be recognized in the financial information for the reporting period.

Specific litigation, regulatory and other matters are described below, including all such matters that management considers to be material and others that management believes to be of significance to UBS due to potential financial, reputational and other effects. The amount of damages claimed, the size of a transaction or other information is provided where available and appropriate in order to assist users in considering the magnitude of potential exposures. For additional disclosures relating to risks that may result in litigation, regulatory or similar matters disclosed in this section, refer to the "Risk factors" section of the UBS AG Annual Report 2025.

Provisions and contingent liabilities (continued)

In the case of certain matters below, we state that we have established a provision, and for the other matters, we make no such statement. When we make this statement and we expect disclosure of the amount of a provision to prejudice seriously our position with other parties in the matter because it would reveal what UBS believes to be the probable and reliably estimable outflow, we do not disclose that amount. In some cases we are subject to confidentiality obligations that preclude such disclosure. With respect to the matters for which we do not state whether we have established a provision, either: (a) we have not established a provision; or (b) we have established a provision but expect disclosure of that fact to prejudice seriously our position with other parties in the matter because it would reveal the fact that UBS believes an outflow of resources to be probable and reliably estimable.

With respect to certain litigation, regulatory and similar matters for which we have established provisions, we are able to estimate the expected timing of outflows. However, the aggregate amount of the expected outflows for those matters for which we are able to estimate expected timing is immaterial relative to our current and expected levels of liquidity over the relevant time periods.

The aggregate amount provisioned for litigation, regulatory and similar matters as a class is disclosed in the "Provisions" table in part a) above. UBS provides below an estimate of the aggregate liability for its litigation, regulatory and similar matters as a class of contingent liabilities. Estimates of contingent liabilities are inherently imprecise and uncertain as these estimates require UBS to make speculative legal assessments as to claims and proceedings that involve unique fact patterns or novel legal theories, that have not yet been initiated or are at early stages of adjudication, or as to which alleged damages have not been quantified by the claimants. Taking into account these uncertainties and the other factors described herein, UBS estimates the future losses that could arise from litigation, regulatory and similar matters disclosed below for which an estimate is possible, that are not covered by existing provisions are in the range of USD 0bn to USD 1.7bn.

Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. Certain resolutions or convictions of a crime could have material consequences for UBS. Resolution of regulatory proceedings may require UBS to obtain waivers of regulatory disqualifications to maintain certain operations, may entitle regulatory authorities to limit, suspend or terminate licenses and regulatory authorizations, and may permit financial market utilities to limit, suspend or terminate UBS's participation in such utilities. Failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorizations or participations, could have material consequences for UBS.

In May 2025, Credit Suisse Services AG entered into a plea agreement with the DOJ relating to legacy Credit Suisse accounts booked in Credit Suisse's Swiss booking center and a non-prosecution agreement relating to legacy Credit Suisse accounts booked in Credit Suisse's Singapore booking center. These agreements include ongoing obligations of UBS to provide information and cooperate with the DOJ.

Provisions for litigation, regulatory and similar matters, by business division and in Group Items¹

<i>USD m</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy ²	Group Items	UBS AG
Balance as of 31 December 2025	317	16	0	283	1,302	191	2,109
Increase in provisions recognized in the income statement	25	3	0	4	128	1	161
Release of provisions recognized in the income statement	(8)	0	0	0	0	0	(8)
Provisions used in conformity with designated purpose	(13)	0	0	0	(142)	0	(155)
Foreign currency translation and other movements	(1)	0	0	(4)	0	0	(5)
Balance as of 31 March 2026	320	19	0	282	1,288	192	2,102

¹ Provisions, if any, for the matters described in items 1 and 7 of this disclosure are recorded in Global Wealth Management. Provisions, if any, for the matters described in items 3, 4, 5 and 6 of this disclosure are recorded in Non-core and Legacy. Provisions, if any, for the matters described in item 2 of this disclosure are allocated between the Investment Bank, Non-core and Legacy and Group Items. ² Includes a provision for the estimated costs of UBS's ongoing obligations with the US Department of Justice as described in this section.

Provisions and contingent liabilities (continued)

1. Madoff

In relation to the Bernard L. Madoff Investment Securities LLC (BMIS) investment fraud, UBS AG, UBS (Luxembourg) S.A. (now UBS Europe SE, Luxembourg branch) and certain other UBS subsidiaries were subject to inquiries by a number of regulators, including the Swiss Financial Market Supervisory Authority (FINMA) and the Luxembourg Commission de Surveillance du Secteur Financier. Those inquiries concerned two third-party funds established under Luxembourg law, substantially all assets of which were with BMIS, as well as certain funds established in offshore jurisdictions with either direct or indirect exposure to BMIS. These funds faced severe losses, and the Luxembourg funds are in liquidation. The documentation establishing both funds identifies UBS entities in various roles, including custodian, administrator, manager, distributor and promoter, and indicates that UBS employees served as board members.

In 2009 and 2010, the liquidators of the two Luxembourg funds filed claims against UBS entities, non-UBS entities and certain individuals, including current and former UBS employees, seeking amounts totaling approximately EUR 2.1bn, which includes amounts that the funds may be held liable to pay the trustee for the liquidation of BMIS (BMIS Trustee).

A large number of alleged beneficiaries have filed claims against UBS entities (and non-UBS entities) for purported losses relating to the Madoff fraud. The majority of these cases have been decided in favor of UBS or dismissed for want of prosecution.

In the US, the BMIS Trustee filed claims against UBS entities, among others, in relation to the two Luxembourg funds and one of the offshore funds. The total amount claimed against all defendants in these actions was not less than USD 2bn. In 2014, the US Supreme Court rejected the BMIS Trustee's motion for leave to appeal decisions, dismissing all claims against UBS defendants except those for the recovery of approximately USD 125m of payments alleged to be fraudulent conveyances and preference payments. Similar claims have been filed against Credit Suisse entities seeking to recover redemption payments. In 2016, the bankruptcy court dismissed these claims against the UBS entities and most of the Credit Suisse entities. In 2019, the Court of Appeals reversed the dismissal of the BMIS Trustee's remaining claims. The cases were remanded to the Bankruptcy Court for further proceedings.

