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ANNOUNCEMENT OF 2025 INTERIM RESULTS

FINANCIAL AND BUSINESS HIGHLIGHTS

	Six months ended 30th June, 2025 (Unaudited) HK\$'M	Six months ended 30th June, 2024 (Unaudited) HK\$'M	% Change
Revenue	905.6	863.4	+4.9%
Gross profit	311.9	311.0	+0.3%
Operating profit/(loss) before depreciation, finance costs and tax*	85.4	(734.8)	N/A
Loss attributable to equity holders of the parent	(677.6)	(1,599.2)	-57.6%
Basic loss per ordinary share attributable to equity holders of the parent	HK\$(0.82)	HK\$(1.84)	-55.4%
	As at 30th June, 2025 (Unaudited)	As at 31st Dec, 2024 (Unaudited)	
Net asset value per ordinary share attributable to equity holders of the parent			
Book	HK\$6.46	HK\$7.16	-9.8%
Adjusted**	HK\$17.20	HK\$18.07	-4.8%

★ after accounting for, among others, the fair value changes 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, 2024 and 30th June, 2025, respectively, with any relevant deferred tax liabilities added back

- For the six months ended 30th June, 2025, the Group recorded a consolidated loss attributable to shareholders of HK\$677.6 million, while for the corresponding period in 2024, a loss of HK\$1,599.2 million was incurred.
- The reduction in the loss between the two comparative periods was mainly due to the fact that in the interim period in 2024, a fair value loss of HK\$932.6 million was incurred on the Group's financial assets at fair value through profit or loss, while a fair value gain of HK\$6.6 million on such financial assets was recorded in the period under review.
- The fair value loss on the financial assets incurred in the interim period in 2024 was mostly related to the Group's investment holdings in Cosmopolitan International Holdings Limited, a listed fellow subsidiary of the Company, which holdings have since been written down to a relatively insignificant value.
- Moreover, as the Hong Kong Interbank Offered Rates (HIBOR) has dropped significantly since mid-May this year, the finance costs for the first six months in 2025 was lower than the comparative amount in 2024, which also contributed to the reduced loss in the financial results under review.
- During the interim period, the Group's operating profit before interest, taxation, depreciation and amortisation amounted to HK\$85.4 million, after already accounting for fair value and impairment losses on properties of HK\$152.3 million, reversing from a loss of HK\$734.8 million in the same period in 2024.
- Total depreciation charges on the Group's hotel portfolio in Hong Kong for the period amounted to HK\$290.2 million, which though having no immediate impact on the Group's cash flow, have nevertheless adversely affected the Group's financial results.
- Business at the Regala Skycity Hotel at the Hong Kong International Airport during the interim period remained steady and achieved further improvement in its level of occupancy as well as RevPAR over the comparative period last year. As the second airport terminal will become operational in stages beginning from the third quarter of this year, the operational performance of this hotel should be able to attain substantial enhancement in the course of the coming years.

- **Apart from the Regala Skycity Hotel, all the other nine hotels of the Group operating in Hong Kong are owned through Regal Real Estate Investment Trust. Except for the iclub Wan Chai Hotel that is self-operated by Regal REIT, the other eight Regal and iclub hotels are leased to a wholly owned subsidiary of the Company for hotel operations.**
- **The Mount Regalia in Kau To, Sha Tin is a major luxury residential development undertaken by P&R Holdings Limited, a 50/50 joint venture between the Company and Paliburg Holdings Limited, the intermediate listed holding company of the Company. The development has a total of 24 garden houses and 136 apartment units, together with car parks and club house facilities. Since the beginning of 2025, P&R has sold or entered into contracts to sell a total of 18 apartment units and 1 house (being the house that was previously leased with an option for the lessee to purchase). As of this date, P&R still owns 3 houses and 59 apartment units in this development. Other than one house that will be retained, the remaining 2 houses and 59 apartment units will continue to be marketed for sale.**
- **Apart from the development projects and properties held through P&R, the Group also holds through its wholly owned subsidiaries a diversified portfolio of property assets. These include, in Hong Kong, a completed commercial/residential building at The Queens at Queen's Road West, a commercial/residential redevelopment project at Hai Tan Street in Sham Shui Po as well as 8 luxury garden houses in Regalia Bay in Stanley; and, in overseas, a hotel in Barcelona, Spain, under lease to a third party operator, a historical building situated at a prime location in London, the United Kingdom and a renovation-for-sale project in Lisbon, Portugal.**
- **The 123 residential units remaining held in The Queens were relaunched for sale in June this year and the market response was very favourable. Up to this date, a total of 120 relaunched residential units have been sold or contracted to be sold, which will generate substantial sales proceeds to the Group.**
- **As part of its plans for the disposal of non-core assets, the Group had entered into agreements for the disposal of its ownership interests in the completed project in Lisbon and the property in London in May and July, respectively, this year.**

- **The Group has achieved significant progress in the disposals of some of its assets planned for divestiture since the beginning of this year. The Group will continue with its asset disposal programme, with a view to reducing its indebtedness level and to reinforcing its overall financial strength.**

FINANCIAL RESULTS

For the six months ended 30th June, 2025, the Group recorded a consolidated loss attributable to shareholders of HK\$677.6 million, while for the corresponding period in 2024, a loss of HK\$1,599.2 million was incurred.

