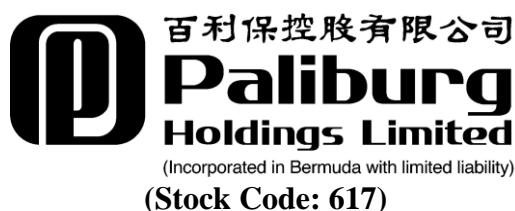


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ANNOUNCEMENT OF 2024 GROUP FINAL RESULTS

FINANCIAL AND BUSINESS HIGHLIGHTS

	Year 2024	Year 2023	% Change
	HK\$'M	HK\$'M	
Revenue	2,731.0	2,806.4	-2.7%
Gross profit	943.7	1,124.8	-16.1%
Operating profit/(loss) before depreciation, finance costs and tax*	(376.4)	277.8	N/A
Loss for the year attributable to equity holders of the parent	(1,643.4)	(1,042.0)	+57.7%
Basic loss per ordinary share attributable to equity holders of the parent	HK\$(1.55)	HK\$(1.01)	+53.5%
	As at 31st December,		
	Year 2024	Year 2023	
	(Unaudited)	(Unaudited)	
Net asset value per ordinary share attributable to equity holders of the parent			
Book	HK\$7.61	HK\$9.21	-17.4%
Adjusted**	HK\$13.12	HK\$14.65	-10.4%

* 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\$1,643.4 million, while in the preceding financial year, a loss of HK\$1,042.0 million was recorded.
- The Group's core businesses mainly comprise property development and investment and hotel ownership and operations. Due to the sluggish market conditions of the real estate sectors in Hong Kong and China, the progress achieved in the sale of the Group's properties during the year was slower than expected and, consequently, the profit contribution from property sales was below that attained in the preceding year.
- The Group's hotel businesses, which are principally undertaken through Regal Hotels International Holdings Limited, a listed subsidiary of the Company, have however operated steadily despite the keen market competitions.
- For the year under review, the Group's gross profit from business operations amounted to HK\$943.7 million (2023 – HK\$1,124.8 million). After accounting mainly for the fair value and impairment losses on properties and financial assets as well as various administrative and other expenses, the Group recorded an operating loss of HK\$376.4 million before depreciation, finance costs and tax (2023 – profit of HK\$277.8 million).
- Moreover, as the interest rates in Hong Kong have stayed at a relatively high level throughout 2024, the outlay in the Group's finance costs remained substantial. In addition, in order to conform to applicable accounting standards, the Group is required to provide for the year total depreciation charges of HK\$678.9 million in respect of the 11 hotels that are owned and operated within the Group, which although do not impact on the Group's cash flow, have nevertheless adversely affected its financial results.
- The property development and investment business of the Group is principally undertaken through P&R Holdings Limited (which is a 50/50 joint venture with Regal and, effectively, a subsidiary undertaking of the Group) and, at appropriate times, also undertaken by Regal itself.

- **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.**
- **Apart from Mount Regalia, P&R owns a mixed portfolio of completed properties and hotels as well as properties held for development in Hong Kong. These include the We Go MALL in Ma On Shan, Sha Tin, the iclub Mong Kok Hotel and a 50% interest in the iclub AMTD Sheung Wan Hotel, which are held for operating and recurring income.**
- **On the property development side, P&R owns a commercial/residential project at Kam Wa Street in Shau Kei Wan as well as another composite commercial/residential redevelopment at Castle Peak Road in Shum Shui Po, the demolition works for which are progressing. In addition, P&R also owns some remaining shop units and car parks in The Ascent in Sham Shui Po and retained houses in Casa Regalia in Yuen Long, both being property developments completed by P&R in earlier years.**
- **Detailed information on the business operations of the three listed subsidiaries of the Company, namely, Regal (the principal listed subsidiary of the Company), Regal Real Estate Investment Trust (a listed subsidiary of Regal through which 9 hotels of the Group in Hong Kong are owned) and Cosmopolitan International Holdings Limited (which primarily engages in property development and investment in China and other investments), are contained in their separate results announcements released today.**
- **Although the overall external environment is still crowded with many uncertainties, particularly having regard to the escalated geopolitical and trade tensions, the Group remains optimistic in the future economic development of Hong Kong.**
- **Amid this fast changing market environment, the Group is actively implementing plans to capitalise on the significant value of its assets portfolio in Hong Kong and China, with a view to generating additional liquid funds to reinforce its financial strength.**

FINANCIAL RESULTS

For the year ended 31st December, 2024, the Group incurred a consolidated loss attributable to shareholders of HK\$1,643.4 million, while in the preceding financial year, a loss of HK\$1,042.0 million was recorded.

