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## SHUN HO HOLDINGS LIMITED

順豪控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 253)

### ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2025

#### RESULTS

The board (the “Board”) of directors (the “Directors”) of Shun Ho Holdings Limited (the “Company”) announces that the net profit after tax attributable to owners of the Company before revaluation and depreciation of land, property and equipment for the year ended 31st December, 2025 was HK\$91 million (2024: HK\$71 million), increased by HK\$20 million (+28%). The audited consolidated results of the Company and its subsidiaries (together the “Group”) for the year, together with comparative figures for the previous year, are as follows:

|   | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> | <i>Change</i> |
|---|-------------------------|-------------------------|---------------|
| Loss after taxation and non-controlling interests   | <b>(104,381)</b>        | (166,437)               |               |
| Add: Revaluation loss   | <b>125,939</b>          | 168,428                 |               |
| Add: Properties depreciation, impairment and<br>release of prepaid lease payments for land  | <b><u>69,072</u></b>    | <u>68,811</u>           |               |
| Net profit after tax attributable to owners of the<br>Company before revaluation, depreciation,<br>impairment and release of prepaid lease<br>payments for land | <b>90,630</b>           | 70,802                  | <b>+28%</b>   |

#### DIVIDEND

The Board does not recommend the payment of final dividend in respect of the year ended 31st December, 2025 (2024: Nil).

## Consolidated Statement of Profit or Loss

For the year ended 31st December, 2025

|   | <i>NOTES</i> | <b>2025</b><br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| Revenue   | 3            |                                |                         |
| Contracts with customers                            |              | <b>586,820</b>                 | 556,086                 |
| Leases  |              | <b>129,124</b>                 | 127,887                 |
| Dividend income                                     |              | <b><u>25</u></b>               | <u>-</u>                |
| Total revenue                                       |              | <b>715,969</b>                 | 683,973                 |
| Cost of sales                                       |              | <b>(4,587)</b>                 | (3,803)                 |
| Other service costs                                 |              | <b>(358,477)</b>               | (369,121)               |
| Depreciation of property, plant and equipment       |              | <b>(162,027)</b>               | (161,424)               |
| Depreciation of right-of-use asset                  |              | <b><u>(793)</u></b>            | <u>(755)</u>            |
| Gross Profit  |              | <b>190,085</b>                 | 148,870                 |
| Net decrease in fair value of investment properties |              | <b>(233,700)</b>               | (312,632)               |
| Other income and expenses and gains and losses      |              | <b>3,379</b>                   | 3,175                   |
| Administrative expenses                             |              | <b>(63,847)</b>                | (67,430)                |
| - Depreciation                                      |              | <b>(4,240)</b>                 | (4,245)                 |
| - Others  |              | <b>(59,607)</b>                | (63,185)                |
| Finance costs                                       | 5            | <b><u>(46,257)</u></b>         | <u>(64,989)</u>         |
| Loss before taxation                                | 6            | <b>(150,340)</b>               | (293,006)               |
| Income tax expense                                  | 7            | <b><u>(34,067)</u></b>         | <u>(20,394)</u>         |
| Loss for the year                                   |              | <b><u><u>(184,407)</u></u></b> | <u><u>(313,400)</u></u> |
| Loss for the year attributable to:                  |              |                                |                         |
| Owners of the Company                               |              | <b>(104,381)</b>               | (166,437)               |
| Non-controlling interests                           |              | <b><u>(80,026)</u></b>         | <u>(146,963)</u>        |
|   |              | <b><u><u>(184,407)</u></u></b> | <u><u>(313,400)</u></u> |
|   |              | <i>HK cents</i>                | <i>HK cents</i>         |
| Loss per share                                      | 9            |                                |                         |
| Basic   |              | <b><u><u>(43.17)</u></u></b>   | <u><u>(68.84)</u></u>   |

