富豪酒店國際控股有限公司
**Regal Hotels International Holdings Limited**
(Incorporated in Bermuda with limited liability)
**(Stock Code: 78)**
**(Debt Stock Code: 5425)**

# ANNOUNCEMENT OF 2024 GROUP FINAL RESULTS

## FINANCIAL AND BUSINESS HIGHLIGHTS

| | Year 2024 HK$'M | Year 2023 HK$'M | % Change |
|---|---|---|---|
| **Revenue** | **1,825.8** | 1,792.2 | **+1.9%** |
| **Gross profit** | **687.8** | 652.3 | **+5.4%** |
| **Operating loss before depreciation, finance costs and tax*** | **(706.4)** | (181.7) | **+288.8%** |
| **Loss for the year attributable to equity holders of the parent** | **(2,597.8)** | (1,791.9) | **+45.0%** |
| **Basic loss per ordinary share attributable to equity holders of the parent** | **HK$(3.02)** | HK$(2.12) | **+42.5%** |

| | As at 31st December, 2024 (Unaudited) | 2023 (Unaudited) | |
|---|---|---|---|
| **Net asset value per ordinary share attributable to equity holders of the parent** | | | |
| **Book** | **HK$7.16** | HK$10.23 | **-30.0%** |
| **Adjusted**** | **HK$18.07** | HK$21.03 | **-14.1%** |

* after accounting for, among others, the fair value and impairment losses on properties and financial assets
** compiled, for the purpose of reference, on an adjusted basis to restate the Group's hotel property portfolio in Hong Kong at its market value at 31st December, 2023 and 2024, respectively, with any relevant deferred tax liabilities added back

- **For the year ended 31st December, 2024, the Group incurred a consolidated loss attributable to shareholders of HK$2,597.8 million, while in the preceding financial year, a loss of HK$1,791.9 million was recorded.**

- **The Group's hotel business in Hong Kong continued to operate steadily, with net hotel income having increased by about 10.1% over 2023. Total gross profit from operations of the Group amounted to HK$687.8 million, which is about 5.4% above the HK$652.3 million attained in 2023.**

- **The increased loss incurred by the Group was mainly due to the substantial outlay in finance costs, as the interest rates in Hong Kong have stayed at a relatively high level throughout 2024, the fair value and impairment losses on its property and financial assets as well as the depreciation charges on the Group's hotel properties.**

- **The losses on financial assets were mostly related to the Group's investment holding in Cosmopolitan International Holdings Limited, a listed subsidiary of the Company that principally engages in property development business in China. The Group has, since 2015, directly held significant investments in Cosmopolitan as part of its core strategic asset portfolio, which have all along been held as financial assets at fair value through profit or loss. Due to the decline in the market price of the Cosmopolitan shares, a fair value loss of HK$946.1 million was included in the results under review in respect of the investment holding in Cosmopolitan, which is now stated in the Group's financial statements at an unsubstantial amount.**

- **Total depreciation charges on the Group's hotel portfolio in Hong Kong for the year under review amounted to HK$582.8 million, including an amount of HK$124.1 million on the new Regala Skycity Hotel. Although these depreciation charges do not have impact on the Group's cash flow, they have nevertheless adversely affected the Group's financial results.**

- **The Regala Skycity Hotel is the second hotel developed by the Group at the Hong Kong International Airport. During the year, the Regala Skycity Hotel operated satisfactorily, with its Revenue per Available Room having increased by 30.9% year-on-year. Management is confident that, benefiting from its strategic location and its large accommodation capacity, the Regala Skycity Hotel will be able to generate for the Group substantial recurring revenues as the overall airport community continues to develop and prosper.**

- **Apart from the Regala Skycity Hotel, the Group owns through Regal Real Estate Investment Trust, a subsidiary entity of the Group, nine hotels operating in Hong Kong, including five Regal Hotels and four other hotels that are operating under the iclub brand.**

- **The operating environment of the hotel industry in Hong Kong during the year under review continued to be challenging due to keen market competitions and rising labour costs. The overall operating performance of the five Regal Hotels remained relatively stable but due to the decline in the food & beverage revenues, their aggregate net operating income has dropped by about 2.3% as compared with 2023.**

- **The three iclub Hotels that were also under lease from Regal REIT, namely, the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel and the iclub To Kwa Wan Hotel, also performed steadily. They maintained during the year a combined average occupancy rate of 84.1% but due to the pressure on room rates, their aggregate net property income was about 5.2% below that in 2023.**

- **The Group has a 50% joint venture interest in P&R Holdings Limited which owns, apart from other developments and properties, the Mount Regalia in Kau To, Sha Tin. The Mount Regalia is a major luxury residential development undertaken by P&R. The development has a total of 24 garden houses and 136 apartment units, together with car parks and club house facilities. Apart from those units that have been sold or contracted to be sold and one house that was leased with an option for the lessee to purchase, P&R still owns 3 houses and 77 apartment units in Mount Regalia, which command significant value. The marketing for the disposal of these remaining units is ongoing.**

- **As regarding the property development business undertaken by the Group itself, The Queens at Queen's Road West is a commercial/residential development that was completed in late 2022. It has a total of 130 residential units with club house and commercial accommodations, of which 7 residential units have been sold. As of this date, a total of 81 residential units have been leased out on short tenure and yielding high rental returns. The Group is presently planning to launch the sale of the unsold residential units in this development, including those leased units, in the second quarter of this year.**

- **After the sale of one house in July 2024, the Group still holds a total of 8 garden houses in Regalia Bay, a luxury residential development in Stanley. Some of these houses will continue to be disposed of if terms are favourable.**

- **In overseas, the Group also owns a hotel property in Barcelona in Spain leased to a third party, a historical building situated at a prime location in London in the United Kingdom and a completed renovation-for-sale project in Lisbon in Portugal.**

- **Following the disposal of its two Airbus aircraft in April 2024, the Group further completed the sale of its two remaining aircraft engines in September 2024, both of which have generated satisfactory profits. As a matter of fact, the Group's past investments in the aircraft ownership and leasing business have overall proved to be rewarding. At present, the Group no longer holds any investment in aircraft but the Group will consider reinvesting in this business segment when circumstances are deemed appropriate.**

- **Faced with a complicated economic environment and the impact of continuingly high interest rates, the operating conditions for many businesses in Hong Kong have been relatively challenging. To reinforce its liquidity resources, the Group is actively progressing with the disposals of some of its non-core assets.**

- **The Group believes in the resilience of Hong Kong's economy and is hopeful that, as the local economic conditions improve, the Group will be able to regain its growth momentum.**

## FINANCIAL RESULTS

For the year ended 31st December, 2024, the Group incurred a consolidated loss attributable to shareholders of HK$2,597.8 million, while in the preceding financial year, a loss of HK$1,791.9 million was recorded.

During the year, the Group's hotel business in Hong Kong continued to operate steadily, with net hotel income having increased by about 10.1% over 2023. Total gross profit from operations of the Group amounted to HK$687.8 million, which is about 5.4% above the HK$652.3 million attained in 2023.

On the other hand, as the interest rates in Hong Kong have stayed at a relatively high level throughout 2024, the outlay in finance costs remained substantial. Moreover, as explained before, the Group has, since 2015, directly held significant investments in Cosmopolitan International Holdings Limited, a listed fellow subsidiary of the Company that principally engages in property development business in China, as part of its core strategic asset portfolio. These investment holdings in Cosmopolitan have all along been held as financial assets at fair value through profit or loss and, hence, the changes in their fair value were reflected in the Group's statements of profit or loss. Due to the decline in the market price of the Cosmopolitan shares, as compared with that prevailing as at 31st December, 2023, a fair value loss of HK$946.1 million was included in the results under review in respect of its investment holding in Cosmopolitan, which is now stated in the Group's financial statements at an unsubstantial amount.

In addition, the Group's hotel properties in Hong Kong are all owned and operated by subsidiaries of the Company and are, therefore, required to be subject to depreciation charges to conform to the applicable accounting standards. Total depreciation charges on the Group's hotel portfolio in Hong Kong for the year under review amounted to HK$582.8 million, including an amount of HK$124.1 million on the new Regala Skycity Hotel. Although these depreciation charges do not have impact on the Group's cash flow, they have nevertheless adversely affected the Group's financial results.

Consequently, due to these adverse factors and along with other fair value losses, provisions and impairment on its property and other financial assets, the Group has incurred for the year under review an increased loss as compared to that in the preceding financial year.

Based on their independent professional market valuations as at 31st December, 2024, the aggregate market value of the Group's hotel properties in Hong Kong was still well above their total carrying value, as they were subject to accumulated depreciation charges. For the purpose of reference, an Adjusted Net Assets Statement is presented in the section headed "Management Discussion and Analysis" in this announcement, which illustrated that, if all such hotel properties were to be stated in the Group's financial statements at their market valuations as at 31st December, 2024, the underlying adjusted net asset value of the Company would amount to HK$18.07 per share on the basis therein stated.

## BUSINESS OVERVIEW

### HOTELS

### MARKET OVERVIEW

Global financial conditions eased slightly since mid-2024, mainly owing to the onset of monetary easing in the United States and generally robust risk appetite. Policy rates in advanced economies have started to decline but remained well above the low levels that prevailed in the 2010s. Growing debt-service burdens continued to pose considerable headwinds to overall economic activities.