The reduction in the loss between the two comparative periods was mainly due to the fact that in the interim period in 2024, a fair value loss of HK\$932.6 million was incurred on the Group's financial assets at fair value through profit or loss, while a fair value gain of HK\$6.6 million on such financial assets was recorded in the period under review. As explained in the 2024 Interim Report, the fair value loss on the financial assets was mostly related to the Group's investment holdings in Cosmopolitan International Holdings Limited, a listed fellow subsidiary of the Company, which holdings have since been written down to a relatively insignificant value. Moreover, as the Hong Kong Interbank Offered Rates (HIBOR) has dropped significantly since mid-May this year, the finance costs for the first six months in 2025 was lower than the comparative amount in 2024, which also contributed to the reduced loss in the financial results under review.

During the interim period, the Group's operating profit before interest, taxation, depreciation and amortisation amounted to HK\$85.4 million, after already accounting for fair value and impairment losses on properties of HK\$152.3 million, reversing from a loss of HK\$734.8 million in the same period in 2024.

As the Group's hotel properties in Hong Kong are all owned and operated by subsidiaries of the Company, they are required to be subject to depreciation to conform to the applicable accounting standards. For the period under review, total depreciation charges on the Group's hotel portfolio in Hong Kong amounted to HK\$290.2 million (2024 – HK\$291.3 million).

Although such depreciation charges have no immediate impact on the Group's cash flow, they have nevertheless adversely affected the Group's financial results.

Having regard to the material difference between the carrying values of the Group's hotel portfolio in Hong Kong, which are subject to accumulated depreciation charges, and their fair values as at 30th June, 2025, an Adjusted Net Asset Statement is presented in the section headed "Management Discussion and Analysis" in this announcement. The statement illustrated, for the purpose of reference, that if all such hotel properties were to be stated in the Group's financial statements at their independent professional valuations as at 30th June, 2025, the underlying adjusted net asset value of the Company would amount to HK\$17.20 per share.

BUSINESS OVERVIEW

HOTELS

MARKET OVERVIEW

Based on a recent report released by the World Bank Group, global growth is slowing due to a substantial rise in trade barriers and the pervasive effects of an uncertain global policy environment. Growth is expected to weaken to 2.3% in 2025, with deceleration in most economies relative to last year, marking the slowest rate of global growth since 2008. For China, its production and demand grew steadily, while employment was generally stable and household income continued to increase. The gross domestic product (GDP) of China in the first half of 2025 was up by 5.3% year on year at constant prices. Hong Kong economy continued to expand solidly in the second quarter of 2025, supported by strong exports performance and improved domestic demand. Its real GDP grew by 3.1% over a year earlier, picking up slightly from the first quarter growth of 3.0%.

In the first half of 2025, Hong Kong welcomed about 23.6 million visitors, representing an increase of 11.7% year-on-year, of which 17.8 million were visitors from Mainland China. Among all visitor arrivals, 47.7% were overnight visitors, with an average length of stay of 3.2 nights. Apart from the growth in Mainland visitors, there were notable increases in the number of visitors from the traditional long haul and short haul markets, as compared to the same period

last year. Although the total number of incoming visitors to Hong Kong during this interim period was still behind the peak level of 34.9 million recorded in the first half of 2019, the pace of recovery in the local tourist market during the past few years has been steadily growing.

According to the information published by the Hong Kong Tourism Board, the average hotel room occupancy for all the surveyed hotels under different categories in Hong Kong for the half year ended 30th June was up from 83.0% in 2024 to 85.0% in 2025. However, the average achieved room rate has contracted by 10.8%, resulting in a decrease in the average Revenue per Available Room (RevPAR) of 8.6% year-on-year.

HOTEL OWNERSHIP

The Group owns and operates the Regala Skycity Hotel at the Hong Kong International Airport. This hotel has over 1,200 well decorated hotel rooms and suites, complemented with food and beverage and conference facilities catering to Meeting, Incentives, Conference and Exhibition (MICE) businesses, with direct linkage to the Asia World Expo, the 11 Skies compound and the second airport terminal.

Business at this hotel during the interim period remained steady and achieved further improvement in its level of occupancy as well as RevPAR over the comparative period last year. As the second airport terminal will become operational in stages beginning from the third quarter of this year, the operational performance of this hotel should be able to attain substantial enhancement in the course of the coming years.

Most recently, the Group had timely concluded earlier this month an HK\$2.95 billion refinancing for this hotel for a term of 3 years.

The 186-room hotel owned by the Group in Barcelona, Spain, which has been leased to a third-party operator, continued to contribute satisfactory rental revenues.

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

REGAL REAL ESTATE INVESTMENT TRUST

As at 30th June, 2025, the Group held approximately 74.9% of the total issued units of Regal REIT, while Regal Portfolio Management Limited, a wholly owned subsidiary of the Company, acts as the REIT Manager.

For the interim period ended 30th June, 2025, Regal REIT recorded a consolidated loss before distribution to Unitholders of HK\$508.1 million, as compared to a loss of HK\$19.8 million for the same period in 2024. In the interim period, there was a loss of HK\$517.1 million arising from the decrease in the fair value of Regal REIT's investment property portfolio, based on the market valuations appraised by Regal REIT's principal valuer as of 30th June, 2025, as compared to its last appraised value as of 31st December, 2024. While for the corresponding period last year, a fair value gain of HK\$16.5 million was recorded. If these fair value changes are excluded, Regal REIT would record a core operating profit before distribution to Unitholders for the interim period of HK\$9.0 million, as compared to a loss of HK\$36.3 million for the same period in 2024. The profit attained for the interim period was mainly attributable to the decrease in its financial expenses incurred, due to the significant drop in HIBOR since mid-May this year, as mentioned above.

Apart from the Regala Skycity Hotel, all the other nine hotels of the Group are owned through Regal REIT. These nine hotels include five Regal Hotels and four other hotels operating under the iclub brand. Except for the iclub Wan Chai Hotel, all the other eight hotels owned by Regal REIT are leased to a wholly owned subsidiary of the Company for hotel operations.