**Consolidated Statement of Total Comprehensive Income**  
*For the year ended 31st December, 2025*

|  | <b>2025</b><br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|--|--------------------------------|-------------------------|
| Loss for the year  | <u><b>(184,407)</b></u>        | <u>(313,400)</u>        |
| <b>Other comprehensive income (expense)</b>  |                                |                         |
| <b>Item that will not be reclassified to profit or loss</b>  |                                |                         |
| Fair value gain (loss) on investments in equity instruments at fair value through other comprehensive income | 32                             | (304)                   |
| <b>Item that may be reclassified subsequently to profit or loss</b>  |                                |                         |
| Exchange differences arising on translation of foreign operations  | <u><b>90,654</b></u>           | <u>(29,113)</u>         |
| Other comprehensive income (expense) for the year  | <u><b>90,686</b></u>           | <u>(29,417)</u>         |
| Total comprehensive expense for the year   | <u><b>(93,721)</b></u>         | <u>(342,817)</u>        |
| Total comprehensive expense attributable to:   |                                |                         |
| Owners of the Company  | <b>(69,293)</b>                | (177,819)               |
| Non-controlling interests  | <u><b>(24,428)</b></u>         | <u>(164,998)</u>        |
|  | <u><b>(93,721)</b></u>         | <u>(342,817)</u>        |

## Consolidated Statement of Financial Position

At 31st December, 2025

|   | <i>NOTES</i> | <b>2025</b><br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| <b>Non-Current Assets</b>   |              |                                |                         |
| Property, plant and equipment                                       |              | 4,581,934                      | 4,619,901               |
| Right-of-use asset  |              | 21,842                         | 21,454                  |
| Investment properties   |              | 4,314,280                      | 4,571,490               |
| Equity instruments at fair value through other comprehensive income |              | <u>771</u>                     | <u>739</u>              |
|   |              | <u><b>8,918,827</b></u>        | <u>9,213,584</u>        |
| <b>Current Assets</b>   |              |                                |                         |
| Inventories   |              | 1,369                          | 1,442                   |
| Trade and other receivables   | <i>10</i>    | 17,811                         | 15,454                  |
| Other deposits and prepayments                                      |              | 15,974                         | 14,926                  |
| Bank balances and cash  |              | <u>267,713</u>                 | <u>235,119</u>          |
|   |              | <u><b>302,867</b></u>          | <u>266,941</u>          |
| <b>Current Liabilities</b>  |              |                                |                         |
| Trade and other payables and accruals                               | <i>11</i>    | 65,695                         | 60,590                  |
| Rental and other deposits received                                  |              | 11,173                         | 17,784                  |
| Contract liabilities  |              | 10,709                         | 10,736                  |
| Amount due to a fellow subsidiary                                   |              | 50,722                         | 47,238                  |
| Amount due to a shareholder   |              | 5,088                          | 7,487                   |
| Tax liabilities   |              | 9,817                          | 6,280                   |
| Bank loans  |              | <u>113,200</u>                 | <u>378,352</u>          |
|   |              | <u><b>266,404</b></u>          | <u>528,467</u>          |
| <b>Net Current Assets (Liabilities)</b>                             |              | <u><b>36,463</b></u>           | <u>(261,526)</u>        |
| <b>Total Assets less Current Liabilities</b>                        |              | <u><b>8,955,290</b></u>        | <u>8,952,058</u>        |
| <b>Capital and Reserves</b>   |              |                                |                         |
| Share capital   |              | 172,252                        | 172,252                 |
| Reserves  |              | <u>3,804,013</u>               | <u>3,873,306</u>        |
| Equity attributable to owners of the Company                        |              | <u>3,976,265</u>               | 4,045,558               |
| Non-controlling interests   |              | <u>4,065,225</u>               | <u>4,089,653</u>        |
| <b>Total Equity</b>   |              | <u><b>8,041,490</b></u>        | <u>8,135,211</u>        |
| <b>Non-Current Liabilities</b>                                      |              |                                |                         |
| Bank loans  |              | 716,435                        | 626,721                 |
| Rental deposits received  |              | 15,133                         | 12,216                  |
| Deferred tax liabilities  |              | <u>182,232</u>                 | <u>177,910</u>          |
|   |              | <u><b>913,800</b></u>          | <u>816,847</u>          |
|   |              | <u><b>8,955,290</b></u>        | <u>8,952,058</u>        |

NOTES:

**1. GENERAL**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards Accounting Standards (“HKFRS Accounting Standards”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial information relating to the years ended 31st December, 2025 and 2024 included in this preliminary announcement of annual results 2025 do not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31st December, 2024 to the Register of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 31st December, 2025 in due course.