The Group's core businesses mainly comprise property development and investment and hotel ownership and operations. Due to the sluggish market conditions of the real estate sectors in Hong Kong and China, the progress achieved in the sale of the Group's properties during the year was slower than expected and, consequently, the profit contribution from property sales was below that attained in the preceding year. The Group's hotel businesses, which are principally undertaken through Regal Hotels International Holdings Limited, a listed subsidiary of the Company, have however operated steadily despite the keen market competitions, with increased net hotel income.

For the year under review, the Group's gross profit from business operations amounted to HK\$943.7 million (2023 – HK\$1,124.8 million). After accounting mainly for the fair value and impairment losses on properties and financial assets as well as various administrative and other expenses, the Group recorded an operating loss of HK\$376.4 million before depreciation, finance costs and tax (2023 – profit of HK\$277.8 million).

Moreover, as the interest rates in Hong Kong have stayed at a relatively high level throughout 2024, the outlay in the Group's finance costs remained substantial. In addition, in order to conform to applicable accounting standards, the Group is required to provide for the year total depreciation charges of HK\$678.9 million in respect of the 11 hotels that are owned and operated within the Group, which although do not have impact on the Group's cash flow, have nevertheless adversely affected its financial results.

Consequently, the Group has incurred an increased loss for the financial year 2024, as compared to that in the preceding 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\$13.12 per share on the basis therein stated.

BUSINESS OVERVIEW

The Group comprises a total of four listed entities, with diversified business interests in properties, hotels, aircraft ownership and leasing, and financial assets and other investments.

As at 31st December, 2024, the Group directly held, through its wholly owned subsidiaries, a controlling shareholding interest of approximately 69.3% in Regal. Regal, in turn, held approximately 74.9% of the outstanding units of Regal Real Estate Investment Trust, the listed subsidiary of Regal that presently owns five Regal Hotels and four iclub Hotels in Hong Kong. Regal Portfolio Management Limited, a wholly owned subsidiary of Regal, acts as the REIT Manager of Regal REIT.

The Group's property development and investment businesses in Hong Kong are principally conducted through P&R Holdings Limited, a joint venture 50/50 held by each of Regal and the Company and, effectively, a subsidiary of the Group. Regal also undertakes on its own some property projects in Hong Kong and overseas.

Apart from its property business, P&R also holds an effective controlling shareholding interest in Cosmopolitan International Holdings Limited, which is primarily engaged in property development business in China and other investments. As at 31st December, 2024, P&R held 57.0% of the issued ordinary share capital of Cosmopolitan and, in addition, existing convertible preference shares as well as convertible notes of Cosmopolitan which are convertible into an aggregate of 1,272.1 million new ordinary shares of Cosmopolitan.

Moreover, the Company and Regal also hold, through their respective wholly owned subsidiaries, ordinary shares and convertible notes of Cosmopolitan.

Further information on the latest progress of the Group's property business as well as the financial results and operational reviews of Regal (including Regal REIT) and Cosmopolitan are presented below.

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.

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.

Properties being held by P&R for recurring and operating income include the We Go MALL in Ma On Shan, Sha Tin, the iclub Mong Kok Hotel, and the iclub AMTD Sheung Wan Hotel that is held by a 50%-owned joint venture of P&R.

On the property development front, P&R owns a commercial/residential development site at Kam Wah Street in Shau Kei Wan as well as another composite commercial/residential redevelopment at Castle Peak Road, which is now 100%-owned and the demolition works for which are in progress. In addition, P&R also owns 7 retained houses in Casa Regalia in Yuen Long and some remaining shop units and carparks in the Ascent in Sham Shui Po, both of which are property developments completed by P&R in earlier years, which will continue to be disposed of.

Additional information on the Group's property development projects and properties, including those undertaken by P&R and Regal as well as the projects in Mainland China that are undertaken through Cosmopolitan, are contained in the section headed "Management Discussion and Analysis" in this announcement.

REGAL HOTELS INTERNATIONAL HOLDINGS LIMITED

For the year ended 31st December, 2024, Regal 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.

Further information on the principal business operations and outlook of Regal, including its Management Discussion and Analysis, is contained in Regal’s announcement separately released today.

REGAL REAL ESTATE INVESTMENT TRUST

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.