2. Foreign exchange, LIBOR and benchmark rates, and other trading practices

Foreign-exchange-related civil litigation: Putative class actions have been filed since 2013 in US federal courts and in other jurisdictions against UBS, Credit Suisse and other banks on behalf of persons who engaged in foreign currency transactions with the defendant banks. While many of these cases have concluded, UBS and Credit Suisse continue to defend against several remaining matters. In one such case, Credit Suisse and UBS have entered into agreements to settle all claims in a putative class action in Israel. Credit Suisse's settlement received court approval and is final. UBS's settlement remains subject to court approval.

LIBOR and other benchmark-related civil litigation: A number of putative class actions and other actions are pending in the federal courts in New York against UBS and numerous other banks on behalf of parties who transacted in certain interest rate benchmark-based derivatives. Also pending in the US and in other jurisdictions are a number of other actions asserting losses related to various products whose interest rates were linked to LIBOR and other benchmarks, including adjustable rate mortgages, preferred and debt securities, bonds pledged as collateral, loans, depository accounts, investments and other interest-bearing instruments. The complaints alleged manipulation, through various means, of certain benchmark interest rates, including USD LIBOR, Yen LIBOR, EURIBOR, CHF LIBOR, and GBP LIBOR and seek unspecified compensatory and other damages under various legal theories. The CHF and GBP LIBOR actions have concluded.

Provisions and contingent liabilities (continued)

Putative class actions were filed in US federal district courts and subsequently consolidated in the US District Court for the Southern District of New York (SDNY) relating to various transactions that referenced USD LIBOR. Following various rulings, one class action with respect to transactions in over-the-counter instruments and several actions brought by individual plaintiffs proceeded. In September 2025, the district court granted defendants' motion for summary judgment as to all remaining actions. Plaintiffs have appealed.

The Yen LIBOR/Euroyen TIBOR and EURIBOR actions have been dismissed. The plaintiffs have appealed the dismissals. In August 2025, the Second Circuit affirmed in part and reversed in part the district court's dismissal of the complaint in the EURIBOR action, returning the action to the district court.

Credit default swap auction litigation: In June 2021, Credit Suisse, along with other banks and entities, was named in a putative class action filed in federal court in New Mexico alleging manipulation of credit default swap (CDS) final auction prices. Defendants filed a motion to enforce a previous CDS class action settlement in the SDNY. In January 2024, the SDNY ruled that, to the extent claims in the New Mexico action arise from conduct prior to 30 June 2014, those claims are barred by the SDNY settlement. The plaintiffs appealed and, in May 2025, the Second Circuit affirmed the SDNY decision. Defendants filed a motion for judgment on the pleadings in December 2025.

With respect to additional matters and jurisdictions not encompassed by the settlements and orders referred to above, UBS's balance sheet at 31 March 2026 reflected a provision in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized.

3. Mortgage-related matters

Credit Suisse affiliates are defendants in various civil litigation matters related to their roles as issuer, sponsor, depositor, underwriter and/or servicer of RMBS transactions. These cases currently include repurchase actions by RMBS trusts and/or trustees, in which plaintiffs generally allege breached representations and warranties in respect of mortgage loans and failure to repurchase such mortgage loans as required under the applicable agreements. The amounts disclosed below do not reflect actual realized plaintiff losses to date. Unless otherwise stated, these amounts reflect the original unpaid principal balance amounts as alleged in these actions.

DLJ Mortgage Capital, Inc. (DLJ) is a defendant in New York State court in four actions: An action brought by Asset Backed Securities Corporation Home Equity Loan Trust, Series 2006-HE7 alleges damages of not less than USD 374m. In December 2023, the trial court granted in part DLJ's motion to dismiss, dismissing with prejudice all notice-based claims. On appeal, the appellate court modified the trial court's dismissal in April 2025 to reinstate certain of plaintiff's notice-based claims and otherwise dismissed plaintiff's claims. Plaintiff has sought leave from the New York Court of Appeals to further appeal the dismissal of certain of its claims. An action by Home Equity Asset Trust, Series 2006-8, alleges damages of not less than USD 436m. An action by Home Equity Asset Trust 2007-2 alleges damages of not less than USD 495m. An action by CSMC Asset-Backed Trust 2007-NC1 does not allege a damages amount.

Provisions and contingent liabilities (continued)

4. ATA litigation

Since November 2014, a series of lawsuits have been filed against a number of banks, including Credit Suisse, in the US District Court for the Eastern District of New York (EDNY) and the SDNY alleging claims under the United States Anti-Terrorism Act (ATA) and the Justice Against Sponsors of Terrorism Act. The plaintiffs in each of these lawsuits are, or are relatives of, victims of various terrorist attacks in Iraq and allege a conspiracy and/or aiding and abetting based on allegations that various international financial institutions, including the defendants, agreed to alter, falsify or omit information from payment messages that involved Iranian parties for the express purpose of concealing the Iranian parties' financial activities and transactions from detection by US authorities. The lawsuits allege that this conduct has made it possible for Iran to transfer funds to Hezbollah and other terrorist organizations actively engaged in harming US military personnel and civilians. In January 2023, the Second Circuit affirmed a September 2019 ruling by the EDNY granting defendants' motion to dismiss the first filed lawsuit. In October 2023, the US Supreme Court denied plaintiffs' petition for a writ of certiorari, and in September 2025 the EDNY denied plaintiffs' motion to vacate the judgment; the matter has concluded. Of the other seven cases, four are stayed, including one that was dismissed as to Credit Suisse and most of the bank defendants prior to entry of the stay, and in three cases defendants moved to dismiss plaintiffs' amended complaints. The SDNY dismissed two of these cases in April 2026; the dismissals may be appealed by plaintiffs.