HOTEL OPERATIONS

Favour Link International Limited, a wholly owned subsidiary of the Company, is the lessee operating all the five Regal Hotels and three iclub Hotels under lease from Regal REIT.

Due to the changing travel and spending patterns of the visitors, the operating environment of the overall tourist industry in Hong Kong remained competitive and challenging. Nevertheless, the eight hotels under leases from Regal REIT continued to operate steadily, generating increased aggregate net property income over the comparative period in 2024, albeit still below the determined aggregate base rent paid to Regal REIT.

HOTEL MANAGEMENT

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

In China, the Group is providing management services to hotels in Shanghai and Dezhou operating under the Regal brand.

PROPERTIES

Most property developers in Hong Kong continued to adopt relatively aggressive pricing strategies in the launching of the sale of their new built residential units, mainly due to the continued strain in overall liquidity and the substantial amount of inventory stocks. However, benefiting from the increasing contribution from Mainland home buyers and investors, the influx under the talent attraction schemes, the sharp decline in the interbank rates in Hong Kong since mid-May this year as well as the wealth effect from a buoyant capital market, overall demand for residential properties in Hong Kong remained relatively stable.

Total transaction value of residential property sales in Hong Kong in the first six months of 2025 continued to rise, surpassing the level in the preceding six months. Although there was still pressure on the property prices, the trend of downward adjustment is narrowing. More recently, there are positive signs that the residential sector in Hong Kong may be on the onset of an up cycle, after a long period of consolidation.

The property business of the Group is mainly conducted through the joint venture at P&R as well as on its own through wholly owned subsidiaries of the Company.

The Mount Regalia in Kau To, Sha Tin 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. Since the beginning of 2025, P&R has sold or entered into contracts to sell a total of 18 apartment units and 1 house (being the house that was previously leased with an option for the lessee to purchase). As of this date, P&R still owns 3 houses and 59 apartment units in this development. Other than one house that will be retained, the remaining 2 houses and 59 apartment units will continue to be marketed for sale.

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

As regarding the property development business undertaken by the Group itself, The Queens at Queen's Road West is a commercial/residential development that was completed in late 2022. It has a total of 130 residential units with club house and commercial accommodations. The 123 residential units remaining held in The Queens were relaunched for sale in June this year and the market response was very favourable. Up to this date, a total of 120 relaunched residential units have been sold or contracted to be sold, which will generate substantial sales proceeds to the Group.

The Group still holds a total of 8 garden houses in Regalia Bay, a luxury residential development in Stanley jointly developed by the Group in early years. Some of these houses will continue to be disposed of if the price offered is satisfactory.

As mentioned before, as part of its plans for the disposal of non-core assets, the Group had intended to sell the property owned by the Group in London, the United Kingdom as well as the completed renovation-for-sale project held in Lisbon, Portugal.

In July 2025, the Group entered into a conditional agreement with a third-party purchaser for the sale by the Group of its entire equity interests in the wholly owned subsidiary that holds the UK property for a headline purchase price of £19.5 million (equivalent to approximately HK\$204.1 million). Completion of this transaction is conditional, among others, the passing of the relevant resolution by the shareholders of Century City International Holdings Limited, the ultimate listed parent of the Company, as the transaction constituted a very substantial disposal

for Century City. Detailed information on this transaction is contained in the joint announcement by the Company dated 29th July, 2025.

Earlier in May 2025, the Group had also entered into an agreement for the divestiture of its entire equity and loan interests in the project company holding the Lisbon property to a group of independent third-party investors for a cash consideration of EUR9.3 million (equivalent to approximately HK\$83.9 million). Completion of this disposal transaction is expected to take place before May 2026.

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

AIRCRAFT OWNERSHIP AND LEASING

Due to the change in the financial environment, the Group had further disposed of its remaining investment interests in this business segment in 2024. As the Group's past investments in the aircraft ownership and leasing businesses had been rewarding, the Group may consider reinvesting in this business segment if circumstances are considered appropriate.

OUTLOOK

Against a complex and uncertain macroeconomic backdrop and escalating geopolitical tensions, the overall business outlook for Hong Kong remains very challenging.

With regards to the tourist industry in Hong Kong, although the total number of incoming visitors has been steadily increasing, the travel and consumption habits of the Mainland visitors, which represent the most significant market segment accounting for more than 75% of the total number, have changed towards cultural and in-depth experiences. This has, in turn, resulted in the decline in their average per capita spending.

To cope with the changing travel and spending patterns of the visitors, the Hong Kong Tourism Board is actively pursuing the “tourism is everywhere” concept and the implementation of the Development Blueprint for Hong Kong’s Tourism Industry 2.0 in the 2025/26 budget. In May this year, the Hong Kong Government also introduced nine new tourist attractions, designed to cater to a wide range of interests, including eco-tourism, popular photo spots and cultural experiences. In addition, with the opening of the Kai Tak Sports Park and Stadium, Hong Kong has been hosting a series of mega events, which could solidify its position as Asia’s premier events and entertainment hub.

From a broader perspective, Hong Kong has a clear path to actively integrate and align with the national development strategies under its functional role as a “super connector” and a “super value-adder”. Benefiting from its close ties with China, Hong Kong will be able to overcome the macro challenges and enhance its unique position in the Greater Bay Area as a world class financial centre, major travel hub and key regional service centre.

The HIBOR in the past two months has stayed at a relatively lower level than that encountered in the past few years. It is now also widely expected that the US Federal Reserve may have certain interest rate cuts in the second half of this year, which could bring forth positive impact on the interest rate environment in Hong Kong. In the meanwhile, the directors of the REIT Manager will closely watch out for any appropriate deleveraging opportunities as the investment sentiment gradually revives.