Though faced with a complicated and severe environment with increasing external pressures and internal difficulties, China's economy was generally stable, with new achievements made in high-quality development. According to preliminary estimates, China's gross domestic product (GDP) in 2024 increased by 5.0% over the previous year. In Hong Kong, real GDP posted a moderate growth of 2.5% in 2024, which was at the low end of the growth forecast made by the Hong Kong Government in August 2024 and a set back from the 3.2% attained in 2023.

For the year under review, total visitor arrivals to Hong Kong amounted to about 44.5 million, representing a year-on-year increase of 30.9%, but this total number only represented about 79.6% of its pre-pandemic peak level recorded in 2019. Hence, there is still much room to catch up in this respect. While visitors from Mainland China continued to be the dominant market source, it is encouraging to see that visitors from overseas regions, both in the long haul as well as the short haul markets, have begun to show some substantial rebound in their growth percentages. Overnight visitors accounted for almost half of all visitors in 2024, with an average length of stay of 3.2 nights in Hong Kong.

According to a hotel survey published by the Hong Kong Tourism Board, the average hotel occupancy rate for all the surveyed hotels in different categories in Hong Kong in 2024 was 85.0%, an increase of 3.0 percentage points from 2023, while the industry-wide average room rate contracted by 4.3%, with the average Revenue per Available Room (RevPAR) having consequently decreased by 0.8% year-on-year.

**HOTEL OWNERSHIP**

The Regala Skycity Hotel is the second hotel developed by the Group at the Hong Kong International Airport. This hotel has over 1,200 well decorated hotel rooms and suites, complemented with a full range of food and beverage and conference facilities catering to Meeting, Incentives, Conference and Exhibitions (MICE) businesses, with direct linkage to the Asia World Expo, the 11 Skies compound as well as the expanded Terminal 2 of the Hong Kong International Airport scheduled to become operational by phases from end 2025 onwards.

During the year, the Regala Skycity Hotel operated satisfactorily and maintained a year-round average occupancy of 59.1%, 17.0 percentage points above the 42.1% recorded in 2023. Despite the average room rate has dropped by 6.8% due to the overall competitive market environment, its RevPAR has increased by 30.9% year-on-year.

In January this year, the Airport Authority Hong Kong presented to the business community the Airport City blueprint, with "SKYTOPIA" as the new brand of the development. The SKYTOPIA will integrate commercial activities, popular culture, entertainment and leisure, featuring projects that will include, among many others, a one-stop art hub, a marina as Hong Kong's largest yacht bay providing 500 berths, a water recreation area which will be the largest in Hong Kong and a Phase 2 development of Asia World-Expo comprising Hong Kong's largest indoor purpose-built performance venue housing 20,000 spectators.

Management is confident that, benefiting from its strategic location and its large accommodation capacity, the Regala Skycity Hotel will be able to generate for the Group substantial recurring revenues as the overall airport community continues to develop and prosper.

The Group also owns a 186-room hotel in Barcelona in Spain, which is being leased to a third-party operator and yielding satisfactory rental revenue.

Further details on the Regala Skycity Hotel and the Barcelona hotel are contained in the section headed "Management Discussion and Analysis" in this announcement.

**REGAL REAL ESTATE INVESTMENT TRUST**

As at 31st December, 2024, the Group held approximately 74.9% of the total outstanding issued units of Regal REIT, while Regal Portfolio Management Limited, a wholly owned subsidiary of the Group, acts as the REIT Manager.

For the year ended 31st December, 2024, Regal REIT recorded a consolidated loss before distributions to unitholders of HK$204.4 million, as compared to a profit of HK$265.7 million attained in 2023. The loss incurred for the year under review included a fair value loss of HK$128.8 million arising from the decrease in the appraised value of Regal REIT's investment property portfolio as at 31st December, 2024, as compared with its appraised value as at the preceding financial year end. While for the comparative financial year in 2023, there was a fair value gain of HK$366.9 million in Regal REIT's investment portfolio. If the effects of these fair value changes are excluded, Regal REIT would record a core operating loss of HK$75.6 million for 2024, improving from a loss of HK$101.2 million in the preceding year. The core operating loss was mainly attributable to the substantial financial expenses incurred, which amounted to HK$640.4 million (2023 – HK$611.2 million), as the Hong Kong Interbank Offered Rates, on which the borrowing costs of Regal REIT's bank loans are based, continued to linger at a relatively high level throughout the year.

Apart from the Regala Skycity Hotel, all the other nine hotels of the Group operating in Hong Kong, comprising five Regal Hotels and four iclub Hotels, are owned through Regal REIT. Except for the iclub Wan Chai Hotel, all the other eight hotels are leased by Regal REIT to a wholly owned subsidiary of the Company for operations. The operating highlights of these eight leased hotels are included in the sub-section headed "Hotel Operations" below.

The iclub Wan Chai Hotel was the first iclub hotel in Hong Kong and has been self-operated by Regal REIT under the management of the Group since 2011. Due to the competitive market conditions and the lease reversion of the non-hotel portions, the net property income from this property during the year was relatively lower than that attained in 2023.

## HOTEL OPERATIONS

Favour Link International Limited, a wholly owned subsidiary of the Company, is the lessee operating all the eight hotels under leases from Regal REIT.

Despite the increase in the number of visitor arrivals, the consumption habits of the incoming visitors, particularly those from Mainland China, have changed fundamentally as compared to pre-pandemic times, shifting from shopping, dining and entertainment to cultural and in-depth experiences. This has resulted in a slower than expected recovery in tourism related revenues due to the reduced average per capita spending. Moreover, with the convenience of cross border travel and the impact of a strong Hong Kong Dollar against Renminbi, there is an increasing trend for the local population travelling north to the Greater Bay Area for spending, which has also affected the food and beverage businesses being operated in the five Regal Hotels.

The operating environment of the hotel industry in Hong Kong during the year under review continued to be challenging due to keen market competitions and rising labour costs. The overall operating performance of the five Regal Hotels remained relatively stable but due to the decline in the food & beverage revenues, their aggregate net operating income has dropped by about 2.3% as compared with 2023. The aggregate base rent paid to Regal REIT for the leasing these hotels in 2024, based on the market rental packages determined by an independent professional valuer, amounted to HK$544.0 million.

The market rental reviews for these five Regal Hotels for 2025 were completed in September 2024, with their aggregate annual base rent determined to be HK$550.0 million, which is about 1.1% or HK$6.0 million above the aggregate base rent for 2024. The variable rent will continue to be based on 50% sharing of the excess of their aggregate net property income over their aggregate base rent.

The three iclub Hotels that were also under lease from Regal REIT, namely, the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel and the iclub To Kwa Wan Hotel, also performed steadily. These three iclub Hotels maintained during the year a combined average occupancy rate of 84.1% but due to the pressure on room rates, their aggregate net property income was about 5.2% below that in 2023. Based on the market rental reviews determined by the independent valuer under the terms of their respective leases, the aggregate base rent for these three iclub Hotels for 2025 was determined to be HK$123.0 million, which is about 4.2% or HK$5.0 million above the aggregate base rent of HK$118.0 million paid in 2024, with variable rent continuing to be based on 50% sharing of the excess of the net property income over the base rent of the respective hotels.

To fulfil our corporate social responsibility in supporting Hong Kong Government's initiatives to enhancing youth understanding of national development opportunities through training, exchange and internship programs, Regal Oriental Hotel collaborated with Yan Oi Tong to transform up to 80 of its guestrooms into a YOT Hub. This is the fifth project under the Government's Subsidy Scheme for Using Hotels & Guesthouses as Youth Hostels. The collaboration has an operating term of 3 years, which commenced in December 2024 and is early terminable by either party in specified circumstances.

Further details on the hotel properties of the Group are contained in the section headed "Management Discussion and Analysis" in this announcement.

## HOTEL MANAGEMENT

The Regala Skycity Hotel as well as the five Regal Hotels and four iclub Hotels owned by Regal REIT are all managed by Regal Hotels International Limited (RHI), the wholly owned management arm of the Group. In addition, RHI is also the hotel manager managing the iclub Mong Kok Hotel and the iclub AMTD Sheung Wan Hotel that are owned 100% and 50%, respectively, by P&R Holdings Limited, a 50/50 joint venture between the Company and Paliburg Holdings Limited, the intermediate listed holding company of the Company.

With the expiry of the management services contract for the airport hotel in Xi'an in December 2024, RHI is now managing 3 Regal Hotels in Mainland China, two of which are located in Shanghai and one in Dezhou.

## PROPERTIES

Following the scrapping by the Hong Kong Government of the property cooling measures in February 2024 to stimulate demand, it further announced in last October the relaxation of the loan-to-value mortgage ratio and the stress test on residential property purchases. Furthermore, as the United States began its interest rate cuts in September 2024, the mortgage rates in Hong Kong have also come down, albeit at a relatively slow pace. Driven by these positive factors, overall market sentiments in Hong Kong have gradually improved.