5. Customer account matters

Several clients have alleged that a former relationship manager in Switzerland exceeded his investment authority, resulting in excessive concentrations of certain exposures and investment losses. Following investigations and criminal complaints, in February 2018, the former relationship manager was sentenced to five years in prison by the Geneva criminal court and ordered to pay damages of approximately USD 130m, a decision upheld on appeal.

Civil lawsuits have been initiated against Credit Suisse AG and / or certain affiliates in various jurisdictions, based on the findings established in the criminal proceedings against the former relationship manager.

In Singapore, in a now-concluded civil lawsuit, Credit Suisse Trust Limited was ordered to pay USD 461m, including interest and costs.

In Bermuda, in November 2025, the Judicial Committee of the Privy Council issued its final judgment on the appeal, denying Credit Suisse Life (Bermuda) Ltd.'s appeal on liability, but partially granting its appeal concerning the quantum of damages and directing the parties to recalculate damages.

In Switzerland, certain civil lawsuits have been commenced against Credit Suisse AG and UBS AG (as the successor of Credit Suisse AG) in the Court of First Instance of Geneva since March 2023.

6. ETN-related litigation

XIV litigation: Since March 2018, three class action complaints were filed in the SDNY on behalf of a putative class of purchasers of VelocityShares Daily Inverse VIX Short-Term Exchange Traded Notes linked to the S&P 500 VIX Short-Term Futures Index (XIV ETNs). The complaints have been consolidated and asserts claims against Credit Suisse for violations of various anti-fraud and anti-manipulation provisions of US securities laws arising from a decline in the value of XIV ETNs in February 2018. On appeal from an order of the SDNY dismissing all claims, the Second Circuit issued an order that reinstated a portion of the claims. In decisions in March 2023 and February 2025, the court granted class certification for two of the three classes proposed by plaintiffs and denied class certification of the third proposed class.

Provisions and contingent liabilities (continued)

7. Credit Suisse anti-money laundering matters

In December 2020, the Swiss Office of the Attorney General brought charges against Credit Suisse AG and other parties concerning the diligence and controls applied to a historical relationship with Bulgarian former clients who are alleged to have laundered funds through Credit Suisse AG accounts. In June 2022, following a trial, Credit Suisse AG was convicted in the Swiss Federal Criminal Court of certain historical organizational inadequacies in its anti-money-laundering framework and ordered to pay a fine of CHF 2m. In addition, the court seized certain client assets in the amount of approximately CHF 12m and ordered Credit Suisse AG to pay a compensatory claim in the amount of approximately CHF 19m. Credit Suisse AG appealed the decision to the Chamber of Appeals of the Swiss Federal Criminal Court (Chamber of Appeals). Following the merger of UBS AG and Credit Suisse AG, UBS AG confirmed the appeal. In November 2024, the Chamber of Appeals acquitted UBS AG and annulled the fine and compensatory claim ordered by the first instance court. Subsequently, the Office of the Attorney General has appealed the judgment to the Swiss Federal Supreme Court. UBS has also appealed, limited to the issue of whether a successor entity by merger can be criminally liable for acts of the predecessor entity. In July 2025, the Swiss Federal Supreme Court remanded the case back to the Chamber of Appeals for a full and reasoned judgment. In March 2026, the Chamber of Appeals issued a judgment again acquitting UBS AG. This judgment may be appealed by the parties to the Swiss Federal Supreme Court. Separately, in November 2025, the Swiss Office of the Attorney General filed criminal charges against UBS Group and UBS AG, as the successors to Credit Suisse Group AG and Credit Suisse AG, respectively, alleging that Credit Suisse failed to maintain appropriate controls to detect and prevent money laundering in connection with certain payments from accounts at Credit Suisse by parties associated with Mozambique state enterprises for which Credit Suisse arranged loan financing between 2013 and 2016. In April 2026, the court dismissed the proceedings, finding criminal liability could not be transferred from Credit Suisse Group AG and Credit Suisse AG to UBS Group AG and UBS AG. The Attorney General has appealed.

Currency translation rates

The following table shows the rates of the main currencies used to translate the financial information of UBS AG's operations with a functional currency other than the US dollar into US dollars.

Currency translation rates

	Closing exchange rate			Average rate ¹		
	As of			For the quarter ended		
	31.3.26	31.12.25	31.3.25	31.3.26	31.12.25	31.3.25
1 CHF	1.25	1.26	1.13	1.28	1.25	1.11
1 EUR	1.16	1.17	1.08	1.17	1.16	1.05
1 GBP	1.32	1.35	1.29	1.35	1.33	1.26
100 JPY	0.63	0.64	0.67	0.63	0.64	0.66

¹ Monthly income statement items of operations with a functional currency other than the US dollar are translated into US dollars using month-end rates. Disclosed average rates for a quarter represent an average of three month-end rates, weighted according to the income and expense volumes of all operations of UBS AG with the same functional currency for each month. Weighted-average rates for individual business divisions may deviate from the weighted-average rates for UBS AG.

Appendix

Alternative performance measures

An alternative performance measure (an APM) is a financial measure of historical or future financial performance, financial position or cash flows other than a financial measure defined or specified in the applicable recognized accounting standards or in other applicable regulations. A number of APMs are reported in the discussion of the financial and operating performance of the external reports (annual, quarterly and other reports). APMs are used to provide a more complete picture of operating performance and to reflect management's view of the fundamental drivers of the business results. The table below indicates where an APM also qualifies as non-GAAP measure as defined by US Securities and Exchange Commission (SEC) regulations. A definition of each APM, and non-GAAP measure as applicable, the method used to calculate it and the information content are presented in alphabetical order in the table below.