The Group has achieved significant progress in the disposals of some of its assets planned for divestiture since the beginning of this year. The Group will continue with its asset disposal programme, with a view to reducing its indebtedness level and to reinforcing its overall financial strength.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

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

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

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

Hong Kong

Regala Skycity Hotel, the Hong Kong International Airport

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

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

This new hotel embraces a wide range of sustainable features in its building design, construction and operation and was awarded Gold Rating under BEAM Plus Certification and EarthCheck Design Certified Gold Rating. The hotel also received a number of international design awards including the Muse Design Gold Award, Build4Asia Silver Award, A'Design Silver Award and International Property Award.

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

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

The 123 residential units remaining held in The Queens were relaunched for sale in June this year and the market response was very favourable. Up to this date, a total of 120 relaunched residential units have been sold or contracted to be sold for an aggregate gross consideration of HK\$898.7 million.

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 had been completed in February 2025. Ground investigation and field works had been completed in May 2025.

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 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 satisfactory.

Overseas

Campus La Mola, Barcelona, Spain

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

41 Kingsway, London WC2B 6TP, the United Kingdom

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

In July 2025, the Group entered into a conditional agreement with a third-party purchaser for the sale of its entire equity interests in the wholly owned subsidiary that holds this property for a headline purchase price of £19.5 million (equivalent to approximately HK\$204.1 million). Completion of this transaction is conditional, among others, the passing of the relevant resolution by the shareholders of Century City, the ultimate listed parent of the Company, as the transaction constituted a very substantial disposal for Century City. Detailed information on this transaction is contained in the joint announcement by the Company dated 29th July, 2025.

Fabrik, Rua Dos Fanqueiros 156, Lisbon, Portugal

This is a rehabilitation and renovation project for a historical building located in a heritage conservation area of Lisbon, acquired in 2019 by an entity that is now wholly owned by the Group. This building has a total gross floor area of about 1,836 square metres (19,768 square

feet), comprising residential apartments as well as shops on ground floor. The renovation works have been completed and the relevant usage permits were obtained in August 2024.

Earlier in May 2025, the Group had also entered into an agreement for the divestiture of its entire equity and loan interests in the project company holding the property to a group of independent third-party investors for a cash consideration of EUR9.3 million (equivalent to approximately HK\$83.9 million). A non-refundable deposit of EUR2.3 million has already been received by the Group and a further deposit of EUR0.9 million is due to be paid by the purchasers in November 2025. Completion of this disposal transaction is expected to take place before May 2026.

JOINT VENTURE – P&R HOLDINGS LIMITED

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

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

Domus and Casa Regalia, Nos.65-89 Tan Kwai Tsuen Road, Yuen Long, New Territories

This residential project, which was completed in 2016, has a site area of approximately 11,192 square metres (120,470 square feet) and provides a total of 170 units, comprising 36 garden houses and a low-rise apartment block with 134 units, having aggregate gross floor area of approximately 11,192 square metres (120,470 square feet).

All the units in the apartment block, named Domus, had been sold. The garden houses comprised within this development are named as Casa Regalia. 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 period.

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 21 garden houses and 77 apartment units have been sold or contracted to be sold for a total sale price of HK\$5,218.5 million, including 18 apartment units and 1 house

(being the house that was previously leased with an option for the lessee to purchase) that were contracted to be sold in 2025 for an aggregate gross consideration of HK\$735.4 million. So far, the sale transactions for 19 houses and 61 apartment units with total sale price of HK\$4,439.8 million have been completed. Sale transactions completed during the period included 1 house and 4 apartment units (total sale price of HK\$200.7 million) and the profits derived therefrom accounted for in the results under review.

As of this date, P&R still owns 3 houses and 59 apartment units in this development. Other than one house that will be retained, the remaining 2 houses and 59 apartment units will continue to be marketed for sale.

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 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 its divestiture of a 50% beneficial interest in December 2019, the property is presently 50% owned by P&R. 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 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 had 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 had been completed.

COSMOPOLITAN INTERNATIONAL HOLDINGS LIMITED

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

Property Development

Chengdu Project – Regal Cosmopolitan City

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

All the residential units in the third stage have been sold in prior years. Total proceeds from the sales of the residential units amounted to approximately RMB2,048.3 million (HK\$2,228.8 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, for aggregate sale considerations of approximately RMB93.2 million (HK\$101.4 million). The sale of the 1,387 car parking spaces is continuing and, up to date, 548 car parking spaces have been sold or contracted to be sold, for aggregate sales proceeds of approximately RMB56.3 million (HK\$61.3 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 remaining commercial components, also within the third stage of the development, comprised 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). With the formal issue of the Completion Certificate for the last four office towers and the shopping arcade blocks, all the development works for the entire project have virtually been completed. The Cosmopolitan group is now actively planning the sale of these remaining component units, both on en bloc as well as individual units basis.

The presale programme for the units in one of the office towers, consisting of 434 units with a total of about 19,400 square metres (208,800 square feet), commenced in 2021. Up to date, 335 office units with a total of about 15,017 square metres (161,643 square feet) have been sold under contracts or subscribed by prospective purchasers, for an aggregate sale consideration of RMB128.9 million (HK\$140.3 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 sold, for aggregate sale considerations of approximately RMB8.1 million (HK\$8.8 million).