For the year under review, aggregate transaction volume of residential properties in Hong Kong, including both the primary and secondary segments, has increased by more than 20% over the level in 2023, mainly benefiting from the low comparative base, but the property price has continued to consolidate. This divergent trend can principally be attributed to the aggressive pricing strategies adopted by many property developers in Hong Kong in the launching of the sale of new-built units, due to their stretched liquidity and the relatively large supply of completed but unsold inventories. As a result, this has led to the continued consolidation of the price of the residential properties during the past year.

With respect to the luxury residential segment, market conditions were relatively stable due to the limited supply. In October 2024, the Hong Kong Government further enhanced the New Capital Investment Entrant Scheme, allowing investment in residential properties with a transaction price of no less than HK$50 million, with up to HK$10 million to be counted towards the total capital amount. It is expected that this measure will help to boost the transaction activities in this high-end segment.

As mentioned before, the property business of the Group is conducted through P&R as well as through wholly owned subsidiaries of the Company.

The Mount Regalia in Kau To, Sha Tin is a major luxury development undertaken by P&R. This development has a total of 24 garden houses and 136 apartment units, together with car parks and club house facilities. Apart from those units that have been sold or contracted to be sold and one house that was leased with an option for the lessee to purchase, P&R still holds at present a total of 3 houses and 77 apartment units in Mount Regalia, which command significant value. The marketing for the disposal of these remaining units is ongoing.

Apart from Mount Regalia, P&R also owns a mixed portfolio of completed properties and hotels as well as properties held for development in Hong Kong.

As regarding the property development business undertaken by the Group itself, The Queens at Queen's Road West is a commercial/residential development that was completed in late 2022. It has a total of 130 residential units with club house and commercial accommodations, of which 7 residential units have been sold. As of this date, a total of 81 residential units have been leased out on short tenure and yielding high rental returns. The Group is presently planning to launch the sale of the unsold residential units in this development, including those leased units, in the second quarter of this year.

Following the sale of one house in July 2024, the Group still holds a total of 8 garden houses in Regalia Bay, a luxury residential development in Stanley. Some of these houses will continue to be disposed of if terms are favourable.

In overseas, the Group also owns a historical building situated at a prime location in London in the United Kingdom and a completed renovation-for-sale project in Lisbon in Portugal. At present, negotiations are being conducted with respective prospective purchasers for the sale of these two overseas properties.

Further detailed information on the Group's development projects and properties, as well as those undertaken by P&R and Cosmopolitan, is contained in the section headed "Management Discussion and Analysis" in this announcement.

## AIRCRAFT OWNERSHIP AND LEASING

As announced earlier, the Group concluded in April 2024 the disposal of its two Airbus aircraft, which were under lease to an international airline operator, for a total consideration of US$44.5 million.

As further announced in a joint announcement by the Company dated 29th August, 2024, the Group has also entered into an agreement with a third-party purchaser for the sale of its two remaining aircraft engines for a consideration of US$10.55 million, which transaction has subsequently been completed in September 2024.

Both these sale transactions have generated for the Group satisfactory profits. As a matter of fact, the Group's past investments in the aircraft ownership and leasing business have overall proved to be rewarding. At present, the Group no longer holds any investment in aircraft but the Group will consider reinvesting in this business segment when circumstances are deemed appropriate.

## OUTLOOK

The economy of Hong Kong is on a path of gradual but uneven recovery. While Hong Kong will continue to face challenges due to the increased global economic uncertainties, it is also endowed with many development opportunities as it actively aligns with the national development strategies of China. Hong Kong is committed to consolidate and enhance its status as an international financial, shipping and trade centre. At the same time, it is proceeding forward with the Northern Metropolis as its growth engines and to deepen its collaboration with the Greater Bay Area. It can be anticipated that as Hong Kong further integrates with the national development of China, it will be able to benefit from a series of supportive measures from the Central Government.

To reinforce the role of Hong Kong as an international tourism hub, the Culture, Sports and Tourism Bureau announced in December 2024 the Development Blueprint for Hong Kong's Tourism Industry 2.0 (Blueprint 2.0), setting forth strategies primarily to enrich and develop Hong Kong's tourism products and initiatives with local and international characteristics as well as to enhance the service quality and support of its tourism industry on all fronts. In addition, major infrastructure projects, such as the Kai Tak Sports Park and the Three-runway System (3RS) at the Hong Kong International Airport, have also been completed in 2024 to support the launch of the Blueprint 2.0. The completion of the 3RS signifies a significant advancement in the development of Hong Kong as an aviation hub, which aims to handle 120 million passengers and 10 million tons of cargo annually by 2035.

Stepping into 2025, the local tourist market continued to show signs of recovery. During the Lunar New Year golden week, Hong Kong received about 1.3 million visitors. For the whole month of January 2025, there was a total of about 4.7 million visitors, with around 3.7 million coming over from the Mainland, marking annual increases of 24.0% and 25.0%, respectively. These are both new record highs since the pandemic times. Hong Kong has always been a vibrant and resilient city. Through its own committed initiatives and the strong support from the Central Government, it is expected that the tourism industry in Hong Kong will be able to achieve a prosperous and sustainable development.

As one of the major hotel owners in Hong Kong, the directors of the REIT Manager are optimistic that Regal REIT will be able to benefit from the anticipated revival of the local tourist and hotel businesses and that its operating results would gradually improve in the coming years.

Apart from the Group’s core investments in hotels, which are principally held through Regal REIT, the Group also holds significant investments in real estate and financial assets. Faced with a complicated economic environment and the impact of continuingly high interest rates, the operating conditions for many businesses in Hong Kong have been relatively challenging. To reinforce its liquidity resources, the Group is actively progressing with the disposals of some of its non-core assets.

The Group believes in the resilience of Hong Kong’s economy and is hopeful that, as the local economic conditions improve, the Group will be able to regain its growth momentum.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group’s significant investments and principal business activities mainly comprise hotel ownership business which is principally undertaken through Regal REIT, hotel operation and management businesses, asset management of Regal REIT, property development and investment, including those undertaken through the joint venture in P&R, aircraft ownership and leasing and other investments including financial assets investments.

The performance of the Group's hotel, property and other investment businesses as well as that of Regal REIT for the year, including the commentary on the business sectors in which the Group operates, the changes in the general market conditions and their potential impact on its operating performance and future prospects, is contained in the above sections headed "Financial Results", "Business Overview" and "Outlook" as well as in this sub-section.

The Group has no immediate plans for acquisition of material investments or capital assets, other than those disclosed in the above sections headed "Business Overview" and "Outlook" and in this sub-section.

A brief review on the development projects and properties of the Group (other than those owned by Regal REIT), which are all wholly owned by the Group, and those undertaken by P&R and its listed subsidiary, Cosmopolitan, and on the Group's financial assets and other investments is set out below.

**Hong Kong**

*Regala Skycity Hotel, the Hong Kong International Airport*
In February 2017, a wholly owned subsidiary of Regal secured the award from the Airport Authority in Hong Kong of the development right for this new hotel project at the Hong Kong International Airport.

The hotel project has a site area of approximately 6,650 square metres (71,580 square feet) and permissible gross floor area of 33,700 square metres (362,750 square feet). The hotel has 13 storeys (including one basement floor) with a total of 1,208 guestrooms and suites, complemented with extensive banquet, meeting and food and beverage facilities. It has direct linkage to the Asia World Expo, the 11 Skies compound as well as the expanded Terminal 2 of the Hong Kong International Airport scheduled to become operational by phases from end 2025 onwards. The hotel licence was issued in November 2021 and the hotel grand opened in April 2023.

This new hotel embraces a wide range of sustainable features in its building design, construction and operation and was awarded Gold Rating under BEAM Plus Certification and

EarthCheck Design Certified Gold Rating. The hotel also received a number of international design awards including the Muse Design Gold Award, Build4Asia Silver Award, A'Design Silver Award and International Property Award.

*The Queens, No.160 Queen's Road West, Hong Kong*

The project has a combined site area of 682 square metres (7,342 square feet) and has been developed into a commercial/residential building with gross floor area of about 5,826 square metres (62,711 square feet). The building has a total of 130 residential units with club house facilities on the second floor, a landscape garden on the third floor and commercial accommodations on the ground and first floors. The occupation permit was obtained in August 2022.

7 residential units were sold on the first launch of units sale in April 2021. As of this date, a total of 81 residential units have been leased out on short tenure. The sale of the remaining residential units, including those leased units, is presently planned to be launched in the second quarter of this year.

*Nos.227-227C Hai Tan Street, Sham Shui Po, Kowloon*

100% ownership interests in the subject redevelopment properties have been acquired through the judicial proceedings for Land Compulsory Sale. The project has a total site area of 431 square metres (4,644 square feet) and is intended for a commercial/residential development with gross floor area of about 3,691 square metres (39,733 square feet). Demolition works of the existing buildings have recently been completed.

*Regalia Bay, 88 Wong Ma Kok Road, Stanley, Hong Kong*

The contracted sale of one garden house in Regalia Bay has been completed in July 2024. The Regal group still retains 8 garden houses with total gross area of about 3,719 square metres (40,032 square feet), some of which will continue to be disposed of if the price offered is favourable.