APM / non-GAAP label	Calculation	Information content / usefulness
Cost / income ratio (%)	Calculated as operating expenses divided by total revenues.	This measure provides information about the efficiency of the business by comparing operating expenses with total revenues.
Cost / income ratio (underlying) (%) (non-GAAP measure)	Calculated as operating expenses (underlying) (as defined below) divided by total revenues (underlying) (as defined below).	This measure provides information about the efficiency of the business by comparing operating expenses with total revenues, while excluding items that management believes are not representative of the underlying performance of the businesses.
Cost of credit risk (bps)	Calculated as total credit loss expense / (release) (annualized for reporting periods shorter than 12 months) divided by the average balance of lending assets for the reporting period, expressed in basis points. Lending assets include the gross amounts of Amounts due from banks and Loans and advances to customers.	This measure provides information about the total credit loss expense / (release) incurred in relation to the average balance of gross lending assets for the period.
Credit-impaired lending assets as a percentage of total lending assets, gross (%)	Calculated as credit-impaired lending assets divided by total lending assets. Lending assets includes the gross amounts of Amounts due from banks and Loans and advances to customers. Credit-impaired lending assets refers to the sum of stage 3 and purchased credit-impaired positions.	This measure provides information about the proportion of credit-impaired lending assets in the overall portfolio of gross lending assets.
Credit-impaired loan portfolio as a percentage of total loan portfolio, gross (%) – Global Wealth Management, Personal & Corporate Banking	Calculated as credit-impaired loan portfolio divided by total gross loan portfolio.	This measure provides information about the proportion of the credit-impaired loan portfolio in the total gross loan portfolio.
Customer deposit volumes (USD) – Global Wealth Management (non-GAAP measure)	Calculated as the sum of customer deposits and brokerage payables.	This measure provides information about the volume of customer deposits in Global Wealth Management.
Fee-generating assets (USD) – Global Wealth Management	Calculated as the sum of discretionary and non-discretionary wealth management portfolios (mandate volume) and assets where generated revenues are predominantly of a recurring nature, i.e. mainly investment, mutual, hedge and private-market funds where we have a distribution agreement, including client commitments into closed-ended private-market funds from the date that recurring fees are charged. Assets related to our Global Financial Intermediaries business are excluded, as are assets of sanctioned clients.	This measure provides information about the volume of invested assets that create a revenue stream, whether as a result of the nature of the contractual relationship with clients or through the fee structure of the asset. An increase in the level of fee-generating assets results in an increase in the associated revenue stream. Assets of sanctioned clients are excluded from fee-generating assets.
Gross margin on invested assets (bps) – Asset Management	Calculated as total revenues (annualized for reporting periods shorter than 12 months) divided by average invested assets.	This measure provides information about the total revenues of the business in relation to invested assets.

APM / non-GAAP label	Calculation	Information content / usefulness
Integration-related expenses (USD) (non-GAAP measure)	Generally include costs of internal staff and contractors substantially dedicated to integration activities, retention awards, redundancy costs, incremental expenses from the shortening of useful lives of property, equipment and software, and impairment charges relating to these assets. Classification as integration-related expenses does not affect the timing of recognition and measurement of those expenses or the presentation thereof in the income statement. Integration-related expenses incurred by Credit Suisse also included expenses associated with restructuring programs that existed prior to the acquisition.	This measure provides information about expenses that are temporary, incremental and directly related to the integration of Credit Suisse into UBS.
Invested assets (USD and CHF)	Calculated as the sum of managed fund assets, managed institutional assets, discretionary and advisory wealth management portfolios, fiduciary deposits, time deposits, savings accounts, and wealth management securities or brokerage accounts.	This measure provides information about the volume of client assets managed by or deposited with UBS for investment purposes.
Loan volumes (USD) – Global Wealth Management (non-GAAP measure)	Calculated as loans and advances to customers and brokerage receivables, gross of expected credit losses.	This measure provides information about the loan volumes in Global Wealth Management.
Net interest income (underlying) (USD) – Global Wealth Management, Personal & Corporate Banking (non-GAAP measure)	Calculated by adjusting net interest income as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses.	This measure provides information about the amount of net interest income, while excluding items that management believes are not representative of the underlying performance of the businesses.
Net interest margin (bps) – Personal & Corporate Banking	Calculated as net interest income (annualized for reporting periods shorter than 12 months) divided by average loans.	This measure provides information about the profitability of the business by calculating the difference between the interest charged for lending and the associated cost of funding, relative to loan value.
Net management fees (USD) – Asset Management (non-GAAP measure)	Calculated as the total of transaction fees, fund administration revenues (including net interest and trading income from lending activities and foreign-exchange hedging as part of the fund services offering), distribution fees, incremental fund-related expenses, gains or losses from seed money and co-investments, funding costs, the negative pass-through impact of third-party performance fees, and other items that are not Asset Management's performance fees.	This measure provides information about the amount of net management fees earned through managing client assets.
Net new assets (USD) – Global Wealth Management	Calculated as the net amount of inflows and outflows of invested assets (as defined in UBS policy) recorded during a specific period, plus interest and dividends. Excluded from the calculation are movements due to market performance, foreign exchange translation, fees, and the effects on invested assets of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations.	This measure provides information about the development of invested assets during a specific period as a result of net new asset flows, plus the effect of interest and dividends.
Net new assets growth rate (%) – Global Wealth Management	Calculated as the net amount of inflows and outflows of invested assets (as defined in UBS policy) recorded during a specific period (annualized for reporting periods shorter than 12 months), plus interest and dividends, divided by total invested assets at the beginning of the period.	This measure provides information about the growth of invested assets during a specific period as a result of net new asset flows.
Net new deposit volumes (USD) – Global Wealth Management (non-GAAP measure)	Calculated as the net amount of inflows and outflows of deposit volumes recorded during a specific period. Deposits include customer deposits and customer brokerage payables. Excluded from the calculation are movements due to fair value measurement, foreign exchange translation, accrued interest and fees, as well as the effects on customer deposits of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations.	This measure provides information about the development of deposits during a specific period as a result of net new deposit flows.