Overall, due to the slackened demand, the progress achieved so far on the sale of these office and shop units was relatively slow. The disposal plan of these remaining properties is under active reformulation, 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 is ongoing. Up to date, shops with a total area of 16,050 square metres (172,762 square feet) have been sold for aggregate sale considerations of approximately RMB374.1 million (HK\$407.1 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. The overall market conditions in the property sector in Tianjin remained weak, particularly as regards the commercial property segment. The Cosmopolitan group will continue to monitor the market conditions, with a view to launching the sale of the remaining properties when the circumstances are appropriate.

Xinjiang Project

This is a re-forestation and land grant project for a land parcel with site area of about 7,600 mu undertaken in accordance with the relevant laws and policies in Urumqi, Xinjiang Uygur Autonomous Region. The Cosmopolitan group has re-forested an aggregate area of about 4,300 mu within the project site and in accordance with the relevant government policies of Urumqi, a parcel of land with an area of about 1,843 mu (1,228,700 square metres) would be available for real estate development after the requisite inspection of the required re-forestation area, land grant listing and tender procedures are completed. The Cosmopolitan group will be entitled to participate in the tender of such land use right and monetary compensation in reference to the re-forestation cost of the Cosmopolitan group incurred.

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

FINANCIAL ASSETS AND OTHER INVESTMENTS

The Group holds a significant portfolio of investments comprising listed securities and other investments, including investment funds, private equities, bonds as well as treasury and yield enhancement products. The Group recorded for the period under review a net gain in its financial assets investments business.

FINANCIAL REVIEW

ASSETS VALUE

The Group's hotel properties in Hong Kong owned by Regal REIT, with the exception of the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel and the iclub To Kwa Wan Hotel, were stated in the financial statements at their fair values as at 23rd July, 2010 when Regal REIT became a subsidiary of the Group, plus subsequent capital additions and deducting accumulated depreciation. The market valuations of these hotel properties have since appreciated substantially as a whole but have not been reflected in the Group's financial statements. Moreover, the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel and the iclub To Kwa Wan Hotel were stated in the Group's financial statements at their fair values at the time of acquisition net of the unrealised gain attributable to the Group and are also subject to depreciation and impairment, while the Regala Skycity Hotel completed in 2021 is stated at cost and also subject to depreciation. For the purpose of providing supplementary information, if the Group's entire hotel property portfolio in Hong Kong is restated in the condensed consolidated financial statements at market value as at 30th June, 2025, the unaudited adjusted net asset value of the ordinary shares of the Company would be HK\$17.20 per share, computed as follows:

	As at 30th June, 2025	
	HK\$'M	HK\$ per ordinary share
Book net assets attributable to equity holders of the parent	5,807.7	6.46
Adjustment to restate the Group's hotel property portfolio in Hong Kong at its market value and add back any relevant deferred tax liabilities	9,648.7	10.74
Unaudited adjusted net assets attributable to equity holders of the parent	15,456.4	17.20

CAPITAL RESOURCES AND FUNDING

Funding and Treasury Policy

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

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

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

Cash Flows

During the period under review, there were net cash flows generated from operating activities of HK\$181.6 million (2024 – HK\$124.3 million). Net interest payment for the period amounted to HK\$373.3 million (2024 – HK\$449.9 million).

Borrowings and Gearing

As at 30th June, 2025, the Group had cash and bank balances and deposits of HK\$788.3 million (31st December, 2024 – HK\$1,093.8 million) and the Group's borrowings, net of cash and bank balances and deposits, amounted to HK\$14,701.1 million (31st December, 2024 – HK\$14,500.6 million).

As at 30th June, 2025, the gearing ratio of the Group was 60.5% (31st December, 2024 – 58.1%), representing the Group's borrowings, net of cash and bank balances and deposits, of HK\$14,701.1 million (31st December, 2024 – HK\$14,500.6 million), as compared to the total assets of the Group of HK\$24,281.3 million (31st December, 2024 – HK\$24,973.7 million).

On the basis of the adjusted total assets as at 30th June, 2025 of HK\$36,628.3 million (31st December, 2024 – HK\$37,554.8 million) with the Group's hotel portfolio in Hong Kong restated at its market value on the basis presented above, the gearing ratio would be 40.1% (31st December, 2024 – 38.6%).

Details of the maturity profile of the borrowings of the Group as of 30th June, 2025 are shown in the condensed consolidated financial statements contained in the interim report for the six months ended 30th June, 2025 of the Company ("Interim Financial Statements") to be published on or before 30th September, 2025.

Lease Liabilities

As at 30th June, 2025, the Group had lease liabilities of HK\$9.0 million (31st December, 2024 – HK\$10.6 million).

Pledge of Assets

As at 30th June, 2025, the Group's properties under development and certain of the Group's property, plant and equipment, investment properties, right-of-use assets, properties held for sale, time deposits and bank balances in the total amount of HK\$19,484.3 million (31st December, 2024 – HK\$19,871.2 million) were pledged to secure banking facilities granted to the Group as well as bank guarantees procured by the Group pursuant to certain lease guarantees in connection with the leasing of the hotel properties from Regal REIT.

As at 31st December, 2024, the equity interests in the holding company of a property development project was also pledged to secure the other borrowing of the Group, which was released during the period upon the full repayment of the other borrowing.

Capital Commitments

Details of the capital commitments of the Group as at 30th June, 2025 are shown in the Interim Financial Statements.

Contingent Liabilities

Details of the contingent liabilities of the Group as at 30th June, 2025 are shown in the Interim Financial Statements.

DIVIDEND

The Directors have resolved not to declare an interim dividend for the financial year ending 31st December, 2025 (2024 – Nil).