The Company’s auditor has reported on the financial statements of the Group for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

**2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS**

***Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year***

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual periods beginning on or after 1st January, 2025 for the preparation of the consolidated financial statements:

|                       |                         |
|-----------------------|-------------------------|
| Amendments to HKAS 21 | Lack of Exchangeability |
|-----------------------|-------------------------|

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

### 3. REVENUE

Revenue represents the aggregate of income from operation of hotels, property rental and dividend income, and are analysed as follows:

|                                 | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|---------------------------------|-------------------------|-------------------------|
| Income from operation of hotels | 586,820                 | 556,086                 |
| Income from property rental     | 129,124                 | 127,887                 |
| Dividend income                 | <u>25</u>               | <u>-</u>                |
|                                 | <u><u>715,969</u></u>   | <u><u>683,973</u></u>   |

### 4. SEGMENT INFORMATION

HKFRS 8 “Operating Segments” requires operating and reportable segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the “CODM”), being the Chairman of the Company, for the purposes of allocating resources to segments and assessing their performance. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group’s operating and reportable segments under HKFRS 8 are therefore as follows:

1. Hospitality services - Best Western Plus Hotel Kowloon
2. Hospitality services - Best Western Plus Hotel Hong Kong
3. Hospitality services - Magnificent International Hotel, Shanghai
4. Hospitality services - Best Western Hotel Causeway Bay
5. Hospitality services - Ramada Hong Kong Harbour View
6. Hospitality services - Ramada Hong Kong Grand
7. Hospitality services - Ramada Hong Kong Grand View
8. Hospitality services - Wood Street Hotel
9. Hospitality services - Grand Bay View Hotel
10. Property investment - 633 King’s Road
11. Property investment - Shun Ho Tower
12. Property investment - Shops, hotel and residential properties
13. Securities investment

Information regarding the above segments is reported below.

#### 4. SEGMENT INFORMATION (Continued)

##### Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments for both years:

|  | Segment revenue                   |                       | Segment results                   |                         |
|--|-----------------------------------|-----------------------|-----------------------------------|-------------------------|
|  | Year ended 31st December,<br>2025 | 2024                  | Year ended 31st December,<br>2025 | 2024                    |
|  | HK\$'000                          | HK\$'000              | HK\$'000                          | HK\$'000                |
| Hospitality services                           | <b>586,820</b>                    | 556,086               | <b>64,842</b>                     | 23,811                  |
| - Best Western Plus Hotel Kowloon              | <b>58,976</b>                     | 53,177                | <b>(1,895)</b>                    | (6,060)                 |
| - Best Western Plus Hotel Hong Kong            | <b>89,381</b>                     | 86,729                | <b>34,162</b>                     | 28,344                  |
| - Magnificent International Hotel, Shanghai    | <b>26,903</b>                     | 24,036                | <b>7,266</b>                      | 5,342                   |
| - Best Western Hotel Causeway Bay              | <b>54,058</b>                     | 51,706                | <b>4,734</b>                      | 1,756                   |
| - Ramada Hong Kong Harbour View                | <b>93,049</b>                     | 87,540                | <b>33,965</b>                     | 26,642                  |
| - Ramada Hong Kong Grand                       | <b>88,549</b>                     | 86,074                | <b>9,782</b>                      | 7,255                   |
| - Ramada Hong Kong Grand View                  | <b>79,924</b>                     | 74,871                | <b>12,354</b>                     | 6,680                   |
| - Grand Bay View Hotel                         | <b>95,980</b>                     | 91,953                | <b>(35,526)</b>                   | (46,148)                |
| Property investments                           | <b>129,124</b>                    | 127,887               | <b>(108,482)</b>                  | (187,573)               |
| - 633 King's Road                              | <b>58,203</b>                     | 64,552                | <b>(124,937)</b>                  | (178,673)               |
| - Shun Ho Tower                                | <b>13,584</b>                     | 14,416                | <b>(31,182)</b>                   | (41,787)                |
| - Shops, hotel and residential properties      | <b>57,337</b>                     | 48,919                | <b>47,637</b>                     | 32,887                  |
| Securities investment                          | <b>25</b>                         | -                     | <b>25</b>                         | -                       |
|  | <b><u>715,969</u></b>             | <b><u>683,973</u></b> | <b><u>(43,615)</u></b>            | <b><u>(163,762)</u></b> |
| Other income and expenses and gains and losses |                                   |                       | <b>3,379</b>                      | 3,175                   |
| Administrative expenses                        |                                   |                       | <b>(63,847)</b>                   | (67,430)                |
| Finance costs                                  |                                   |                       | <b>(46,257)</b>                   | (64,989)                |
| Loss before taxation                           |                                   |                       | <b><u>(150,340)</u></b>           | <b><u>(293,006)</u></b> |