APM / non-GAAP label	Calculation	Information content / usefulness
Net new deposits (USD and CHF) – Personal & Corporate Banking	Calculated as the net amount of inflows and outflows of customer deposits recorded during a specific period. Excluded from the calculation are movements due to fair value measurement, foreign exchange translation, accrued interest and fees, as well as the effects on customer deposits of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations.	This measure provides information about the development of deposits during a specific period as a result of net new deposit flows.
Net new fee-generating assets (USD) – Global Wealth Management	Calculated as the net amount of fee-generating asset inflows and outflows, including dividend and interest inflows into mandates and outflows from mandate fees paid by clients during a specific period. Excluded from the calculation are the effects on fee-generating assets of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations.	This measure provides information about the development of fee-generating assets during a specific period as a result of net flows, excluding movements due to market performance and foreign exchange translation, as well as the effects on fee-generating assets of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations.
Net new loan volumes (USD) – Global Wealth Management (non-GAAP measure)	Calculated as the net amount of originations, drawdowns and repayments of loan volumes recorded during a specific period. Loan volumes include loans and advances to customers and customer brokerage receivables. Excluded from the calculation are allowances, movements due to fair value measurement and foreign exchange translation, as well as the effects on loans and advances to customers of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations.	This measure provides information about the development of loan volumes during a specific period as a result of net new loan volumes.
Net new loans (USD and CHF) – Personal & Corporate Banking	Calculated as the net amount of originations, drawdowns and repayments of loans and advances to customers recorded during a specific period. Excluded from the calculation are allowances, movements due to fair value measurement and foreign exchange translation, as well as the effects on loans and advances to customers of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations.	This measure provides information about the development of loans during a specific period as a result of net new loans.
Net new money (USD) – Global Wealth Management, Asset Management	Calculated as the net amount of inflows and outflows of invested assets (as defined in UBS policy) recorded during a specific period. Excluded from the calculation are movements due to market performance, foreign exchange translation, dividends, interest and fees, as well as the effects on invested assets of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations. Net new money is not measured for Personal & Corporate Banking.	This measure provides information about the development of invested assets during a specific period as a result of net new money flows.
Net profit growth (%)	Calculated as the change in net profit attributable to shareholders from continuing operations between current and comparison periods divided by net profit attributable to shareholders from continuing operations of the comparison period.	This measure provides information about profit growth since the comparison period.
Operating expenses (underlying) (USD) (non-GAAP measure)	Calculated by adjusting operating expenses as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses.	This measure provides information about the amount of operating expenses, while excluding items that management believes are not representative of the underlying performance of the businesses.
Operating profit / (loss) before tax (underlying) (USD) (non-GAAP measure)	Calculated by adjusting operating profit / (loss) before tax as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses.	This measure provides information about the amount of operating profit / (loss) before tax, while excluding items that management believes are not representative of the underlying performance of the businesses.
Other revenues (USD and CHF) – Global Wealth Management, Personal & Corporate Banking (non-GAAP measure)	Calculated by including other income as reported in accordance with IFRS Accounting Standards, profit or loss related to non-client derivative instruments and profit or loss related to equity investments measured at fair value through profit or loss.	This measure provides information about residual business division revenues, after deduction of net interest income, recurring net fee income and transaction-based income.

APM / non-GAAP label	Calculation	Information content / usefulness
Other revenues (underlying) (USD and CHF) – Global Wealth Management, Personal & Corporate Banking (non-GAAP measure)	Calculated by adjusting other revenues for items that management believes are not representative of the underlying performance of the businesses.	This measure provides information about the amount of other revenues, while excluding items that management believes are not representative of the underlying performance of the businesses.
Pre-tax profit growth (%) – Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank	Calculated as the change in net profit before tax attributable to shareholders from continuing operations between current and comparison periods divided by net profit before tax attributable to shareholders from continuing operations of the comparison period.	This measure provides information about pre-tax profit growth since the comparison period.
Pre-tax profit growth (underlying) (%) – Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank (non-GAAP measure)	Calculated as the change in underlying net profit before tax attributable to shareholders from continuing operations between current and comparison periods divided by underlying net profit before tax attributable to shareholders from continuing operations of the comparison period. Underlying net profit before tax attributable to shareholders from continuing operations excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about pre-tax profit growth since the comparison period, while excluding items that management believes are not representative of the underlying performance of the businesses.
Recurring net fee income (USD and CHF) – Personal & Corporate Banking (non-GAAP measure)	Calculated as the total of fees for services provided on an ongoing basis, such as portfolio management fees, asset-based investment fund fees and custody fees, which are generated on client assets, and administrative fees for accounts.	This measure provides information about the amount of recurring net fee income.
Return on attributed equity (%) – Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank	Calculated as business division operating profit before tax (annualized for reporting periods shorter than 12 months) divided by average attributed equity.	This measure provides information about the profitability of the business divisions in relation to attributed equity.
Return on attributed equity (underlying) (%) (non-GAAP measure)	Calculated as underlying business division operating profit before tax (annualized for reporting periods shorter than 12 months) (as defined above) divided by average attributed equity.	This measure provides information about the profitability of the business divisions in relation to attributed equity, while excluding items that management believes are not representative of the underlying performance of the businesses.
Return on common equity tier 1 capital (%)	Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average common equity tier 1 capital.	This measure provides information about the profitability of the business in relation to common equity tier 1 capital.
Return on common equity tier 1 capital (underlying) (%) (non-GAAP measure)	Calculated as underlying net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average common equity tier 1 capital. Underlying net profit attributable to shareholders excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about the profitability of the business in relation to common equity tier 1 capital, while excluding items that management believes are not representative of the underlying performance of the businesses.
Return on equity (%)	Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average equity attributable to shareholders.	This measure provides information about the profitability of the business in relation to equity.
Return on tangible equity (%)	Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average equity attributable to shareholders less average goodwill and intangible assets.	This measure provides information about the profitability of the business in relation to tangible equity.
Return on tangible equity (underlying) (%) (non-GAAP measure)	Calculated as underlying net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average equity attributable to shareholders less average goodwill and intangible assets. Underlying net profit attributable to shareholders excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about the profitability of the business in relation to tangible equity, while excluding items that management believes are not representative of the underlying performance of the businesses.