HALF YEAR RESULTS

Condensed Consolidated Statement of Profit or Loss

	Six months ended 30th June, 2025 (Unaudited) HK\$'M	Six months ended 30th June, 2024 (Unaudited) HK\$'M
REVENUE (Notes 2 & 3)	905.6	863.4
Cost of sales	(593.7)	(552.4)
Gross profit	311.9	311.0
Other income and gains, net (Note 3)	33.8	157.6
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	6.6	(932.6)
Fair value losses on investment properties, net	(135.9)	(91.1)
Impairment loss on properties under development	–	(40.0)
Impairment loss on properties held for sale	(16.4)	–
Impairment loss on investments in associates	(0.2)	(0.3)
Property selling and marketing expenses	(0.5)	(1.1)
Administrative expenses	(113.9)	(138.3)
OPERATING PROFIT/(LOSS) BEFORE DEPRECIATION	85.4	(734.8)
Depreciation (Note 4)	(297.4)	(302.2)
OPERATING LOSS	(212.0)	(1,037.0)
Finance costs (Note 5)	(410.5)	(511.8)
Share of profits and losses of:		
Joint ventures	(93.8)	(119.4)
An associate	(0.2)	1.4
LOSS BEFORE TAX	(716.5)	(1,666.8)
Income tax (Note 6)	(15.6)	1.8
LOSS FOR THE PERIOD BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	(732.1)	(1,665.0)

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

	Six months ended 30th June, 2025 (Unaudited) HK\$'M	Six months ended 30th June, 2024 (Unaudited) HK\$'M
Attributable to:		
Equity holders of the parent	(677.6)	(1,599.2)
Non-controlling interests	(54.5)	(65.8)
	(732.1)	(1,665.0)
LOSS PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (Note 8)		
Basic and diluted	HK\$(0.82)	HK\$(1.84)

Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30th June, 2025 (Unaudited) HK\$'M	Six months ended 30th June, 2024 (Unaudited) HK\$'M
LOSS FOR THE PERIOD BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	(732.1)	(1,665.0)
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	(50.1)	10.5
Transfer from hedging reserve to profit or loss	2.9	(3.9)
	(47.2)	6.6
Exchange differences on translation of foreign operations	53.2	(19.8)
Share of other comprehensive income/(loss) of:		
A joint venture	17.5	(13.1)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	23.5	(26.3)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive loss of:		
A joint venture	(0.3)	(4.6)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	23.2	(30.9)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(708.9)	(1,695.9)
Attributable to:		
Equity holders of the parent	(642.5)	(1,631.7)
Non-controlling interests	(66.4)	(64.2)
	(708.9)	(1,695.9)

Condensed Consolidated Statement of Financial Position

	30th June, 2025 (Unaudited) HK\$'M	31st December, 2024 (Audited) HK\$'M
NON-CURRENT ASSETS		
Property, plant and equipment	4,808.7	5,139.8
Investment properties	1,003.5	1,100.1
Right-of-use assets	12,121.6	12,257.9
Properties under development	401.0	399.9
Investments in joint ventures	2,285.3	2,259.3
Investments in associates	8.9	9.3
Financial assets at fair value through profit or loss	318.2	416.3
Other loan	857.0	857.0
Debtors and deposits (Note 9)	6.4	6.8
Derivative financial instruments	—	9.9
Deferred tax assets	47.7	47.7
Intangible assets	3.6	3.6
Total non-current assets	21,861.9	22,507.6
CURRENT ASSETS		
Asset held for sale	209.9	—
Properties held for sale	988.9	994.9
Inventories	20.4	21.2
Debtors, deposits and prepayments (Note 9)	347.9	274.8
Financial assets at fair value through profit or loss	59.1	77.2
Derivative financial instruments	—	0.3
Tax recoverable	4.9	3.9
Restricted cash	265.4	351.4
Pledged time deposits and bank balances	296.4	291.7
Time deposits	7.3	31.5
Cash and bank balances	219.2	419.2
Total current assets	2,419.4	2,466.1

Condensed Consolidated Statement of Financial Position (Cont'd)

	30th June, 2025 (Unaudited) HK\$'M	31st December, 2024 (Audited) HK\$'M
CURRENT LIABILITIES		
Creditors, deposits received and accruals (Note 10)	(397.6)	(379.5)
Contract liabilities	(89.4)	(63.0)
Lease liabilities	(5.4)	(7.8)
Interest bearing bank borrowings	(5,017.6)	(4,912.4)
Other borrowing	–	(73.0)
Derivative financial instruments	(4.8)	–
Tax payable	(30.3)	(33.0)
Total current liabilities	(5,545.1)	(5,468.7)
NET CURRENT LIABILITIES	(3,125.7)	(3,002.6)
TOTAL ASSETS LESS CURRENT LIABILITIES	18,736.2	19,505.0
NON-CURRENT LIABILITIES		
Creditors and deposits received (Note 10)	(53.6)	(53.6)
Lease liabilities	(3.6)	(2.8)
Interest bearing bank borrowings	(10,471.8)	(10,609.0)
Derivative financial instruments	(54.0)	(0.7)
Deferred tax liabilities	(629.8)	(624.0)
Total non-current liabilities	(11,212.8)	(11,290.1)
Net assets	7,523.4	8,214.9
EQUITY		
Equity attributable to equity holders of the parent		
Issued capital	89.9	89.9
Reserves	5,717.8	6,342.9
	5,807.7	6,432.8
Perpetual securities	1,732.9	1,732.9
Non-controlling interests	(17.2)	49.2
Total equity	7,523.4	8,214.9

Notes:

1. Basis of Preparation and Accounting Policies

The condensed consolidated financial statements for the six months ended 30th June, 2025 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31st December, 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period’s financial statements.