Further information on the principal business operations and outlook of Regal REIT, including its Management Discussion and Analysis, is contained in Regal REIT’s announcement separately released today.

COSMOPOLITAN INTERNATIONAL HOLDINGS LIMITED

For the financial year ended 31st December, 2024, Cosmopolitan incurred a loss attributable to shareholders of HK\$453.1 million (2023 – loss of HK\$372.3 million).

Further information on the principal business operations and outlook of Cosmopolitan, including its Management Discussion and Analysis, is contained in Cosmopolitan’s announcement separately released today.

OUTLOOK

Although the overall external environment is still crowded with many uncertainties, particularly having regard to the escalated geopolitical and trade tensions, the Group remains optimistic in the future economic development of Hong Kong.

Amid this fast changing market environment, the Group is actively implementing plans to capitalise on the significant value of its assets portfolio in Hong Kong and China, with a view to generating additional liquid funds to reinforce its financial strength.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's significant investments and principal business activities mainly comprise property development and investment, construction and building related businesses, hotel ownership, hotel operation and management, asset management, aircraft ownership and leasing and other investments including financial assets investments.

The significant investments and business interests of Regal, the principal listed subsidiary of the Group, 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 investment businesses.

Cosmopolitan is a listed subsidiary of the Group held through P&R. The principal business activities of the Cosmopolitan group comprise property development and investment, which are mainly focused in the PRC, and other investments including financial assets investments.

The performance of the Group's property, construction and building related and other investment businesses, and those of the principal businesses of Regal, Regal REIT and Cosmopolitan 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 the Group's operating performance and future prospects, is contained in the sections headed "Business Overview" and "Outlook" above and in this sub-section as well as in the respective annual results announcements for 2024 released by Regal, Regal REIT and Cosmopolitan.

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.

P&R is a 50/50 owned joint venture established with Regal, with capital contributions provided by the Company and Regal on a pro-rata basis in accordance with their respective shareholdings. As the Company owns a controlling shareholding interest in Regal, P&R is, effectively, a subsidiary of the Company. 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.

REGAL HOTELS INTERNATIONAL HOLDINGS LIMITED

Regal is a listed subsidiary of the Company. Further information relating to the property projects undertaken and the principal properties owned by Regal group (other than those owned by Regal REIT), which are all wholly owned by Regal, 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 Regal 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 Regal 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 Regal 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.

COSMOPOLITAN INTERNATIONAL HOLDINGS LIMITED

Cosmopolitan is a listed subsidiary of the Group 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.

CONSTRUCTION AND BUILDING RELATED BUSINESSES

The Group's wholly owned construction arm, Chatwin Engineering Limited, was the main contractor for the construction of P&R's residential project at Domus and Casa Regalia as well as its other hotel projects in Hong Kong, namely, iclub Sheung Wan Hotel, iclub Fortress Hill Hotel, iclub To Kwa Wan Hotel and iclub Mong Kok Hotel, all completed in the years between 2014 and 2019. Chatwin was also responsible for the construction management of the Mount Regalia project and the Regala Skycity Hotel project completed in 2019 and 2021 respectively. Chatwin will continue to seek public construction contracts while providing in-house services to the Group's construction projects including construction management, health and safety as well as quality assurance and compliance.

With its extensive experience and professional expertise, the Group's development consultancy division played a key role, throughout the years, in supporting the in-house needs of the Group's member companies on development projects, from project inception stage, feasibility studies to project completion. These professional services include development appraisal, project management, architectural, interior design as well as quality control and cost engineering.

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

All the hotel properties of the Group 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 7th May, 2012 when Regal, together with Regal REIT, became subsidiaries of the Group, plus subsequent capital additions and deducting accumulated depreciation. 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 cost after full elimination of the unrealised gain arising from the disposal of the hotels by P&R to Regal REIT, while the iclub Mong Kok Hotel owned by P&R and the Regala Skycity Hotel owned by the Regal group, completed in 2019 and 2021 respectively, are stated at cost, and they are all also subject to depreciation. For the purpose of providing supplementary information, if the entire hotel property portfolio of the Group 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\$13.12 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	8,484.9	7.61
Adjustment to restate the Group's hotel property portfolio in Hong Kong at its market value and add back any relevant deferred tax liabilities	6,138.7	5.51
Unaudited adjusted net assets attributable to equity holders of the parent	14,623.6	13.12

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.