##### Geographical information

The Group's operations are located in Hong Kong, the People's Republic of China ("PRC") and the United Kingdom ("UK").

The following is an analysis of the Group's revenue primarily by geographical markets based on location of assets:

|           | 2025                  | 2024                  |
|-----------|-----------------------|-----------------------|
|           | HK\$'000              | HK\$'000              |
| Hong Kong | <b>640,414</b>        | 618,426               |
| The PRC   | <b>26,903</b>         | 24,036                |
| The UK    | <b>48,652</b>         | 41,511                |
|           | <b><u>715,969</u></b> | <b><u>683,973</u></b> |

## 5. FINANCE COSTS

|                                   | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|-----------------------------------|-------------------------|-------------------------|
| Interests on:                     |                         |                         |
| Bank loans                        | 42,749                  | 61,354                  |
| Amount due to a fellow subsidiary | <u>3,508</u>            | <u>3,635</u>            |
|                                   | <u>46,257</u>           | <u>64,989</u>           |

## 6. LOSS BEFORE TAXATION

|   | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Loss before taxation has been arrived at after charging:  |                         |                         |
| Auditor's remuneration  | 2,910                   | 2,910                   |
| Staff costs including directors' emoluments   | 234,677                 | 222,385                 |
| Depreciation of property, plant and equipment   | 166,267                 | 165,669                 |
| Depreciation of right-of-use asset  | 793                     | 755                     |
| Direct operating expenses incurred for investment properties that generated rental income during the year | <u>3,906</u>            | <u>2,829</u>            |

## 7. INCOME TAX EXPENSE

|                                     | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|-------------------------------------|-------------------------|-------------------------|
| The taxation expense comprises:     |                         |                         |
| Current tax:                        |                         |                         |
| Hong Kong                           | 20,066                  | 16,351                  |
| The UK                              | <u>9,349</u>            | <u>6,583</u>            |
|                                     | <u>29,415</u>           | <u>22,934</u>           |
| Under(over)provision in prior years |                         |                         |
| Hong Kong                           | 330                     | (1,558)                 |
| The UK                              | <u>-</u>                | <u>(77)</u>             |
|                                     | <u>330</u>              | <u>(1,635)</u>          |
|                                     | 29,745                  | 21,299                  |
| Deferred tax                        | <u>4,322</u>            | <u>(905)</u>            |
|                                     | <u>34,067</u>           | <u>20,394</u>           |

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years.

Taxation arising in other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions.