**Overseas**

*Campus La Mola, Barcelona, Spain*

This hotel property has a total of 186 guestrooms and was acquired by the Group in 2014. The hotel is presently under lease to an independent third party, which is generating steady rental income.

*41 Kingsway, London WC2B 6TP, the United Kingdom*

This is a freehold historical building located at a prime location in London, acquired by the Group in 2019. This iconic property has total 9 storeys (including 1 basement) with a total gross floor area of approximately 2,150 square metres (23,140 square feet).

Negotiations are being conducted with a prospective purchaser for the sale of this subject property.

*Fabrik, Rua Dos Fanqueiros 156, Lisbon, Portugal*

This is a rehabilitation and renovation project for a historical building located in a heritage conservation area of Lisbon, acquired in 2019 by an entity that is now wholly owned by the Group. This building has a total gross floor area of about 1,836 square metres (19,768 square feet), comprising residential apartments as well as shops on ground floor. The renovation works have been completed and the relevant usage permits were obtained in August 2024. Negotiations are also in progress for the disposal of this renovated property on an en-bloc basis.

**JOINT VENTURE – P&R HOLDINGS LIMITED**

P&R is a 50/50 owned joint venture established with Paliburg, with capital contributions provided by the Company and Paliburg on a pro-rata basis in accordance with their respective shareholdings. P&R's business scope encompasses the development of real estate projects for sale and/or leasing, the undertaking of related investment and financing activities, and the acquisition or making of any investments (directly or indirectly) in the financial assets of or interests in, or extending loans to, any private, public or listed corporations or undertakings that have interests in real estate projects or other financial activities where the underlying assets or security comprise real estate properties.

Further information relating to the property development projects undertaken and properties owned by the P&R group in Hong Kong (which, unless otherwise denoted, are all wholly owned by the P&R group) is set out below:

*Domus and Casa Regalia, Nos.65-89 Tan Kwai Tsuen Road, Yuen Long, New Territories*
This residential project, which was completed in 2016, has a site area of approximately 11,192 square metres (120,470 square feet) and provides a total of 170 units, comprising 36 garden houses and a low-rise apartment block with 134 units, having aggregate gross floor area of approximately 11,192 square metres (120,470 square feet).

All the units in the apartment block, named Domus, had been sold. The garden houses comprised within this development are named as Casa Regalia. One house was contracted to be sold in July 2024 and the sale transaction completed in the following August. 7 houses in Casa Regalia are still being retained and will continue to be disposed of.

*We Go MALL, No.16 Po Tai Street, Ma On Shan, Sha Tin, New Territories*
This development has a site area of 5,090 square metres (54,788 square feet) and a maximum permissible gross floor area of 15,270 square metres (164,364 square feet). The site has been developed into a shopping mall with 5 storeys above ground level and 1 storey of basement floor. This shopping mall was opened for business in 2018 and is held for rental income. The leasing status of this shopping mall remained steady during the year.

*The Ascent, No.83 Shun Ning Road, Sham Shui Po, Kowloon*
This is a project undertaken pursuant to a tender award from the Urban Renewal Authority of Hong Kong in 2014. The land has a site area of 824.9 square metres (8,879 square feet) and has been developed into a 28-storey commercial/residential building (including 1 basement floor) with total gross floor area of 7,159 square metres (77,059 square feet), providing 157 residential units, 2 storeys of shops and 1 storey of basement car parks. The project was completed in 2018. All the residential units as well as certain shops and car parks have already been disposed of. The remaining 2 shops and 5 car parks will continue to be sold.

*Mount Regalia, 23 Lai Ping Road, Kau To, Sha Tin, New Territories*
The project has a site area of 17,476 square metres (188,100 square feet) which has been developed into a luxury residential complex comprising 7 mid-rise apartment blocks with 136

units, 24 detached garden houses and 197 car parking spaces, with aggregate gross floor area of approximately 32,474 square metres (349,547 square feet). The occupation permit was issued in September 2018 and the certificate of compliance in February 2019.

This development received eight international awards including winner of Luxury Lifestyle Awards as Best Luxury Residential Development and Best Luxury Sustainable Residential Development in Hong Kong in 2021 as well as for the superb interior designs of certain of its show houses and apartment units.

Up to date, a total of 20 garden houses and 59 apartment units have been sold or contracted to be sold for a total sale price of HK$4,483.0 million, including 6 apartment units that were contracted to be sold in 2024, of which the sale transactions for 19 houses and 55 apartment units with total sale price of HK$4,195.3 million have been completed. Sale transactions completed during 2024 included 1 house and 5 apartment units (total sale price of HK$355.1 million) and the profits derived therefrom accounted for in the results under review. Apart from those that have been sold or contracted to be sold and one house that was leased with an option to the lessee to purchase, the remaining 3 houses and 77 apartment units command significant value. The marketing for the disposal of these remaining units is ongoing.

*iclub Mong Kok Hotel, 2 Anchor Street, Mong Kok, Kowloon*

This is a hotel development project undertaken through a tender award from the Urban Renewal Authority of Hong Kong in 2015. The project has a site area of 725.5 square metres (7,809 square feet), with total permissible gross floor area of approximately 6,529 square metres (70,278 square feet) and covered floor area of approximately 9,355 square metres (100,697 square feet).

The project has been developed into a 20-storey hotel, comprising 288 guestrooms with ancillary facilities, which commenced business in March 2019. The hotel is presently self-operated by P&R and managed by the Regal group.

*iclub AMTD Sheung Wan Hotel, No.5 Bonham Strand West, Sheung Wan, Hong Kong*

The project has an aggregate site area of approximately 345 square metres (3,710 square feet) and has been developed into a hotel with 98 guestrooms and suites (total 162 room bays), with total gross floor area of approximately 5,236 square metres (56,360 square feet) and covered floor area of approximately 7,118 square metres (76,618 square feet).

Following the divesture by P&R of a 50% beneficial interest in December 2019, the property is presently 50% owned by each of P&R and AMTD Properties Limited. This hotel was officially opened for business in November 2020 and has since been self-operated by the joint venture entity and managed by the Regal group.

*Nos.9-19 Kam Wa Street, Shau Kei Wan, Hong Kong*

The subject properties, which were acquired through private treaty transactions, have a total site area of 518 square metres (5,580 square feet). The demolition works for this project have been completed and the scheme for a commercial/residential development is being finalised.

*Nos.291-293 and 301-303 Castle Peak Road, Cheung Sha Wan, Kowloon*

Following the conclusion of the Land Compulsory Sale process in August 2024, the Group has successfully consolidated 100% ownership interests in the subject properties.

Certain parts of the existing properties at Nos.301-303 Castle Peak Road are presently classified as a Grade 2 Historic Building. A conservation proposal in conjunction with the proposed development is being discussed with the relevant government authorities, which would involve conserving the verandah portion of historical heritage within the new development, thus preserving its unique iconic image in the vicinity. Demolition works for the existing buildings at Nos.291-293 Castle Peak Road are in progress.

## COSMOPOLITAN INTERNATIONAL HOLDINGS LIMITED

Cosmopolitan is a listed subsidiary of Paliburg held through P&R. Further information relating to the property projects of the Cosmopolitan group in the PRC, all of which are wholly owned, is set out below:

**Property Development**

*Chengdu Project – Regal Cosmopolitan City*

Located in the Xindu District in Chengdu, Sichuan Province, the project is a mixed use development consisting of residential, hotel, commercial and office components, with an overall total gross floor area of approximately 495,000 square metres (5,330,000 square feet).

All the residential units in the third stage have been sold in prior years. Total proceeds from the sales of the residential units amounted to approximately RMB2,048.3 million (HK$2,189.8 million).

The sale of the shops with about 4,110 square metres (44,250 square feet) comprised in the third stage is in progress. Up to date, a total of 4,002 square metres (43,078 square feet) of shops have been sold or contracted to be sold, for aggregate sale considerations of approximately RMB93.2 million (HK$99.6 million). The sale of the 1,389 car parking spaces is continuing and, up to date, 475 car parking spaces have been sold or contracted to be sold, for aggregate sales proceeds of approximately RMB51.6 million (HK$55.2 million). Most of these sale transactions have already been completed and the revenues accounted for in prior financial years.

The interior construction works of the 325-room hotel have been completed. The Completion Certificate for this hotel property has been obtained in January 2024 and the Real Property Ownership Certificate in January 2025.

The construction works of the remaining commercial components also within the third stage of the development, comprising a commercial complex of about 52,500 square metres (565,100 square feet) and five towers of office accommodations of about 86,000 square metres (925,700 square feet), have all been substantially completed. The market repositioning works of the shopping mall and certain office towers are also in progress.

The presale programme for the units in one of the office towers, consisting of 434 units with a total of about 20,000 square metres (215,200 square feet), commenced in 2021. Up to date, 328 office units with a total of about 14,665 square metres (157,854 square feet) have been sold under contracts or subscribed by prospective purchasers, for an aggregate sale consideration of RMB126.0 million (HK$134.7 million).

The sale of the shops of about 2,650 square metres (28,550 square feet) comprised in the commercial portion of the office tower on sale has also commenced in 2022. Up to date, a total of 5 shop units of about 274 square metres (2,949 square feet) have been contracted for sale, for aggregate sale considerations of approximately RMB8.1 million (HK$8.7 million).