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 in local

currency to cover a part of the land cost and a major portion or the entire amount of the construction cost, with interest calculated by reference to the interbank offered rates and the loan maturity tied in to the estimated project completion date. Property development projects in the PRC are substantially financed by internal resources and proceeds from the presale of the units. Project financings for the projects in the PRC and 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 investments in the PRC and overseas, 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

Net cash flows generated from operating activities during the year under review amounted to HK\$362.6 million (2023 – HK\$623.9 million). Net interest payment for the year amounted to HK\$1,136.8 million (2023 – HK\$1,069.4 million).

Borrowings and Gearing

As at 31st December, 2024, the Group had cash and bank balances and deposits of HK\$1,404.2 million (2023 – HK\$2,180.5 million) and the Group's borrowings, net of cash and bank balances and deposits, amounted to HK\$18,332.2 million (2023 – HK\$17,937.9 million).

As at 31st December, 2024, the gearing ratio of the Group was 50.8% (2023 – 45.0%), representing the Group's borrowings, net of cash and bank balances and deposits, of HK\$18,332.2 million (2023 – HK\$17,937.9 million), as compared to the total assets of the Group of HK\$36,120.8 million (2023 – HK\$39,824.5 million).

On the basis of the adjusted total assets as at 31st December, 2024 of HK\$47,108.3 million (2023 – HK\$50,588.1 million) with the hotel portfolio owned by the Group in Hong Kong

restated at its market value on the basis presented above, the gearing ratio would be 38.9% (2023 – 35.5%).

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\$10.8 million (2023 – HK\$19.7 million).

Pledge of Assets

As at 31st December, 2024, certain of the Group’s property, plant and equipment, investment properties, right-of-use assets, properties under development, properties held for sale, financial assets at fair value through profit or loss, time deposits and bank balances in the total amount of HK\$29,144.6 million (2023 – HK\$30,373.0 million) were pledged to secure general 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. In addition, as at 31st December, 2024, certain ordinary shares in a listed subsidiary with a market value of HK\$220.3 million (2023 – HK\$251.8 million) were also pledged to secure general banking facilities granted to the Group.

The equity interests in the relevant holding companies of certain property development projects of the Group were also pledged to secure the other borrowings of the Group.

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, Tricor Tengis 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	Year ended 31st December, 2023
	HK\$'M	HK\$'M
REVENUE (Notes 2 & 3)	2,731.0	2,806.4
Cost of sales	(1,787.3)	(1,681.6)
Gross profit	943.7	1,124.8
Other income and gains, net (Note 3)	221.2	65.4
Fair value losses on investment properties, net	(319.4)	(22.6)
Fair value gain upon reclassification of properties held for sale to investment properties	–	61.6
Fair value losses on financial assets at fair value through profit or loss, net	(146.2)	(165.4)
Loss on disposal of investment properties	–	(1.0)
Reversal of impairment loss/(Impairment loss) on items of property, plant and equipment and right-of-use asset	(37.9)	15.3
Impairment loss on properties under development	(228.2)	(122.6)
Impairment loss on properties held for sale	(212.4)	(151.4)
Impairment loss on other receivables	(100.1)	–
Impairment loss on investments in associates	(0.8)	(0.1)
Property selling and marketing expenses	(82.4)	(116.3)
Administrative expenses	(413.9)	(409.9)
OPERATING PROFIT/(LOSS) BEFORE DEPRECIATION	(376.4)	277.8
Depreciation (Note 4)	(710.4)	(728.6)
OPERATING LOSS (Note 4)	(1,086.8)	(450.8)
Finance costs (Note 5)	(1,265.2)	(1,221.5)
Share of profits and losses of associates	(16.1)	(5.2)
LOSS BEFORE TAX	(2,368.1)	(1,677.5)
Income tax (Note 6)	(73.2)	14.4
LOSS FOR THE YEAR BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	(2,441.3)	(1,663.1)

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	(1,643.4)	(1,042.0)
Non-controlling interests	(797.9)	(621.1)
	<u>(2,441.3)</u>	<u>(1,663.1)</u>
LOSS PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (Note 8)		
Basic and diluted	<u>HK\$(1.55)</u>	<u>HK\$(1.01)</u>