APM / non-GAAP label	Calculation	Information content / usefulness
Tangible book value per share (USD)	Calculated as equity attributable to shareholders less goodwill and intangible assets divided by the number of shares outstanding.	This measure provides information about tangible net assets on a per-share basis.
Total book value per share (USD)	Calculated as equity attributable to shareholders divided by the number of shares outstanding.	This measure provides information about net assets on a per-share basis.
Total revenues (underlying) (USD) (non-GAAP measure)	Calculated by adjusting total revenues as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses.	This measure provides information about the amount of total revenues, while excluding items that management believes are not representative of the underlying performance of the businesses.
Transaction-based income (USD and CHF) – Global Wealth Management, Personal & Corporate Banking (non-GAAP measure)	Calculated as the total of the non-recurring portion of net fee and commission income, mainly composed of brokerage and transaction-based investment fund fees, and credit card fees, as well as fees for payment and foreign-exchange transactions, together with other net income from financial instruments measured at fair value through profit or loss.	This measure provides information about the amount of the non-recurring portion of net fee and commission income, together with other net income from financial instruments measured at fair value through profit or loss.
Transaction-based income (underlying) (USD and CHF) – Global Wealth Management, Personal & Corporate Banking (non-GAAP measure)	Calculated by adjusting transaction-based income for items that management believes are not representative of the underlying performance of the businesses.	This measure provides information about the amount of transaction-based income, while excluding items that management believes are not representative of the underlying performance of the businesses.

This is a general list of the APMs and non-GAAP measures used in our financial reporting. Not all of the above-listed measures may appear in this particular report.

Abbreviations frequently used in our financial reports

A		CRO	Chief Risk Officer	FRTB	Fundamental Review of the Trading Book
ABS	asset-backed securities	CST	combined stress test	FSB	Financial Stability Board
AG	Aktiengesellschaft	CUSIP	Committee on Uniform Security Identification Procedures	FTA	Swiss Federal Tax Administration
AGM	Annual General Meeting of shareholders	CVA	credit valuation adjustment	FVA	funding valuation adjustment
AI	artificial intelligence	D		FVOCI	fair value through other comprehensive income
A-IRB	advanced internal ratings-based	DBO	defined benefit obligation	FVTPL	fair value through profit or loss
ALCO	Asset and Liability Committee	DCCP	Deferred Contingent Capital Plan	FX	foreign exchange
AMA	advanced measurement approach	DFAST	Dodd–Frank Act Stress Test	G	
AML	anti-money laundering	DisO-FINMA	FINMA Ordinance on the Disclosure Obligations of Banks and Securities Firms	GAAP	generally accepted accounting principles
AoA	Articles of Association	DM	discount margin	GBP	pound sterling
APM	alternative performance measure	DOJ	US Department of Justice	GDP	gross domestic product
ARR	alternative reference rate	DTA	deferred tax asset	GEB	Group Executive Board
ARS	auction rate securities	DVA	debit valuation adjustment	GHG	greenhouse gas
ASF	available stable funding	E		GCORC	Group Compliance and Operational Risk Control
AT1	additional tier 1	EAD	exposure at default	GRI	Global Reporting Initiative
AuM	assets under management	EB	Executive Board	G-SIB	global systemically important bank
B		EC	European Commission	H	
BCBS	Basel Committee on Banking Supervision	ECB	European Central Bank	HQLA	high-quality liquid assets
BIS	Bank for International Settlements	ECL	expected credit loss	I	
BoD	Board of Directors	EGM	Extraordinary General Meeting of shareholders	IAS	International Accounting Standards
C		EIR	effective interest rate	IASB	International Accounting Standards Board
CAO	Capital Adequacy Ordinance	EL	expected loss	IBOR	interbank offered rate
CCAR	Comprehensive Capital Analysis and Review	EMEA	Europe, Middle East and Africa	IFRIC	International Financial Reporting Interpretations Committee
CCF	credit conversion factor	EOP	Equity Ownership Plan	IFRS	accounting standards issued by the IASB
CCP	central counterparty	EPS	earnings per share	Accounting Standards	
CCR	counterparty credit risk	ESG	environmental, social and governance	IRB	internal ratings-based
CCRC	Corporate Culture and Responsibility Committee	ETD	exchange-traded derivatives	IRRBB	interest rate risk in the banking book
CDS	credit default swap	ETF	exchange-traded fund	ISDA	International Swaps and Derivatives Association
CEO	Chief Executive Officer	EU	European Union	ISIN	International Securities Identification Number
CET1	common equity tier 1	EUR	euro		
CFO	Chief Financial Officer	EURIBOR	Euro Interbank Offered Rate		
CGU	cash-generating unit	EVE	economic value of equity		
CHF	Swiss franc	EY	Ernst & Young Ltd		
CIO	Chief Investment Office	F			
CORC	Compliance and Operational Risk Control	FCA	UK Financial Conduct Authority		
CRM	credit risk mitigation	FDIC	Federal Deposit Insurance Corporation		
		FINMA	Swiss Financial Market Supervisory Authority		
		FMIA	Swiss Financial Market Infrastructure Act		

Abbreviations frequently used in our financial reports (continued)