Overall, due to the slackened demand, the progress achieved so far on the sale of these office and shop units was relatively slow. However, since the rolling out of the stimulus policies by the Central Government in September last year, the property market in Chengdu has started to recover steadily. The disposal of these remaining properties is under active planning, having regard to the changing market conditions.

*Tianjin Project – Regal Renaissance*

Located in the Hedong District in Tianjin, this project is a mixed use development comprising residential, commercial and office components with total gross floor area of about 145,000 square metres (1,561,000 square feet).

All residential units in this development have been sold. The programme for the sale of shops with a total area of about 19,000 square metres (205,000 square feet) in the commercial complex was ongoing. During the year under review, shops with a total area of 9,744 square metres (104,884 square feet) have been sold for aggregate sale considerations of approximately RMB185.4 million (HK$200.8 million). Certain parts of the commercial complex have been leased out for rental income.

The remaining components in this development, which have all been completed, mainly consist of two office towers atop of a four-storey podium. With the improving market environment over the past few months, plans are being devised for the commencement of the sale programme for the units in the office towers later this year.

*Xinjiang Project*

This is a re-forestation and land grant project for a land parcel with site area of about 7,600 mu undertaken in accordance with the relevant laws and policies in Urumqi, Xinjiang Uygur

Autonomous Region. The Cosmopolitan group has re-forested an aggregate area of about 4,300 mu within the project site and in accordance with the relevant government policies of Urumqi, a parcel of land with an area of about 1,843 mu (1,228,700 square metres) would be available for real estate development after the requisite inspection of the required re-forestation area, land grant listing and tender procedures are completed. The Cosmopolitan group will be entitled to participate in the tender of such land use right and monetary compensation in reference to the re-forestation cost of the Cosmopolitan group incurred.

The Cosmopolitan group continues to maintain the overall re-forested area. Based on the legal advice obtained, the legitimate interests of the Cosmopolitan group in the relevant re-forestation contract remain valid and effective.

### FINANCIAL ASSETS AND OTHER INVESTMENTS

The Group holds a significant portfolio of investments comprising listed securities and other investments, including investment funds, private equities, bonds as well as treasury and yield enhancement products. Due to the weakness in the local capital market during the year under review, the Group's performance in this business segment has been adversely affected and recorded for the year a net loss in its financial assets investments business.

## FINANCIAL REVIEW

### ASSETS VALUE

The Group's hotel properties in Hong Kong owned by Regal REIT, with the exception of the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel and the iclub To Kwa Wan Hotel, were stated in the financial statements at their fair values as at 23rd July, 2010 when Regal REIT became a subsidiary of the Group, plus subsequent capital additions and deducting accumulated depreciation. The market valuations of these hotel properties have since appreciated substantially as a whole but have not been reflected in the Group's financial statements. Moreover, the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel and the iclub To Kwa Wan Hotel were stated in the Group's financial statements at their fair values at the time of acquisition net of the unrealised gain attributable to the Group and are also subject to depreciation and impairment, while the Regala Skycity Hotel completed in 2021 is stated at cost and also subject to depreciation. For the purpose of providing supplementary information, if the Group's entire hotel property portfolio in Hong Kong is restated in the consolidated financial statements at market value as at 31st December, 2024, the unaudited adjusted net asset value of the ordinary shares of the Company would be HK$18.07 per share, computed as follows:

| | As at 31st December, 2024 | |
|---|---|---|
| | **HK$'M** | **HK$ per ordinary share** |
| **Book net assets attributable to equity holders of the parent** | **6,432.8** | **7.16** |
| **Adjustment to restate the Group's hotel property portfolio in Hong Kong at its market value and add back any relevant deferred tax liabilities** | **9,808.6** | **10.91** |
| **Unaudited adjusted net assets attributable to equity holders of the parent** | **16,241.4** | **18.07** |

## CAPITAL RESOURCES AND FUNDING

### Funding and Treasury Policy

The Group adopts a prudent funding and treasury policy with regard to its overall business operations. Cash balances are mostly placed on bank deposits, and treasury and yield enhancement products are deployed when circumstances are considered to be appropriate.

Hotel and property development projects in Hong Kong are financed partly by internal resources and partly by bank financing. Project financing in Hong Kong is normally arranged to cover a part of the land cost and a major portion or the entire amount of the construction cost, with the loan maturity tied in to the estimated project completion date. Project financings for the projects in overseas may be arranged, if terms are considered appropriate, to cover a part of the land costs and/or construction costs, and with the loan maturities aligning with the estimated project completion dates and/or sales forecast.

The Group's banking facilities are mostly denominated in Hong Kong dollars with interest primarily determined by reference to the interbank offered rates. The use of hedging instruments for interest rate purposes to cater to business and operational needs is kept under review by the Group's management from time to time. As regards the Group's overseas investments which are denominated in currencies other than US dollars and Hong Kong dollars, the Group may consider, when deemed appropriate, hedging part or all of the investment amounts into US dollars or Hong Kong dollars to contain the Group's exposure to currency fluctuations.

**Cash Flows**

During the year under review, there were net cash flows generated from operating activities of HK$428.6 million (2023 – HK$556.1 million). Net interest payment for the year amounted to HK$831.6 million (2023 – HK$826.5 million).

**Borrowings and Gearing**

As at 31st December, 2024, the Group had cash and bank balances and deposits of HK$1,093.8 million (2023 – HK$1,684.9 million) and the Group's borrowings, net of cash and bank balances and deposits, amounted to HK$14,500.6 million (2023 – HK$14,483.3 million).

As at 31st December, 2024, the gearing ratio of the Group was 58.1% (2023 – 50.8%), representing the Group's borrowings, net of cash and bank balances and deposits, of HK$14,500.6 million (2023 – HK$14,483.3 million), as compared to the total assets of the Group of HK$24,973.7 million (2023 – HK$28,518.7 million).

On the basis of the adjusted total assets as at 31st December, 2024 of HK$37,554.8 million (2023 – HK$40,901.0 million) with the Group's hotel portfolio in Hong Kong restated at its market value on the basis presented above, the gearing ratio would be 38.6% (2023 – 35.4%).

Details of the maturity profile of the borrowings of the Group as of 31st December, 2024 are shown in the consolidated financial statements ("Financial Statements") contained in the annual report of the Company for the year ended 31st December, 2024 (the "2024 Annual Report") to be published on or before 30th April, 2025.

**Lease Liabilities**

As at 31st December, 2024, the Group had lease liabilities of HK$10.6 million (2023 – HK$18.2 million).

**Pledge of Assets**

As at 31st December, 2024, the Group's properties held for sale and certain of the Group's property, plant and equipment, investment properties, right-of-use assets, properties under development, time deposits and bank balances in the total amount of HK$19,871.2 million (2023 – HK$20,529.1 million) were pledged to secure banking facilities granted to the Group as well as bank guarantees procured by the Group pursuant to certain lease guarantees in connection with the leasing of the hotel properties from Regal REIT.

The equity interests in the relevant holding company of a property development project was also pledged to secure the other borrowing of the Group (2023 – Nil).

**Capital Commitments**

Details of the capital commitments of the Group as at 31st December, 2024 are shown in the Financial Statements.

**Contingent Liabilities**

Details of the contingent liabilities of the Group as at 31st December, 2024 are shown in the Financial Statements.

## DIVIDEND

The Directors have resolved not to recommend the payment of a final dividend to holders of ordinary shares for the year ended 31st December, 2024 (2023 – Nil). No interim dividend was paid for the year ended 31st December, 2024 (2023 – Nil).

## ANNUAL GENERAL MEETING

An Annual General Meeting of the Company will be convened to be held on Tuesday, 10th June, 2025. The Notice of the Annual General Meeting will be published on the websites of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Company and sent to the shareholders of the Company, together with the Company's 2024 Annual Report, in due course.

## CLOSURE OF REGISTER

For the purpose of ascertaining shareholders' entitlement to attend and vote at the 2025 Annual General Meeting, the Register of Ordinary Shareholders of the Company will be closed from Thursday, 5th June, 2025 to Tuesday, 10th June, 2025, both days inclusive, during which period no transfers of ordinary shares will be effected. In order to be entitled to attend and vote at the 2025 Annual General Meeting, all transfers of ordinary shares, duly accompanied by the relevant share certificates, must be lodged with the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on Wednesday, 4th June, 2025.