Consolidated Statement of Comprehensive Income

	Year ended 31st December, 2024	Year ended 31st December, 2023
	HK\$'M	HK\$'M
LOSS FOR THE YEAR BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	(2,441.3)	(1,663.1)
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)	–
	<u>1.7</u>	<u>–</u>
Exchange differences on translating foreign operations	(82.1)	(33.4)
Share of other comprehensive loss of an associate	(0.1)	–
	<u>(80.5)</u>	<u>(33.4)</u>
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of financial assets designated at fair value through other comprehensive income	0.8	(388.0)
Gain on property revaluation	–	2.2
OTHER COMPREHENSIVE LOSS FOR THE YEAR	<u>(79.7)</u>	<u>(419.2)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(2,521.0)</u>	<u>(2,082.3)</u>
Attributable to:		
Equity holders of the parent	(1,695.8)	(1,379.3)
Non-controlling interests	(825.2)	(703.0)
	<u>(2,521.0)</u>	<u>(2,082.3)</u>

Consolidated Statement of Financial Position

	31st Dec, 2024	31st Dec, 2023 (Restated)	1st Jan, 2023 (Restated)
	HK\$'M	HK\$'M	HK\$'M
NON-CURRENT ASSETS			
Property, plant and equipment	5,714.4	6,361.4	6,672.9
Investment properties	3,425.3	3,868.8	3,149.0
Right-of-use assets	15,031.9	15,374.2	15,759.8
Properties under development	870.2	892.0	915.1
Investments in associates	280.3	401.3	406.6
Financial assets designated at fair value through other comprehensive income	4.8	28.1	443.3
Financial assets at fair value through profit or loss	425.3	592.9	768.4
Derivative financial instruments	9.9	–	–
Loans receivable	155.2	163.4	185.6
Finance lease receivable	96.0	101.7	–
Debtors, deposits and prepayments	218.3	286.5	277.8
Deferred tax assets	47.6	47.7	47.7
Trademark	610.2	610.2	610.2
Other intangible assets	3.6	3.6	6.8
Total non-current assets	26,893.0	28,731.8	29,243.2
CURRENT ASSETS			
Properties under development	1,868.9	2,437.4	2,413.7
Properties held for sale	5,211.4	5,635.8	6,655.6
Inventories	56.8	55.4	49.4
Loans receivable	34.0	32.7	34.4
Finance lease receivable	5.7	5.4	–
Debtors, deposits and prepayments (Note 9)	564.3	426.5	568.7
Financial assets at fair value through profit or loss	67.9	221.5	372.2
Derivative financial instruments	0.3	93.9	70.1
Tax recoverable	14.3	3.6	7.6
Restricted cash	433.8	577.2	176.5
Pledged time deposits and bank balances	293.2	212.4	190.6
Time deposits	47.4	567.2	1,107.9
Cash and bank balances	629.8	823.7	897.3
Total current assets	9,227.8	11,092.7	12,544.0

Consolidated Statement of Financial Position (Cont'd)

	31st Dec, 2024	31st Dec, 2023 (Restated)	1st Jan, 2023 (Restated)
	HK\$'M	HK\$'M	HK\$'M
CURRENT LIABILITIES			
Creditors and accruals (Note 10)	(766.8)	(934.5)	(774.2)
Contract liabilities	(166.0)	(484.3)	(586.7)
Lease liabilities	(7.9)	(12.5)	(11.4)
Deposits received	(133.4)	(151.1)	(178.2)
Interest bearing bank borrowings	(5,976.4)	(4,928.2)	(6,221.3)
Other borrowings	(229.0)	–	–
Tax payable	(417.6)	(449.8)	(447.0)
Total current liabilities	<u>(7,697.1)</u>	<u>(6,960.4)</u>	<u>(8,218.8)</u>
NET CURRENT ASSETS	<u>1,530.7</u>	<u>4,132.3</u>	<u>4,325.2</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>28,423.7</u>	<u>32,864.1</u>	<u>33,568.4</u>
NON-CURRENT LIABILITIES			
Creditors and deposits received	(24.7)	(90.1)	(84.8)
Lease liabilities	(2.9)	(7.2)	(16.0)
Interest bearing bank borrowings	(13,219.0)	(14,722.2)	(13,297.8)
Other borrowings	(312.0)	(468.0)	(156.0)
Derivative financial instruments	(0.7)	–	–
Deferred tax liabilities	(1,384.6)	(1,445.9)	(1,618.1)
Total non-current liabilities	<u>(14,943.9)</u>	<u>(16,733.4)</u>	<u>(15,172.7)</u>
Net assets	<u>13,479.8</u>	<u>16,130.7</u>	<u>18,395.7</u>
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	111.4	111.4	111.4
Reserves	8,373.5	10,157.2	11,653.7
	<u>8,484.9</u>	<u>10,268.6</u>	<u>11,765.1</u>
Perpetual securities	1,732.9	1,732.9	1,732.9
Non-controlling interests	3,262.0	4,129.2	4,897.7
Total equity	<u>13,479.8</u>	<u>16,130.7</u>	<u>18,395.7</u>