Amendments to HKAS 21

Lack of Exchangeability

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the condensed consolidated financial statements.

The Group had a net loss attributable to owners of the parent of HK\$677.6 million (2024 – HK\$1,599.2 million) for the period ended 30th June, 2025 and net current liabilities of HK\$3,125.7 million (31st December, 2024 – HK\$3,002.6 million) and net assets of HK\$7,523.4 million (31st December, 2024 – HK\$8,214.9 million) as at 30th June, 2025. The Group had total non-pledged time deposits, cash and bank balances of HK\$226.5 million (31st December, 2024 – HK\$450.7 million) as at 30th June, 2025. The Group also had a positive net cash flows from operating activities of HK\$181.6 million (2024 – HK\$124.3 million) for the period ended 30th June, 2025.

The condensed consolidated financial statements were prepared based on the assumption that the Group is operating as a going concern, as the Directors are of the view that the Group will have sufficient working capital to finance its operations in the next twelve months from 30th June, 2025, 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 contracted sales of property assets of the Group, in Hong Kong and overseas, up to the current date;
- (iii) the plan for disposal of certain non-core assets, including certain overseas properties of the Group;
- (iv) the refinancing of the bank loan secured by the Regala Skycity Hotel concluded subsequent to the reporting period; and
- (v) the refinancing plan for certain maturing interest bearing bank borrowings that are secured by certain properties.

2. Operating Segment Information

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

- (a) the hotel operation and management and hotel ownership segment engages in hotel operations and the provision of hotel management services, and the ownership in hotel properties for rental income;
- (b) the asset management segment engages in the provision of asset management services to Regal REIT;
- (c) the property development and investment segment includes investments in properties for sale and for rental income, and the provision of property agency and management services;

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

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

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 and profit/(loss) information for the Group's operating segments:

	Hotel operation and management and hotel ownership		Asset management		Property development and investment		Financial assets investments		Aircraft ownership and leasing		Others		Eliminations		Consolidated	
	Six months ended 30th June, 2025		Six months ended 30th June, 2024		Six months ended 30th June, 2025		Six months ended 30th June, 2024		Six months ended 30th June, 2025		Six months ended 30th June, 2024		Six months ended 30th June, 2025		Six months ended 30th June, 2024	
	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M
Segment revenue:																
Sales to external customers	849.9	814.7	-	-	11.4	9.0	(0.5)	1.3	-	11.8	44.8	26.6	-	-	905.6	863.4
Intersegment sales	0.1	0.1	46.3	46.7	1.3	1.2	-	-	-	-	90.1	87.1	(137.8)	(135.1)	-	-
Total	850.0	814.8	46.3	46.7	12.7	10.2	(0.5)	1.3	-	11.8	134.9	113.7	(137.8)	(135.1)	905.6	863.4
Segment results before depreciation	234.3	236.5	(6.6)	(6.5)	(122.4)	(83.4)	4.7	(928.8)	-	78.2	2.1	1.8	-	-	112.1	(702.2)
Depreciation	(293.4)	(296.9)	-	-	(2.0)	(2.0)	-	-	-	(2.2)	(2.0)	(1.1)	-	-	(297.4)	(302.2)
Segment operating results	(59.1)	(60.4)	(6.6)	(6.5)	(124.4)	(85.4)	4.7	(928.8)	-	76.0	0.1	0.7	-	-	(185.3)	(1,004.4)
Unallocated interest income and unallocated non-operating and corporate gains															8.3	16.0
Unallocated non-operating and corporate expenses, net															(35.2)	(48.9)
Finance costs (other than interest on lease liabilities)															(410.3)	(511.5)
Share of profits and losses of:																
Joint ventures	-	-	-	-	(93.8)	(119.4)	-	-	-	-	-	-	-	-	(93.8)	(119.4)
An associate	-	-	-	-	(0.2)	1.4	-	-	-	-	-	-	-	-	(0.2)	1.4
Loss before tax															(716.5)	(1,666.8)
Income tax															(15.6)	1.8
Loss for the period before allocation between equity holders of the parent and non-controlling interests															(732.1)	(1,665.0)
Attributable to:																
Equity holders of the parent															(677.6)	(1,599.2)
Non-controlling interests															(54.5)	(65.8)
															(732.1)	(1,665.0)

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

	Six months ended 30th June, 2025 (Unaudited) HK\$'M	Six months ended 30th June, 2024 (Unaudited) HK\$'M
<u>Revenue</u>		
<i>Revenue from contracts with customers</i>		
Hotel operations and management services	819.8	782.3
Construction and construction-related income	11.0	—
Other operations	36.0	28.9
<i>Revenue from other sources</i>		
Rental income:		
Hotel properties	20.5	21.1
Investment properties	17.4	16.6
Aircraft	—	11.8
Others	1.4	1.4
Loss from sale of listed investments included in financial assets at fair value through profit or loss, net	(0.8)	—
Interest income from financial assets at fair value through profit or loss	0.2	0.8
Dividend income from listed investments	0.1	0.5
	<hr/> 905.6 <hr/>	<hr/> 863.4 <hr/>

	Six months ended 30th June, 2025 (Unaudited) HK\$'M	Six months ended 30th June, 2024 (Unaudited) HK\$'M
<u>Other income and gains, net</u>		
Bank interest income	5.2	9.6
Other interest income	28.9	69.3
Dividend income from unlisted investments	4.7	8.5
Loss on disposal of unlisted investments included in financial assets at fair value through profit or loss	(5.5)	—
Gain on disposal of items of property, plant and equipment	—	69.2
Others	0.5	1.0
	<u>33.8</u>	<u>157.6</u>