## 8. DIVIDEND

No dividend was paid or proposed by the directors for ordinary shareholders of the Company during 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

## 9. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the year attributable to owners of the Company of HK\$104,381,000 (2024: HK\$166,437,000) and on 241,766,000 shares (2024: 241,766,000 shares) in issue during the year. The number of shares adopted in the calculation of the loss per share has been arrived at after eliminating the shares in the Company held by a subsidiary of the Company.

Diluted loss per share for both years are not presented as there are no potential ordinary shares exist during both years.

## 10. TRADE AND OTHER RECEIVABLES

|   | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Trade receivables from contracts with customers | 10,626                  | 10,088                  |
| Lease receivables                               | 2,506                   | 2,250                   |
| Other receivables                               | <u>4,679</u>            | <u>3,116</u>            |
|   | <u><u>17,811</u></u>    | <u><u>15,454</u></u>    |

Except for a credit period of 30 to 60 days granted to travel agencies and certain customers of the hotels, the Group does not allow any credit period to customers. The following is an aged analysis of the Group's trade receivables from contracts with customers and lease receivables presented based on the invoice date at the end of the reporting period:

|              | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|--------------|-------------------------|-------------------------|
| Not yet due  | 12,737                  | 12,139                  |
| Overdue:     |                         |                         |
| 0 – 30 days  | 308                     | 104                     |
| 31 – 60 days | 74                      | 94                      |
| 61 – 90 days | <u>13</u>               | <u>1</u>                |
|              | <u><u>13,132</u></u>    | <u><u>12,338</u></u>    |

## 11. TRADE AND OTHER PAYABLES AND ACCRUALS

|                             | <b>2025</b><br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|-----------------------------|--------------------------------|-------------------------|
| Trade payables              | <b>4,179</b>                   | 5,288                   |
| Other payables and accruals | <u><b>61,516</b></u>           | <u>55,302</u>           |
|                             | <u><b>65,695</b></u>           | <u>60,590</u>           |

The following is an aged analysis of the Group's trade payables presented based on the invoice date at the end of the reporting period:

|              | <b>2025</b><br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|--------------|--------------------------------|-------------------------|
| 0 – 30 days  | <b>4,167</b>                   | 5,281                   |
| 31 – 60 days | <b>5</b>                       | 6                       |
| 61 – 90 days | <u><b>7</b></u>                | <u>1</u>                |
|              | <u><b>4,179</b></u>            | <u>5,288</u>            |

## **DIVIDEND**

In deciding whether to distribute the final dividend and its amount, the Board has reviewed the Company's adopted dividend policy and does not recommend the payment of final dividend for the year ended 31st December, 2025 (2024: Nil), mainly because the Company received no cash dividend income from its major subsidiary, Shun Ho Property Investments Limited ("Shun Ho Property").

## **MANAGEMENT DISCUSSION AND ANALYSIS**

During the year, the Group through its major subsidiaries continued with its commercial property investment, property leasing and property development, and hotel investments and hotel management.

The net profit after tax attributable to owners of the Company before revaluation and depreciation of land, property and equipment for the year ended 31st December, 2025 was HK\$91 million (2024: HK\$71 million), increased by HK\$20 million (+28%).

## **PERFORMANCE**

### **1. Hotel Business**

The income from hotel operations of the Group amounted to HK\$587 million (2024: HK\$556 million), increased by 6%.

The Group owns 66.18% of Shun Ho Property which holds 71.09% of Magnificent Hotel Investments Limited ("Magnificent Hotel", together with its subsidiaries, "Magnificent Hotel Group") as its hotel investment subsidiary. The Group and Magnificent Hotel Group presently own nine hotels, including: (1) Ramada Hong Kong Grand View, (2) Ramada Hong Kong Harbour View, (3) Best Western Plus Hotel Kowloon, (4) Best Western Plus Hotel Hong Kong, (5) Ramada Hong Kong Grand, (6) Best Western Hotel Causeway Bay, (7) Grand Bay View Hotel, (8) Magnificent International Hotel, Shanghai and (9) Royal Scot Hotel in London. The nine hotels have about 3,042 guest rooms and the Group is one of the largest hotel groups in Hong Kong.