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, financial assets designated at fair value through other comprehensive income 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\$1,643.4 million (2023 – HK\$1,042.0 million) for the year ended 31st December, 2024 and net current assets of HK\$1,530.7 million (2023 – HK\$4,132.3 million) and net assets of HK\$13,479.8 million (2023 – HK\$16,130.7 million) as at 31st December, 2024. In addition, the Group had total non-pledged time deposits, cash and bank balances of HK\$677.2 million as at 31st December, 2024 and a positive net cash flows from operating activities of HK\$362.6 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 of certain property and other assets of the Group;
- (iii) the refinancing plan for certain interest bearing bank borrowings that are secured by certain properties; 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	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the "2020 Amendments")</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the "2022 Amendments")</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

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	<u>1,086.7</u>	<u>851.8</u>	<u>1,707.9</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u><u>1,086.7</u></u>	<u><u>851.8</u></u>	<u><u>1,707.9</u></u>
NON-CURRENT LIABILITIES			
Interest bearing bank borrowings	<u>1,086.7</u>	<u>851.8</u>	<u>1,707.9</u>

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 seven reportable operating segments as follows:

- (a) the property development and investment segment comprises the development and sale of properties, the leasing of properties and the provision of estate agency services;
- (b) the construction and building related businesses segment engages in construction works and building related businesses, including the provision of development consultancy, project management and construction engineering services, property management and also security systems and products and other software development and distribution;
- (c) 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;
- (d) the asset management segment engages in the provision of asset management services to Regal REIT;

- (e) the financial assets investments segment engages in trading of financial assets at fair value through profit or loss and other financial assets investments;
- (f) the aircraft ownership and leasing segment engages in the aircraft ownership and leasing for rental income; and
- (g) the others segment mainly comprises the provision of financing services, sale of food products, operation and management of restaurants, and the provision of housekeeping and related 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 certain loans receivable, 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 borrowings, 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:

	Property development and investment		Construction and building related businesses		Hotel operation and management and hotel ownership		Asset management		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	2024 HK\$'M	2023 HK\$'M
Segment revenue (Note 3):																		
Sales to external customers	798.7	948.0	30.5	14.7	1,771.0	1,736.2	-	-	37.6	16.1	18.0	29.4	75.2	62.0	-	-	2,731.0	2,806.4
Intersegment sales	30.5	4.3	23.6	31.0	0.8	2.6	93.1	91.1	-	-	-	-	167.4	178.2	(315.4)	(307.2)	-	-
Total	<u>829.2</u>	<u>952.3</u>	<u>54.1</u>	<u>45.7</u>	<u>1,771.8</u>	<u>1,738.8</u>	<u>93.1</u>	<u>91.1</u>	<u>37.6</u>	<u>16.1</u>	<u>18.0</u>	<u>29.4</u>	<u>242.6</u>	<u>240.2</u>	<u>(315.4)</u>	<u>(307.2)</u>	<u>2,731.0</u>	<u>2,806.4</u>
Segment results before depreciation	(745.5)	10.8	(8.8)	(2.4)	551.3	524.8	(14.9)	(16.5)	(201.2)	(151.0)	147.9	40.9	(9.6)	(10.3)	-	-	(280.8)	396.3
Depreciation	(13.9)	(16.5)	(0.6)	(0.7)	(689.9)	(700.9)	(0.1)	-	-	-	(2.8)	(6.7)	(3.1)	(3.8)	-	-	(710.4)	(728.6)
Segment results	<u>(759.4)</u>	<u>(5.7)</u>	<u>(9.4)</u>	<u>(3.1)</u>	<u>(138.6)</u>	<u>(176.1)</u>	<u>(15.0)</u>	<u>(16.5)</u>	<u>(201.2)</u>	<u>(151.0)</u>	<u>145.1</u>	<u>34.2</u>	<u>(12.7)</u>	<u>(14.1)</u>	<u>-</u>	<u>-</u>	<u>(991.2)</u>	<u>(332.3)</u>
Unallocated interest income and unallocated non-operating and corporate gains																	62.7	38.6
Unallocated non-operating and corporate expenses																	(158.9)	(157.8)
Finance costs (other than interest on lease liabilities)																	(1,264.6)	(1,220.8)
Share of profits and losses of associates	0.3	0.2	-	-	(16.4)	(5.4)	-	-	-	-	-	-	-	-	-	-	(16.1)	(5.2)
Loss before tax																	(2,368.1)	(1,677.5)
Income tax																	(73.2)	14.4
Loss for the year before allocation between equity holders of the parent and non-controlling interests																	<u>(2,441.3)</u>	<u>(1,663.1)</u>
Attributable to:																		
Equity holders of the parent																	(1,643.4)	(1,042.0)
Non-controlling interests																	<u>(79.9)</u>	<u>(621.1)</u>
																	<u>(2,441.3)</u>	<u>(1,663.1)</u>