## YEAR END RESULTS

**Consolidated Statement of Profit or Loss**

| | Year ended 31st December, 2024 HK$'M | Year ended 31st December, 2023 HK$'M |
|---|---|---|
| REVENUE (Notes 2 & 3) | **1,825.8** | 1,792.2 |
| Cost of sales | **(1,138.0)** | (1,139.9) |
| Gross profit | **687.8** | 652.3 |
| Other income and gains, net (Note 3) | **287.8** | 153.0 |
| Fair value losses on financial assets at fair value through profit or loss, net | **(1,080.1)** | (914.2) |
| Fair value losses on investment properties, net | **(118.1)** | (16.7) |
| Fair value gain upon reclassification of properties held for sale to investment properties | **–** | 241.6 |
| Reversal of impairment loss/(Impairment loss) of items of property, plant and equipment and right-of-use assets | **(37.9)** | 15.3 |
| Impairment loss on properties under development | **(53.2)** | (42.5) |
| Impairment loss on properties held for sale | **(10.1)** | – |
| Impairment loss on other receivables | **(100.1)** | – |
| Impairment loss on investments in associates | **(0.8)** | (0.1) |
| Property selling and marketing expenses | **(7.7)** | (2.3) |
| Administrative expenses | **(274.0)** | (268.1) |
| OPERATING LOSS BEFORE DEPRECIATION | **(706.4)** | (181.7) |
| Depreciation | **(603.3)** | (618.6) |
| OPERATING LOSS (Note 4) | **(1,309.7)** | (800.3) |
| Finance costs (Note 5) | **(993.9)** | (969.0) |
| Share of profits and losses of: | | |
| Joint ventures | **(419.4)** | (181.7) |
| An associate | **1.5** | (0.1) |
| LOSS BEFORE TAX | **(2,721.5)** | (1,951.1) |
| Income tax (Note 6) | **(11.5)** | 19.5 |
| LOSS FOR THE YEAR BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS | **(2,733.0)** | (1,931.6) |

**Consolidated Statement of Profit or Loss (Cont'd)**

| | **Year ended 31st December, 2024** | **Year ended 31st December, 2023** |
|---|---|---|
| | **HK$'M** | **HK$'M** |
| Attributable to: | | |
| Equity holders of the parent | **(2,597.8)** | (1,791.9) |
| Non-controlling interests | **(135.2)** | (139.7) |
| | **(2,733.0)** | (1,931.6) |
| LOSS PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (Note 8) | | |
| Basic and diluted | **HK$(3.02)** | HK$(2.12) |

**Consolidated Statement of Comprehensive Income**

| | Year ended 31st December, 2024 HK$'M | Year ended 31st December, 2023 HK$'M |
|---|---|---|
| LOSS FOR THE YEAR BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS | **(2,733.0)** | (1,931.6) |
| OTHER COMPREHENSIVE INCOME/(LOSS) | | |
| Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods: | | |
| Cash flow hedges: | | |
| Changes in fair value of cash flow hedges | **12.6** | – |
| Transfer from hedging reserve to profit or loss | **(10.9)** | – |
| | **1.7** | – |
| Exchange differences on translating foreign operations | **(28.1)** | 16.7 |
| Share of other comprehensive loss of: | | |
| A joint venture | **(16.8)** | (15.4) |
| An associate | **(0.1)** | – |
| Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods | **(43.3)** | 1.3 |
| Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods: | | |
| Gains on property valuation | **–** | 2.2 |
| Share of other comprehensive income/(loss) of: | | |
| A joint venture | **(5.2)** | 137.3 |
| Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods | **(5.2)** | 139.5 |
| OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR | **(48.5)** | 140.8 |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | **(2,781.5)** | (1,790.8) |
| Attributable to: | | |
| Equity holders of the parent | **(2,646.7)** | (1,651.1) |
| Non-controlling interests | **(134.8)** | (139.7) |
| | **(2,781.5)** | (1,790.8) |

**Consolidated Statement of Financial Position**

| | 31st Dec, 2024 | 31st Dec, 2023 | 1st Jan, 2023 |
|---|---|---|---|
| | | (Restated) | (Restated) |
| | HK$'M | HK$'M | HK$'M |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | **5,139.8** | 5,743.4 | 6,014.4 |
| Investment properties | **1,100.1** | 1,336.5 | 595.4 |
| Right-of-use assets | **12,257.9** | 12,534.9 | 12,857.5 |
| Properties under development | **399.9** | 451.0 | 490.8 |
| Investments in joint ventures | **2,259.3** | 2,817.7 | 3,122.9 |
| Investments in associates | **9.3** | 8.7 | 8.8 |
| Financial assets at fair value through profit or loss | **416.3** | 582.5 | 757.6 |
| Other loan | **857.0** | – | 357.0 |
| Debtors and deposits (Note 9) | **6.8** | 79.5 | 84.4 |
| Derivative financial instruments | **9.9** | – | – |
| Deferred tax assets | **47.7** | 47.7 | 47.7 |
| Intangible assets | **3.6** | 3.6 | 6.8 |
| Total non-current assets | **22,507.6** | 23,605.5 | 24,343.3 |
| CURRENT ASSETS | | | |
| Properties under development | – | 88.9 | 85.0 |
| Properties held for sale | **994.9** | 919.9 | 1,370.0 |
| Inventories | **21.2** | 23.8 | 25.6 |
| Debtors, deposits and prepayments (Note 9) | **274.8** | 211.1 | 287.8 |
| Financial assets at fair value through profit or loss | **77.2** | 1,039.9 | 1,932.5 |
| Other loan | – | 847.2 | 382.2 |
| Derivative financial instruments | **0.3** | 93.9 | 70.1 |
| Tax recoverable | **3.9** | 3.6 | 6.8 |
| Restricted cash | **351.4** | 531.1 | 151.6 |
| Pledged time deposits and bank balances | **291.7** | 166.7 | 163.7 |
| Time deposits | **31.5** | 409.0 | 827.4 |
| Cash and bank balances | **419.2** | 578.1 | 601.8 |
| Total current assets | **2,466.1** | 4,913.2 | 5,904.5 |

**Consolidated Statement of Financial Position (Cont'd)**

| | 31st Dec, 2024 | 31st Dec, 2023 | 1st Jan, 2023 |
|---|---|---|---|
| | | (Restated) | (Restated) |
| | HK$'M | HK$'M | HK$'M |
| CURRENT LIABILITIES | | | |
| Creditors, deposits received and accruals (Note 10) | **(379.5)** | (391.6) | (389.5) |
| Contract liabilities | **(63.0)** | (54.9) | (53.9) |
| Lease liabilities | **(7.8)** | (11.7) | (10.8) |
| Interest bearing bank borrowings | **(4,912.4)** | (2,102.3) | (5,646.6) |
| Other borrowing | **(73.0)** | – | – |
| Tax payable | **(33.0)** | (20.1) | (21.6) |
| Total current liabilities | **(5,468.7)** | (2,580.6) | (6,122.4) |
| NET CURRENT ASSETS/(LIABILITIES) | **(3,002.6)** | 2,332.6 | (217.9) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | **19,505.0** | 25,938.1 | 24,125.4 |
| NON-CURRENT LIABILITIES | | | |
| Creditors and deposits received (Note 10) | **(53.6)** | (108.1) | (101.6) |
| Lease liabilities | **(2.8)** | (6.5) | (15.7) |
| Interest bearing bank borrowings | **(10,609.0)** | (14,065.9) | (9,929.1) |
| Derivative financial instruments | **(0.7)** | – | – |
| Deferred tax liabilities | **(624.0)** | (647.1) | (687.6) |
| Total non-current liabilities | **(11,290.1)** | (14,827.6) | (10,734.0) |
| Net assets | **8,214.9** | 11,110.5 | 13,391.4 |
| EQUITY | | | |
| **Equity attributable to equity holders of the parent** | | | |
| Issued capital | **89.9** | 89.9 | 89.9 |
| Reserves | **6,342.9** | 9,103.7 | 11,236.7 |
| | **6,432.8** | 9,193.6 | 11,326.6 |
| **Perpetual securities** | **1,732.9** | 1,732.9 | 1,732.9 |
| **Non-controlling interests** | **49.2** | 184.0 | 331.9 |
| Total equity | **8,214.9** | 11,110.5 | 13,391.4 |

Notes:

1. Basis of Preparation and Accounting Policies

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

The Group had a net loss attributable to owners of the parent of HK$2,597.8 million (2023 – HK$1,791.9 million) for the year ended 31st December, 2024 and net current liabilities of HK$3,002.6 million (2023 – net current assets of HK$2,332.6 million) and net assets of HK$8,214.9 million (2023 – HK$11,110.5 million) as at 31st December, 2024. In addition, the Group had total non-pledged time deposits, cash and bank balances of HK$450.7 million as at 31st December, 2024 and a positive net cash flows from operating activities of HK$428.6 million for the year ended 31st December, 2024.

The financial statements were prepared based on the assumption that the Group can be operated as a going concern and the Directors are of the view that the Group will have sufficient working capital to finance its operations in the next twelve months from 31st December, 2024, after taking into consideration the following:

(i) the estimated cash flows of the Group for the next twelve months from the end of the reporting period;
(ii) the plan for disposal under negotiations with potential purchasers of certain non-core assets including certain overseas properties of the Group;
(iii) the refinancing plan for the interest bearing bank borrowings in the principal amount of HK$4,765.0 million maturing within the next twelve months from the

end of the reporting period, which are secured by certain properties of the Group with fair value in aggregate of HK$9,067.0 million; and

(iv) the available unutilised banking facilities of the Group.