K		R		T	
KRT	Key Risk Taker	RBC	risk-based capital	TBTF	too big to fail
		RbM	risk-based monitoring	TCFD	Task Force on Climate-related Financial Disclosures
L		REIT	real estate investment trust	TIBOR	Tokyo Interbank Offered Rate
LAS	liquidity-adjusted stress	RMBS	residential mortgage-backed securities	TLAC	total loss-absorbing capacity
LCR	liquidity coverage ratio	RniV	risks not in VaR	TTC	through the cycle
LGD	loss given default	RoCET1	return on CET1 capital		
LIBOR	London Interbank Offered Rate	RoU	right-of-use	U	
LLC	limited liability company	rTSR	relative total shareholder return	USD	US dollar
LoD	lines of defense	RWA	risk-weighted assets	V	
LRD	leverage ratio denominator	S		VaR	value-at-risk
LTIP	Long-Term Incentive Plan	SA	standardized approach or société anonyme	VAT	value-added tax
LTV	loan-to-value	SA-CCR	standardized approach for counterparty credit risk		
M		SAR	Special Administrative Region of the People's Republic of China		
M&A	mergers and acquisitions	SDG	Sustainable Development Goal		
MRT	Material Risk Taker	SEC	US Securities and Exchange Commission		
N		SFT	securities financing transaction		
NII	net interest income	SIBOR	Singapore Interbank Offered Rate		
NSFR	net stable funding ratio	SICR	significant increase in credit risk		
NYSE	New York Stock Exchange	SIX	SIX Swiss Exchange		
O		SME	small and medium-sized entities		
OCA	own credit adjustment	SMF	Senior Management Function		
OCI	other comprehensive income	SNB	Swiss National Bank		
OECD	Organisation for Economic Co-operation and Development	SOR	Singapore Swap Offer Rate		
OTC	over-the-counter	SPPI	solely payments of principal and interest		
P		SRB	systemically relevant bank		
PCI	purchased credit impaired	SVaR	stressed value-at-risk		
PD	probability of default				
PIT	point in time				
PPA	purchase price allocation				
Q					
QCCP	qualifying central counterparty				

This is a general list of the abbreviations frequently used in our financial reporting. Not all of the listed abbreviations may appear in this particular report.

Information sources

Reporting publications

Annual publications

UBS AG Annual Report: Published in English, this report provides descriptions of: our businesses, the performance of UBS AG (consolidated); the performance of the business divisions and Group functions; risk, treasury and capital management; corporate governance; and financial information, including the financial statements.

Compensation Report: This report discusses the compensation framework and provides information about compensation for the Board of Directors and the Group Executive Board members. It is available in English and German (“*Vergütungsbericht*”) and represents a component of the UBS Group Annual Report.

Sustainability Report: Published in English, the UBS Group Sustainability Report provides disclosures on environmental, social and governance (ESG) topics.

Quarterly publications

Quarterly financial report: This report provides an update on performance and strategy (where applicable) for the respective quarter. It is available in English.

The annual and quarterly publications are available in .pdf and online formats at ubs.com/investors, under “Financial information”. Printed copies, in any language, of the aforementioned annual publications are no longer provided.

Other information

Website

The “Investor Relations” website at ubs.com/investors provides the following information about UBS: results-related news releases; financial information, including results-related filings with the US Securities and Exchange Commission (the SEC); information for shareholders, including UBS dividend and share repurchase program information, and for bondholders, including rating agencies reports; the corporate calendar; and presentations by management for investors and financial analysts. Information is available online in English, with some information also available in German.

Results presentations

Quarterly results presentations are webcast live. Recordings of most presentations can be downloaded from ubs.com/presentations.

Messaging service

Email alerts to news about UBS can be subscribed for under “UBS News Alert” at ubs.com/global/en/investor-relations/contact/investor-services.html. Messages are sent in English, German, French or Italian, with an option to select theme preferences for such alerts.

Form 20-F and other submissions to the US Securities and Exchange Commission

UBS files periodic reports with and submits other information to the SEC. Principal among these filings is the annual report on Form 20-F, filed pursuant to the US Securities Exchange Act of 1934. The filing of Form 20-F is structured as a wraparound document. Most sections of the filing can be satisfied by referring to the UBS AG Annual Report. However, there is a small amount of additional information in Form 20-F that is not presented elsewhere and is particularly targeted at readers in the US. Readers are encouraged to refer to this additional disclosure. Any document that is filed with the SEC is available on the SEC’s website: sec.gov. Refer to ubs.com/investors for more information.