The net profit after tax attributable to owners of Magnificent Hotel before revaluation and depreciation of land, property and equipment for the year ended 31st December, 2025 was HK\$155.1 million (2024: HK\$103.6 million), increased by HK\$51.5 million (+50%).

|  | <b>2025</b><br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> | Change      |
|--|--------------------------------|-------------------------|-------------|
| Net profit from operation of hotels  | <b>57,749</b>                  | 22,392                  | +158%       |
| Net profit from property investment  | <b>43,652</b>                  | 33,511                  | +30%        |
| Income from securities investments   | <b>25</b>                      | -                       | N/A         |
| Other income and gain and losses   | <b><u>3,142</u></b>            | <u>3,025</u>            | +4%         |
|  | <b>104,568</b>                 | 58,928                  | +77%        |
| Administrative expenses  | <b>(43,251)</b>                | (49,517)                | -13%        |
| Finance costs  | <b>(30,635)</b>                | (45,003)                | -32%        |
| Income tax expense   | <b><u>(22,606)</u></b>         | <u>(9,810)</u>          | +130%       |
| Profit (loss) after taxation   | <b>8,076</b>                   | (45,402)                | N/A         |
| Non-controlling interests  | <b><u>124</u></b>              | <u>627</u>              | -80%        |
| Profit (loss) after taxation and non-controlling interests   | <b>8,200</b>                   | (44,775)                | N/A         |
| Add: Revaluation loss  | <b>8,000</b>                   | 11,000                  | -27%        |
| Add: Properties depreciation and impairment and release of prepaid lease payments for land   | <b><u>138,898</u></b>          | <u>137,466</u>          | +1%         |
| Net profit after tax attributable to owners of the Company before revaluation and depreciation and impairment and release of prepaid lease payments for land | <b><u>155,098</u></b>          | <u>103,691</u>          | <b>+50%</b> |

The overall increase in profit for the Magnificent Hotel Group for the year ended 31st December, 2025 was mainly due to increase in revenue by HK\$32 million, and decrease in hotel operating costs by HK\$11 million, administrative expenses by HK\$6 million and finance costs by HK\$14 million.

During the year, the total income for the Magnificent Hotel Group increased by 6% from approximately HK\$526 million to approximately HK\$559 million compared with last year.

As at 31st December, 2025, an independent third-party valuation of Royal Scot Hotel, London was GBP88,500,000 (2024: GBP88,500,000). The rental income of Royal Scot Hotel, London for the year was GBP4,737,000 (2024: GBP4,172,000).

## 2. Commercial Properties Rental Income

The commercial properties rental income was derived from the hotel property in UK, Royal Scot Hotel in London, office buildings of Shun Ho Tower, 633 King's Road and shops from Best Western Plus Hotel Kowloon and Best Western Plus Hotel Hong Kong amounted to HK\$129 million (2024: HK\$128 million).

As at 31st December, 2025, the occupancy rates of the Hong Kong commercial properties of the Group are as follows:

|                 |     |
|-----------------|-----|
| Shun Ho Tower   | 91% |
| 633 King's Road | 80% |

The rental income of these two commercial properties decreased from HK\$79 million to HK\$72 million compared with last year

During the year, the **ADMINISTRATIVE EXPENSES** excluding depreciation was HK\$60 million (2024: HK\$63 million).

## LIQUIDITY

As at 31st December, 2025, the **OVERALL DEBTS** of the Group including Shun Ho Property and Magnificent Hotel and their subsidiaries were HK\$885 million (2024: HK\$1,060 million). The gearing ratio of the Group in terms of overall debts against funds employed was 11% (2024: 13%).

The Group's bank borrowings carry interest at floating rates and are mainly denominated in Hong Kong dollar and Pound Sterling. Accordingly, the Group exposes to exchange risk and the management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

As at 31st December, 2025, the Group had a total number of 572 employees (2024: 643 employees). Remuneration and benefit were set with reference to the market.