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

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

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

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

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

The Group has reassessed the terms and conditions of its liabilities as at 1st January, 2023 and 2024 upon initial application of the amendments. As at 1st January, 2023 and 2024, the Group had 5 interest bearing bank loans with carrying amounts of HK$1,707.9 million and HK$851.8 million, respectively, which were repayable within 12 months. These loans were drawn down from 3 to 5-year banking facilities expiring between April 2024 to August 2026 and the Group has the right to roll over these loans for another year subject to the compliance with certain annual covenant tests every year. Prior to the initial application of the amendments, these interest bearing bank loans were classified as current liabilities as the Group did not have an unconditional right to defer the settlement for at least 12 months after the reporting period. Upon initial application of the amendments, these loans were reclassified as non-current liabilities since the Group has the right to roll over the interest bearing bank loans for at least twelve months after 1st January, 2023 and 2024 under its existing loan facilities while covenants to be complied with after 1st January, 2023 and 2024 do not affect the classification of such loans as current or non-current. The quantitative impact on the consolidated statement of financial position is summarised below.

| | **Increase/(Decrease)** | | |
|---|---|---|---|
| | **As at 31st December, 2024** | **As at 31st December, 2023** | **As at 1st January, 2023** |
| | **HK$'M** | **HK$'M** | **HK$'M** |
| CURRENT LIABILITIES | | | |
| Interest bearing bank borrowings | (1,086.7) | (851.8) | (1,707.9) |
| NET CURRENT ASSETS/(LIABILITIES) | 1,086.7 | 851.8 | 1,707.9 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 1,086.7 | 851.8 | 1,707.9 |
| NON-CURRENT LIABILITIES | | | |
| Interest bearing bank borrowings | 1,086.7 | 851.8 | 1,707.9 |

The adoption of the amendments did not have any impact on the basic and diluted loss per share attributable to equity holders of the parent, profit or loss, other comprehensive income and the consolidated statements of cash flows for the years ended 31st December, 2024 and 2023.

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

2. Operating Segment Information

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

(a) the hotel operation and management and hotel ownership segment engages in hotel operations and the provision of hotel management services, and the ownership in hotel properties for rental income;

(b) the asset management segment engages in the provision of asset management services to Regal REIT;

(c) the property development and investment segment includes investments in properties for sale and for rental income, and the provision of property agency and management services;

(d) the financial assets investments segment engages in trading of financial assets at fair value through profit or loss and other financial assets investments;

(e) the aircraft ownership and leasing segment engages in the aircraft ownership and leasing for rental income; and

(f) the others segment mainly comprises sale of food products, operation and management of restaurants, the provision of housekeeping and related services and provision of construction engineering services.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's loss before tax except that certain interest income, non-lease-related finance costs, head office and corporate gains and expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, tax recoverable, restricted cash, pledged time deposits and bank balances, time deposits, cash and bank balances, and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest bearing bank borrowings, other borrowing, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's operating segments for the years ended 31st December, 2024 and 2023:

| | **Hotel operation and management and hotel ownership** | | **Asset management** | | **Property development and investment** | | **Financial assets investments** | | **Aircraft ownership and leasing** | | **Others** | | **Eliminations** | | **Consolidated** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2024 HK$'M** | **2023 HK$'M** | **2024 HK$'M** | **2023 HK$'M** | **2024 HK$'M** | **2023 HK$'M** | **2024 HK$'M** | **2023 HK$'M** | **2024 HK$'M** | **2023 HK$'M** | **2024 HK$'M** | **2023 HK$'M** | **2024 HK$'M** | **2023 HK$'M** | **2024 HK$'M** | **2023 HK$'M** |
| Segment revenue (Note 3): | | | | | | | | | | | | | | | | |
| Sales to external customers | 1,717.6 | 1,676.5 | - | - | 17.9 | 14.1 | 6.5 | 14.2 | 18.0 | 29.4 | 65.8 | 58.0 | - | - | 1,825.8 | 1,792.2 |
| Intersegment sales | 0.2 | 2.6 | 93.1 | 91.1 | 3.4 | 2.4 | - | - | - | - | 167.4 | 178.2 | (264.1) | (274.3) | - | - |
| Total | 1,717.8 | 1,679.1 | 93.1 | 91.1 | 21.3 | 16.5 | 6.5 | 14.2 | 18.0 | 29.4 | 233.2 | 236.2 | (264.1) | (274.3) | 1,825.8 | 1,792.2 |
| Segment results before depreciation | 518.0 | 487.5 | (14.9) | (16.5) | (118.6) | 284.2 | (1,166.7) | (901.0) | 147.9 | 40.9 | (6.7) | (12.3) | - | - | (641.0) | (117.2) |
| Depreciation | (593.8) | (605.1) | (0.1) | - | (4.0) | (4.0) | - | - | (2.8) | (6.7) | (2.6) | (2.8) | - | - | (603.3) | (618.6) |
| Segment operating results | (75.8) | (117.6) | (15.0) | (16.5) | (122.6) | 280.2 | (1,166.7) | (901.0) | 145.1 | 34.2 | (9.3) | (15.1) | - | - | (1,244.3) | (735.8) |
| Unallocated interest income and unallocated non-operating and corporate gains | | | | | | | | | | | | | | | 29.4 | 28.5 |
| Unallocated non-operating and corporate expenses, net | | | | | | | | | | | | | | | (95.3) | (93.7) |
| Finance costs (other than interest on lease liabilities) | | | | | | | | | | | | | | | (993.4) | (968.3) |
| Share of profits and losses of: | | | | | | | | | | | | | | | | |
| Joint ventures | - | - | - | - | (419.4) | (181.7) | - | - | - | - | - | - | - | - | (419.4) | (181.7) |
| An associate | - | - | - | - | 1.5 | (0.1) | - | - | - | - | - | - | - | - | 1.5 | (0.1) |
| Loss before tax | | | | | | | | | | | | | | | (2,721.5) | (1,951.1) |
| Income tax | | | | | | | | | | | | | | | (11.5) | 19.5 |
| Loss for the year before allocation between equity holders of the parent and non-controlling interests | | | | | | | | | | | | | | | (2,733.0) | (1,931.6) |
| Attributable to: | | | | | | | | | | | | | | | | |
| Equity holders of the parent | | | | | | | | | | | | | | | (2,597.8) | (1,791.9) |
| Non-controlling interests | | | | | | | | | | | | | | | (135.2) | (139.7) |
| | | | | | | | | | | | | | | | (2,733.0) | (1,931.6) |

| | Hotel operation and management and hotel ownership | | Asset management | | Property development and investment | | Financial assets investments | | Aircraft ownership and leasing | | Others | | Eliminations | | Consolidated | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2024 HK$'M** | **2023 HK$'M** | **2024 HK$'M** | **2023 HK$'M** | **2024 HK$'M** | **2023 HK$'M** | **2024 HK$'M** | **2023 HK$'M** | **2024 HK$'M** | **2023 HK$'M** | **2024 HK$'M** | **2023 HK$'M** | **2024 HK$'M** | **2023 HK$'M** | **2024 HK$'M** | **2023 HK$'M** |
| Segment assets | 17,612.2 | 18,150.4 | 33.0 | 32.6 | 3,400.5 | 3,722.6 | 500.6 | 1,722.5 | - | 329.2 | 42.1 | 26.9 | (31.9) | (31.5) | 21,556.5 | 23,952.7 |
| Investments in joint ventures | - | - | - | - | 2,259.3 | 2,817.7 | - | - | - | - | - | - | - | - | 2,259.3 | 2,817.7 |
| Investments in associates | - | - | - | - | 5.2 | 3.7 | - | - | - | - | 4.1 | 5.0 | - | - | 9.3 | 8.7 |
| Cash and unallocated assets | | | | | | | | | | | | | | | 1,148.6 | 1,739.6 |
| Total assets | | | | | | | | | | | | | | | 24,973.7 | 28,518.7 |
| Segment liabilities | (432.2) | (452.8) | (1.2) | (1.3) | (62.3) | (57.3) | (1.0) | (0.9) | (2.1) | (53.2) | (23.5) | (22.9) | 31.9 | 31.5 | (490.4) | (556.9) |
| Interest bearing bank borrowings and unallocated liabilities | | | | | | | | | | | | | | | (16,268.4) | (16,851.3) |
| Total liabilities | | | | | | | | | | | | | | | (16,758.8) | (17,408.2) |
| Other segment information: | | | | | | | | | | | | | | | | |
| Interest income | - | - | - | - | (109.0) | (94.1) | (2.1) | (5.8) | - | - | - | - | | | | |
| Impairment loss on properties under development | - | - | - | - | 53.2 | 42.5 | - | - | - | - | - | - | | | | |
| Impairment loss on properties held for sale | - | - | - | - | 10.1 | - | - | - | - | - | - | - | | | | |
| Impairment/(reversal of impairment) of trade debtors, net | (2.3) | 0.3 | - | - | - | - | - | - | - | - | - | - | | | | |
| Fair value losses on financial assets at fair value through profit or loss, net | - | - | - | - | - | - | 1,080.1 | 914.2 | - | - | - | - | | | | |
| Fair value (gains)/losses on investment properties | (6.4) | (7.0) | - | - | 124.5 | 23.7 | - | - | - | - | - | - | | | | |
| Fair value gain upon reclassification of properties held for sale to investment properties | - | - | - | - | - | (241.6) | - | - | - | - | - | - | | | | |
| Impairment loss/(reversal of impairment loss) on items of property, plant and equipment and right-of-use assets | - | (3.5) | - | - | 37.3 | - | - | - | - | (11.8) | 0.6 | - | | | | |
| Impairment loss on investment in associates | - | - | - | - | - | - | - | - | - | - | 0.8 | 0.1 | | | | |
| Impairment loss on other receivables | - | - | - | - | - | - | 99.0 | - | - | - | 1.1 | - | | | | |
| (Gain)/loss on disposal of items of property, plant and equipment | - | - | - | - | - | - | - | - | (83.7) | 1.1 | - | - | | | | |
| Write-off of intangible assets | - | - | - | - | - | - | - | - | - | - | - | 3.6 | | | | |
| Capital expenditure | 74.9 | 57.3 | 0.6 | 0.1 | 3.1 | 0.6 | - | - | - | - | 6.9 | 1.0 | | | | |

Geographical information

(a) Revenue from external customers

| | **2024** | **2023** |
|---|---|---|
| | **HK$'M** | **HK$'M** |
| Hong Kong | **1,778.0** | 1,742.5 |
| Mainland China | **15.9** | 3.8 |
| Other | **31.9** | 45.9 |
| | **1,825.8** | 1,792.2 |

The revenue information above is based on the locations of the customers, except for the property development and investment segment which is based on the locations of the properties.