Cautionary statement regarding forward-looking statements | This report contains statements that constitute “forward-looking statements”, including but not limited to management’s outlook for UBS’s financial performance, statements relating to the anticipated effect of transactions and strategic initiatives on UBS’s business and future development and goals. While these forward-looking statements represent UBS’s judgments, expectations and objectives concerning the matters described, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from UBS’s expectations. In particular, the global economy may suffer significant adverse effects from increasing political tensions between world powers, changes to international trade policies, including those related to tariffs and trade barriers, and evolving armed conflicts. UBS’s acquisition of the Credit Suisse Group materially changed its outlook and strategic direction and introduced new operational challenges. The integration of the Credit Suisse entities into the UBS structure is expected to continue through 2026 and presents significant operational and execution risk, including the risks that UBS may be unable to achieve the cost reductions and business benefits contemplated by the transaction, that it may incur higher costs to execute the integration of Credit Suisse and that the acquired business may have greater risks or liabilities, including those related to litigation, than expected. In response to the failure of Credit Suisse, Switzerland has amended its Capital Adequacy Ordinance and is considering changes to its Banking Act, which, if enacted as proposed, would substantially increase capital requirements for UBS in relation to its foreign subsidiaries. These factors create greater uncertainty about forward-looking statements. Other factors that may affect UBS’s performance and ability to achieve its plans, outlook and other objectives also include, but are not limited to: (i) the degree to which UBS is successful in the execution of its strategic plans, including its cost reduction and efficiency initiatives and its ability to manage its levels of risk-weighted assets (RWA) and leverage ratio denominator (LRD), liquidity coverage ratio and other financial resources, including changes in RWA assets and liabilities arising from higher market volatility and the size of the combined Group; (ii) the degree to which UBS is successful in implementing changes to its businesses to meet changing market, regulatory and other conditions, including any potential changes to banking examination and oversight practices and standards as a result of executive branch orders or staff interpretations of law in the US; (iii) inflation and interest rate volatility in major markets; (iv) developments in the macroeconomic climate and in the markets in which UBS operates or to which it is exposed, including movements in securities prices or liquidity, credit spreads, currency exchange rates, residential and commercial real estate markets, general economic conditions, and changes to national trade policies on the financial position or creditworthiness of UBS’s clients and counterparties, as well as on client sentiment and levels of activity; (v) changes in the availability of capital and funding, including any adverse changes in UBS’s credit spreads and credit ratings of UBS, as well as availability and cost of funding, including as affected by the marketability of additional tier one debt instruments, to meet requirements for debt eligible for total loss-absorbing capacity (TLAC); (vi) changes in and potential divergence between central bank policies or the implementation of financial legislation and regulation in Switzerland, the US, the UK, the EU and other financial centers that have imposed, or resulted in, or may do so in the future, more stringent or entity-specific capital, TLAC, leverage ratio, net stable funding ratio, liquidity and funding requirements, heightened operational resilience requirements, incremental tax requirements, additional levies, limitations on permitted activities, constraints on remuneration, constraints on transfers of capital and liquidity and sharing of operational costs across the Group or other measures, and the effect these will or would have on UBS’s business activities; (vii) UBS’s ability to successfully implement resolvability and related regulatory requirements and the potential need to make further changes to the legal structure or booking model of UBS in response to legal and regulatory requirements including heightened requirements and expectations due to its acquisition of the Credit Suisse Group; (viii) UBS’s ability to maintain and improve its systems and controls for complying with sanctions in a timely manner and for the detection and prevention of money laundering to meet evolving regulatory requirements and expectations, in particular in the current geopolitical turmoil; (ix) the uncertainty arising from domestic stresses in certain major economies; (x) changes in UBS’s competitive position, including whether differences in regulatory capital and other requirements among the major financial centers adversely affect UBS’s ability to compete in certain lines of business; (xi) changes in the standards of conduct applicable to its businesses that may result from new regulations or new enforcement of existing standards, including measures to impose new and enhanced duties when interacting with customers and in the execution and handling of customer transactions; (xii) the liability to which UBS may be exposed, or possible constraints or sanctions that regulatory authorities might impose on UBS, due to litigation, including litigation it has inherited by virtue of the acquisition of Credit Suisse, contractual claims and regulatory investigations, including the potential for disqualification from certain businesses, potentially large fines or monetary penalties, or the loss of licenses or privileges as a result of regulatory or other governmental sanctions, as well as the effect that litigation, regulatory and similar matters have on the operational risk component of its RWA; (xiii) UBS’s ability to retain and attract the employees necessary to generate revenues and to manage, support and control its businesses, which may be affected by competitive factors; (xiv) changes in accounting or tax standards or policies, and determinations or interpretations affecting the recognition of gain or loss, the valuation of goodwill, the recognition of deferred tax assets and other matters; (xv) UBS’s ability to implement new technologies and business methods, including digital services, artificial intelligence and other technologies, and ability to successfully compete with both existing and new financial service providers, some of which may not be regulated to the same extent; (xvi) limitations on the effectiveness of UBS’s internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (xvii) the occurrence of operational failures, such as fraud, misconduct, unauthorized trading, financial crime, cyberattacks, data leakage and systems failures, the risk of which is increased with persistently high levels of cyberattack threats; (xviii) restrictions on the ability of UBS Group AG, UBS AG and regulated subsidiaries of UBS AG to make payments or distributions, including due to restrictions on the ability of its subsidiaries to make loans or distributions, directly or indirectly, or, in the case of financial difficulties, due to the exercise by FINMA or the regulators of UBS’s operations in other countries of their broad statutory powers in relation to protective measures, restructuring and liquidation proceedings; (xix) the degree to which changes in regulation, capital or legal structure, financial results or other factors may affect UBS’s ability to maintain its stated capital return objective; (xx) uncertainty over the scope of actions that may be required by UBS, governments and others for UBS to achieve goals relating to climate, environmental and social matters, as well as the evolving nature of underlying science and industry and the increasing divergence among regulatory regimes; (xxi) the ability of UBS to access capital markets; (xxii) the ability of UBS to successfully recover from a disaster or other business continuity problem due to a hurricane, flood, earthquake, terrorist attack, war, conflict, pandemic, security breach, cyberattack, power loss, telecommunications failure or other natural or man-made event; and (xxiii) the effect that these or other factors or unanticipated events, including media reports and speculations, may have on its reputation and the additional consequences that this may have on its business and performance. The sequence in which the factors above are presented is not indicative of their likelihood of occurrence or the potential magnitude of their consequences. UBS’s business and financial performance could be affected by other factors identified in its past and future filings and reports, including those filed with the US Securities and Exchange Commission (the SEC). More detailed information about those factors is set forth in documents furnished by UBS and filings made by UBS with the SEC, including the UBS Group AG and UBS AG Annual Reports on Form 20-F for the year ended 31 December 2025. UBS is not under any obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

Rounding | Numbers presented throughout this report may not add up precisely to the totals provided in the tables, infographics and text. Percentages and percent changes disclosed in text and tables are calculated on the basis of unrounded figures. Absolute changes between reporting periods disclosed in the text, which can be derived from numbers presented in related tables, are calculated on a rounded basis.

Tables | Within tables, blank fields generally indicate non-applicability or that presentation of any content would not be meaningful, or that information is not available as of the relevant date or for the relevant period. Zero values generally indicate that the respective figure is zero on an actual or rounded basis. Values that are zero on a rounded basis can be either negative or positive on an actual basis.

Websites | In this report, any website addresses are provided solely for information and are not intended to be active links. UBS is not incorporating the contents of any such websites into this report.

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