## **BUSINESS HIGHLIGHTS**

During the year ended 31st December, 2025, the number of overnight visitors in Hong Kong amounted to around 23.0 million (31st December, 2024: 21.9 million) and against 29 million in 2018, among which 65% were mainland visitors and 35% were non-mainland visitors. Per-capita spending of mainland overnight visitors remained low at HK\$5,000 as compared to HK\$6,000 in 2019 pre-pandemic year. The pace of recovery of the tourism industry continues to be affected by declining per-capita spending of mainland visitors.

Throughout the year, the Group achieved an average hotel occupancy rate of over 90%. Compared with last year, the hotel income of the Group increased by 6% to HK\$587 million and the total income of the Group increased by 5% to HK\$716 million.

The Group acquired Wood Street Police Headquarter building in the centre of City of London for GBP40 million on 29th January, 2020 which has a gross internal area of 117,472 s.f. on a 20,000 s.f. island site and obtained planning consents approval to refurbish a deluxe hotel of about 216 guest rooms, restaurant, bar and facilities. Initial phase of construction works have commenced.

## **LOOKING AHEAD**

The Group has nine income producing hotels, seven in Hong Kong, one in Shanghai, one in London, and the Wood Street Hotel refurbishment project in London.

With the weak economy of the PRC, more PRC tourists choose to stay in the Greater Bay area and visit Hong Kong on day trips. In addition, the negative effects of the ongoing Gulf War, which are causing travellers to cancel trips, together with the slowdown of the global economy and inflation driven by high energy prices, are expected to further dampen travel demand. However, the future prospect of further Multiple-entry Endorsement of other major PRC cities such as Beijing and Shanghai would be most encouraging.

Most of the tenants at the Group's 633 King's Road office building and Shun Ho Tower are multinational trading companies. Due to the US/China trade war and downturn of Hong Kong's import/export volumes, those trading company tenants are experiencing difficulties and therefore the occupancies are being affected.

Future prospect of the hotel business and rental incomes may continue to be challenging and unstable. The management will keep its effort to increase incomes and control costs.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31st December, 2025.

## **CORPORATE GOVERNANCE**

### **(a) Compliance with the Corporate Governance Code**

During the year ended 31st December, 2025, the Company has complied with all applicable code provisions of the Corporate Governance Code set out in Appendix C1 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited with the exception of the following deviation:

*Code Provision C.2.1: chairman and chief executive should not be performed by the same individual*

The Company does not have separate appointments for the Chairman and the Chief Executive Officer. Mr. William Cheng Kai Man holds both positions. The Board believes that vesting the roles of both the Chairman and the Chief Executive Officer in the same person enables the Company to have a stable and consistent leadership. It also facilitates planning and execution of the Company's strategy and is hence, for the interests of the Company and its shareholders. It is also significantly cost-saving for Mr. Cheng, the Chairman to also serve as the Chief Executive Officer, which would have otherwise been recruited from the market at a heavy cost.

### **(b) Compliance with the Model Code**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules (the "Model Code") as the code of conduct regarding securities transactions by Directors. All Directors have confirmed, following specific enquiry by the Company, their compliance with the required standard set out in the Model Code throughout the year.

## **REVIEW BY THE AUDIT COMMITTEE**

The audit committee has reviewed the unaudited financial results of the Group for the year ended 31st December, 2025.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of total comprehensive income and the related notes thereto for the year ended 31st December, 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 20th March, 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

By Order of the Board

**William CHENG Kai Man**

*Chairman*

Hong Kong, 20th March, 2026

*As at the date hereof, the Board of the Company comprises four Executive Directors, namely Mr. William Cheng Kai Man (Chairman), Mr. Albert Hui Wing Ho, Madam Kimmy Lau Kam May and Madam Ng Yuet Ying; one Non-executive Director, namely, Madam Mabel Lui Fung Mei Yee; and three Independent Non-executive Directors, namely, Mr. Chan Kim Fai, Mr. Lam Kwai Cheung and Mr. Warren Liu Yuk Cho.*