(b) Non-current assets

| | **2024** | **2023** |
|---|---|---|
| | **HK$'M** | **HK$'M** |
| Hong Kong | **19,703.8** | 20,930.3 |
| Mainland China | **1,142.2** | 1,283.4 |
| Other | **323.9** | 682.1 |
| | **21,169.9** | 22,895.8 |

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

Information about major customer

No further information about major customer is presented as no more than 10% of the Group's revenue was derived from sales to any single customer.

3. Revenue, other income and gains, net are analysed as follows:

| | 2024<br>HK$'M | 2023<br>HK$'M |
|---|---|---|
| <u>Revenue</u> | | |
| *Revenue from contracts with customers* | | |
| Hotel operations and management services | **1,656.9** | 1,611.2 |
| Other operations | **70.5** | 64.7 |
| | **1,727.4** | 1,675.9 |
| *Revenue from other sources* | | |
| Rental income: | | |
| Hotel properties | **40.2** | 44.1 |
| Investment properties | **32.1** | 25.7 |
| Aircraft | **18.0** | 29.4 |
| Others | **1.6** | 2.6 |
| Gain from sale of financial assets at fair value through profit or loss, net | **3.0** | 7.0 |
| Interest income from financial assets at fair value through profit or loss | **1.7** | 5.5 |
| Dividend income from listed investments | **1.8** | 1.7 |
| Other operations | **–** | 0.3 |
| | **1,825.8** | 1,792.2 |

| | 2024 | 2023 |
|---|---|---|
| | **HK$'M** | **HK$'M** |
| <u>Other income and gains, net</u> | | |
| Bank interest income | **17.4** | 25.6 |
| Other interest income | **119.0** | 95.5 |
| Loss on disposal of unlisted investments included in financial assets at fair value through profit or loss | **(3.5)** | (7.1) |
| Dividend income from unlisted investments | **9.8** | 6.6 |
| Release of aircraft maintenance reserve | **50.3** | 9.1 |
| Gain/(loss) on disposal of items of properties, plant and equipment | **83.7** | (1.1) |
| Others | **11.1** | 24.4 |
| | **287.8** | 153.0 |

4. An analysis of depreciation of the Group is as follows:

| | 2024 | 2023 |
|---|---|---|
| | **HK$'M** | **HK$'M** |
| Depreciation of property, plant and equipment | **321.7** | 337.3 |
| Depreciation of right-of-use assets | **281.6** | 281.3 |
| | **603.3** | 618.6 |

5. Finance costs of the Group are as follows:

| | 2024 | 2023 |
|---|---|---|
| | **HK$'M** | **HK$'M** |
| Interest on bank loans | **959.1** | 922.0 |
| Interest on other borrowing | **0.7** | – |
| Interest on lease liabilities | **0.5** | 0.7 |
| Amortisation of debt establishment costs | **41.3** | 41.4 |
| Total interest expenses on financial liabilities not at fair value through profit or loss | **1,001.6** | 964.1 |
| Fair value changes on derivative financial instruments – cash flow hedges (transfer from hedging reserve) | **(10.9)** | – |
| Other loan costs | **3.3** | 5.3 |
| | **994.0** | 969.4 |
| Less: Finance costs capitalised | **(0.1)** | (0.4) |
| | **993.9** | 969.0 |

6. The income tax charge/(credit) for the year arose as follows:

| | 2024 | 2023 |
|---|---|---|
| | **HK$'M** | **HK$'M** |
| Current – Hong Kong | | |
| Charge for the year | **17.9** | 22.5 |
| Underprovision/(overprovision) in prior years | **14.1** | (0.9) |
| Deferred | **(20.5)** | (41.1) |
| Total tax charge/(credit) for the year | **11.5** | (19.5) |

The provision for Hong Kong profits tax has been calculated by applying the applicable tax rate of 16.5% (2023 – 16.5%) to the estimated assessable profits which were earned in or derived from Hong Kong during the year.

Taxes on the profits of subsidiaries operating overseas are calculated at the rates prevailing in the respective jurisdictions in which they operate.

The share of tax attributable to a joint venture amounting to HK$36.0 million (2023 – HK$23.5 million) is included in "Share of profits and losses of a joint venture and associates" in the consolidated statement of profit or loss.

7. Dividend:

No dividend was paid or proposed during the year ended 31st December, 2024, nor has any dividend been proposed since the end of the reporting period (2023 – Nil).

8. The calculation of the basic loss per ordinary share is based on the loss for the year attributable to equity holders of the parent of HK$2,597.8 million (2023 – HK$1,791.9 million), adjusted for the distribution related to perpetual securities of HK$114.1 million (2023 – HK$114.6 million), and on the weighted average of 898.8 million (2023 – 898.8 million) ordinary shares of the Company outstanding during the year.

No adjustment was made to the basic loss per ordinary share for the years ended 31st December, 2024 and 2023 as the Company had no potentially dilutive ordinary shares outstanding and therefore no diluting events existed throughout the years.

9. Included in debtors, deposits and prepayments is an amount of HK$105.9 million (2023 – HK$95.5 million) representing the trade debtors of the Group. The ageing analysis of these debtors as at the end of the reporting period, based on the invoice date, is as follows:

| | **2024** | **2023** |
|---|---|---|
| | **HK$'M** | **HK$'M** |
| Outstanding balances with ages: | | |
| Within 3 months | **88.3** | 78.5 |
| 4 to 6 months | **6.5** | 4.5 |
| 7 to 12 months | **7.6** | 4.9 |
| Over 1 year | **15.5** | 22.7 |
| | **117.9** | 110.6 |
| Impairment | **(12.0)** | (15.1) |
| | **105.9** | 95.5 |

Trade debtors, which generally have credit terms of 30 to 90 days, are recognised and carried at their original invoiced amounts less impairment.

The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade debtors relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over these balances.

10. Included in creditors, deposits received and accruals is an amount of HK$72.2 million (2023 – HK$79.8 million) representing the trade creditors of the Group. The ageing analysis of these creditors as at the end of the reporting period, based on the invoice date, is as follows:

| | 2024 | 2023 |
|---|---|---|
| | HK$'M | HK$'M |
| Outstanding balances with ages: | | |
| Within 3 months | **68.6** | 79.7 |
| 4 to 6 months | **3.2** | – |
| Over 1 year | **0.4** | 0.1 |
| | **72.2** | 79.8 |

The trade creditors are non-interest bearing and are normally settled within 90 days.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the year ended 31st December, 2024.

## SCOPE OF WORK OF INDEPENDENT AUDITORS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31st December, 2024 as set out in this preliminary results announcement have been agreed by the Company's auditors to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditors in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company's auditors on this preliminary results announcement.

## REVIEW OF RESULTS

The Audit Committee has reviewed the Group's draft consolidated financial statements for the year ended 31st December, 2024, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditors.

## CORPORATE GOVERNANCE

The Company has complied with the Code Provisions in the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange during the year ended 31st December, 2024, except that:

- The roles of the Chairman and Chief Executive Officer are not separated and performed by two different individuals, due to practical necessity to cater to the Group's corporate operating structure.

## BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises the following members:

***Executive Directors:***
Mr. LO Yuk Sui
*(Chairman and Chief Executive Officer)*
Ms. LO Po Man
*(Vice Chairman and Managing Director)*
Mr. Kelvin LEUNG So Po
Mr. Jimmy LO Chun To
Mr. Kenneth NG Kwai Kai
Mr. Allen WAN Tze Wai

***Non-Executive Directors:***
Dr. Francis CHOI Chee Ming, GBS, JP
*(Vice Chairman)*
Ms. Belinda YEUNG Bik Yiu, JP

***Independent Non-Executive Directors:***
Ms. Alice KAN Lai Kuen
Professor Japhet Sebastian LAW
Ms. Winnie NG, JP
Mr. WONG Chi Keung

By Order of the Board
**LO YUK SUI**
Chairman

Hong Kong, 28th March, 2025