	Property development and investment		Construction and building related businesses		Hotel operation and management and hotel ownership		Asset management		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	2024 HK\$'M	2023 HK\$'M
Segment assets	12,032.0	13,583.6	40.3	35.4	21,416.7	22,050.3	33.0	32.6	639.2	947.9	-	329.2	235.8	226.8	(31.9)	(31.5)	34,365.1	37,174.3
Investments in associates	2.7	2.5	-	-	273.5	393.8	-	-	-	-	-	-	4.1	5.0	-	-	280.3	401.3
Cash and unallocated assets																	1,475.4	2,248.9
Total assets																	<u>36,120.8</u>	<u>39,824.5</u>
Segment liabilities	(748.9)	(1,098.6)	(5.9)	(27.6)	(435.3)	(457.2)	(1.2)	(1.3)	(1.0)	(0.9)	(2.1)	(53.2)	(28.1)	(25.8)	31.9	31.5	(1,190.6)	(1,633.1)
Interest bearing bank borrowings and unallocated liabilities																	(21,450.4)	(22,060.7)
Total liabilities																	<u>(22,641.0)</u>	<u>(23,693.8)</u>
Other segment information:																		
Loss on disposal of investment properties	-	1.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss/(Gain) on disposal of items of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	(83.7)	1.1	-	-	-	-	-	-
Impairment loss/(Reversal of impairment loss) on items of property, plant and equipment and right-of-use asset	37.3	-	-	-	-	(3.5)	-	-	-	-	-	(11.8)	0.6	-	-	-	-	-
Impairment loss on properties under development	228.2	122.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment loss on properties held for sale	212.4	151.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment loss on investments in associates	-	-	-	-	-	-	-	-	-	-	-	-	0.8	0.1	-	-	-	-
Impairment/(Reversal of impairment) of trade debtors, net	-	-	-	-	(2.3)	0.3	-	-	-	-	-	-	-	-	-	-	-	-
Impairment of other receivables	-	2.5	-	-	-	-	-	-	99.0	-	-	-	1.1	-	-	-	-	-
Write-off of other intangible asset	-	-	-	-	-	-	-	-	-	-	-	-	-	3.6	-	-	-	-
Fair value losses on financial assets at fair value through profit or loss, net	-	-	-	-	-	-	-	-	146.2	165.4	-	-	-	-	-	-	-	-
Fair value losses/(gains) on investment properties, net	325.8	29.6	-	-	(6.4)	(7.0)	-	-	-	-	-	-	-	-	-	-	-	-
Fair value gain upon reclassification of properties held for sale to investment properties	-	(61.6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	(6.2)	(7.4)	-	-	-	-	-	-	(2.1)	(5.8)	-	-	(7.9)	(9.3)	-	-	-	-
Capital expenditure	71.6	425.5	-	0.1	76.0	68.3	0.6	0.1	-	-	-	-	8.3	1.0	-	-	-	-

Geographical information

(a) Revenue from external customers

	2024	2023
	HK\$'M	HK\$'M
Hong Kong	2,344.2	2,680.8
Mainland China	355.0	79.6
Other	31.8	46.0
	<u>2,731.0</u>	<u>2,806.4</u>

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	25,567.0	26,771.8
Mainland China	189.1	198.1
Other	324.0	682.0
	<u>26,080.1</u>	<u>27,651.9</u>

The non-current assets information above is based on the locations of 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	2023
	HK\$'M	HK\$'M
<u>Revenue</u>		
<i>Revenue from contracts with customers</i>		
Proceeds from sale of properties	733.9	881.6
Hotel operations and management services	1,710.2	1,670.6
Construction and construction-related income	21.9	5.8
Estate management fees	8.6	8.9
Other operations	75.2	61.7
	2,549.8	2,628.6
<i>Revenue from other sources</i>		
Rental income:		
Hotel properties	40.4	44.4
Investment properties	77.2	78.6
Aircraft	18.0	29.4
Others	3.0	5.6
Net gain from sale of financial assets at fair value through profit or loss	31.8	7.0
Interest income from financial assets at fair value through profit or loss	1.7	5.5
Interest income from finance lease	5.0	3.4
Dividend income from listed investments	4.1	3.6
Other operations	–	0.3
	2,731.0	2,806.4