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

	Six months ended 30th June, 2025 (Unaudited) HK\$'M	Six months ended 30th June, 2024 (Unaudited) HK\$'M
Depreciation of property, plant and equipment	158.2	161.6
Depreciation of right-of-use assets	139.2	140.6
	<u>297.4</u>	<u>302.2</u>

5. Finance costs of the Group are as follows:

	Six months ended 30th June, 2025 (Unaudited) HK\$'M	Six months ended 30th June, 2024 (Unaudited) HK\$'M
Interest on bank loans	386.2	493.2
Interest on other borrowing	0.2	—
Interest on lease liabilities	0.2	0.3
Amortisation of debt establishment costs	20.1	20.7
Total interest expenses on financial liabilities not at fair value through profit or loss	406.7	514.2
Fair value changes on derivative financial instruments – cash flow hedges (transfer from hedging reserve)	2.9	(3.9)
Other loan costs	0.9	1.6
	410.5	511.9
Less: Finance costs capitalised	—	(0.1)
	410.5	511.8

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

	Six months ended 30th June, 2025 (Unaudited) HK\$'M	Six months ended 30th June, 2024 (Unaudited) HK\$'M
Current – Hong Kong		
Charge for the period	12.5	8.5
Current – Overseas		
Charge for the period	—	1.2
Deferred	3.1	(11.5)
Total tax charge/(credit) for the period	15.6	(1.8)

The provision for Hong Kong profits tax has been calculated by applying the applicable tax rate of 16.5% (2024 – 16.5%) to the estimated assessable profits which were earned in or derived from Hong Kong during the period.

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

The share of tax credit attributable to a joint venture amounting to HK\$1.9 million (2024 – tax charge of HK\$46.8 million) is included in “Share of profits and losses of a joint venture and associates” in the condensed consolidated statement of profit or loss.

7. Dividend:

No dividend was paid or proposed during the six months ended 30th June, 2025, nor has any dividend been proposed since the end of the reporting period (2024 – Nil).

8. The calculation of basic loss per ordinary share for the period ended 30th June, 2025 is based on the loss for the period attributable to equity holders of the parent of HK\$677.6 million (2024 – HK\$1,599.2 million), adjusted for the accrued distribution related to perpetual securities of HK\$56.9 million (2024 – distribution related to perpetual securities of HK\$57.2 million), and on the weighted average of 898.8 million (2024 – 898.8 million) ordinary shares of the Company outstanding during the period.

No adjustment was made to the basic loss per ordinary share for the periods ended 30th June, 2025 and 2024 as the Company had no potentially dilutive ordinary shares outstanding and therefore no diluting events existed throughout the periods.

9. Included in debtors, deposits and prepayments is an amount of HK\$109.9 million (31st December, 2024 – HK\$105.9 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:

	30th June, 2025	31st December, 2024
	(Unaudited)	(Audited)
	HK\$'M	HK\$'M
Outstanding balances with ages:		
Within 3 months	92.7	88.3
4 to 6 months	7.1	6.5
7 to 12 months	7.0	7.6
Over 1 year	12.0	15.5
	<hr/>	<hr/>
	118.8	117.9
Impairment	(8.9)	(12.0)
	<hr/>	<hr/>
	109.9	105.9
	<hr/>	<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.

10. Included in creditors, deposits received and accruals is an amount of HK\$38.7 million (31st December, 2024 – HK\$72.2 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:

	30th June, 2025	31st December, 2024
	(Unaudited)	(Audited)
	HK\$'M	HK\$'M
Outstanding balances with ages:		
Within 3 months	35.4	68.6
4 to 6 months	1.2	3.2
7 to 12 months	1.9	—
Over 1 year	0.2	0.4
	<hr/>	<hr/>
	38.7	72.2
	<hr/>	<hr/>

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

11. Event after the reporting period

On 29th July, 2025, the Group entered into a share purchase agreement with an independent third party to dispose of the entire issued share capital of Waterman House Investments Limited (the “Target Company”), a wholly owned subsidiary of the Company, for a headline purchase price of £19.5 million (equivalent to approximately HK\$204.1 million). The Target Company is the sole legal and beneficial owner of Waterman House, a property located at 41 Kingsway, London, United Kingdom. Further details of the transaction are contained in the Company’s announcement dated 29th July, 2025.

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 six months ended 30th June, 2025.

REVIEW OF RESULTS

The Group's condensed consolidated financial statements for the six months ended 30th June, 2025 have not been audited, but have been reviewed by Ernst & Young, the Company's external auditor, whose review report is contained in the Company's interim report for the six months ended 30th June, 2025 to be despatched to shareholders.

The Audit Committee has reviewed the Group's condensed consolidated financial statements for the six months ended 30th June, 2025, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditor.

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 of Hong Kong Limited during the six months ended 30th June, 2025, except that:

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

BOARD OF DIRECTORS

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

Executive Directors:

Mr. LO Yuk Sui

(Chairman and Chief Executive Officer)

Ms. LO Po Man

(Vice Chairman and Managing Director)

Mr. Kelvin LEUNG So Po

Mr. Jimmy LO Chun To

Mr. Kenneth NG Kwai Kai

Mr. Allen WAN Tze Wai

Non-Executive Directors:

Dr. Francis CHOI Chee Ming, GBS, JP

(Vice Chairman)

Ms. Belinda YEUNG Bik Yiu, JP

Independent Non-Executive Directors:

Ms. Alice KAN Lai Kuen

Professor Japhet Sebastian LAW

Ms. Winnie NG, JP

Mr. WONG Chi Keung

By Order of the Board

LO YUK SUI

Chairman

Hong Kong, 27th August, 2025