	2024	2023
	HK\$'M	HK\$'M
<u>Other income and gains, net</u>		
Bank interest income	23.9	33.6
Other interest income	40.9	14.8
Dividend income from unlisted investments	11.3	6.6
Loss on disposal of unlisted investments included in financial assets at fair value through profit or loss	(3.5)	(7.1)
Release of aircraft maintenance reserve	50.3	9.1
Gain/(Loss) on disposal of items of property, plant and equipment	83.7	(1.1)
Others	14.6	9.5
	221.2	65.4

4. An analysis of profit on sale of properties and depreciation of the Group is as follows:

	2024	2023
	HK\$'M	HK\$'M
Profit on disposal of properties, net	183.7	412.9
Depreciation of property, plant and equipment	364.0	383.0
Depreciation of right-of-use assets	346.4	345.6
	710.4	728.6

5. Finance costs of the Group are as follows:

	2024	2023
	HK\$'M	HK\$'M
Interest on bank loans	1,184.4	1,128.1
Interest on other borrowings	32.0	24.9
Interest expenses arising from revenue contracts	3.7	9.9
Interest on lease liabilities	0.5	0.7
Amortisation of debt establishment costs	51.1	55.0
Total interest expenses on financial liabilities not at fair value through profit or loss	1,271.7	1,218.6
Fair value change on derivative financial instruments - cash flow hedges (transfer from hedging reserve)	(10.9)	–
Other loan costs	4.5	6.0
	1,265.3	1,224.6
Less: Finance costs capitalised	(0.1)	(3.1)
	1,265.2	1,221.5

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	22.4	38.5
Underprovision/(Overprovision) in prior years	14.0	(1.1)
Current – PRC and overseas		
Charge for the year	16.4	39.4
Overprovision in prior years	–	(5.8)
PRC land appreciation tax	81.2	87.6
Deferred	(60.8)	(173.0)
Total tax charge/(credit) for the year	73.2	(14.4)

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 in the PRC and overseas are calculated at the rates prevailing in the respective jurisdictions in which they operate.

The PRC land appreciation tax is levied on the sale or transfer of state-owned land use rights, buildings and their attached facilities in Mainland China at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for the sale of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

No provision for tax is required for the associates as no assessable profits were earned by the associates during the year (2023 – Nil).

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 for the year ended 31st December, 2024 is based on the loss for the year attributable to equity holders of the parent of HK\$1,643.4 million (2023 – HK\$1,042.0 million), adjusted for the share of distribution related to perpetual securities of the Regal group of HK\$79.0 million (2023 – HK\$79.4 million), and on 1,114.6 million (2023 – 1,114.6 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\$113.7 million (2023 – HK\$102.3 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	93.2	83.8
4 to 6 months	8.1	5.8
7 to 12 months	8.7	5.0
Over 1 year	16.2	23.4
	<hr/> 126.2	<hr/> 118.0
Impairment	(12.5)	(15.7)
	<hr/> 113.7 <hr/>	<hr/> 102.3 <hr/>

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.

Also included in debtors, deposits and prepayments is an amount of HK\$4.6 million (2023 – HK\$7.7 million) in relation to the prepaid commission for sales of properties which is classified as contract costs in accordance with HKFRS 15.

10. Included in creditors and accruals is an amount of HK\$77.1 million (2023 – HK\$81.5 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	71.2	81.3
4 to 6 months	5.4	–
7 to 12 months	0.1	0.1
Over 1 year	0.4	0.1
	<hr/> 77.1 <hr/>	<hr/> 81.5 <hr/>

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)

Mr. Jimmy LO Chun To

(Vice Chairman and Managing Director)

Mr. Kelvin LEUNG So Po

Ms. LO Po Man

Mr. Kenneth NG Kwai Kai

Mr. Kenneth WONG Po Man

Independent Non-Executive Directors:

Mr. Bowen Joseph LEUNG Po Wing, GBS, JP

Ms. Winnie NG, JP

Mr. Abraham SHEK Lai Him, GBS, JP

Mr. WONG Chi Keung

By Order of the Board

LO YUK SUI

Chairman

Hong Kong, 28th March, 2025