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ANNOUNCEMENT OF 2025 GROUP FINAL RESULTS

FINANCIAL AND BUSINESS HIGHLIGHTS

	Year 2025 HK\$'M	Year 2024 HK\$'M	% Change
Revenue	2,758.5	1,825.8	+51.1%
Gross profit	811.3	687.8	+18.0%
Operating gain/(loss) before depreciation, finance costs and tax*	392.9	(706.4)	N/A
Loss for the year attributable to equity holders of the parent	(1,200.9)	(2,597.8)	-53.8%
Basic loss per ordinary share attributable to equity holders of the parent	HK\$(1.46)	HK\$(3.02)	-51.7%
	As at 31st December,		
	2025	2024	
	(Unaudited)	(Unaudited)	
	HK\$'M	HK\$'M	
Net assets attributable to equity holders of the parent			
Book	5,296.6	6,432.8	-17.7%
Adjusted**	15,012.1	16,241.4	-7.6%
Net asset value per ordinary share attributable to equity holders of the parent			
Book	HK\$5.89	HK\$7.16	-17.7%
Adjusted**	HK\$16.70	HK\$18.07	-7.6%

* 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 2025, respectively

- For the year ended 31st December, 2025, the Group recorded a consolidated loss attributable to shareholders of HK\$1,200.9 million, substantially reduced from the loss of HK\$2,597.8 million incurred in the preceding year.
- The reduction in the loss reported for the year under review was primarily attributable to the fact that in the financial results for the preceding year, there was a fair value loss of HK\$946.1 million incurred on the Group's investment holdings in Cosmopolitan International Holdings Limited, a listed fellow subsidiary of the Company, which had since been written down to a relatively insignificant value.
- Moreover, the enhanced performance of the Group's hotel operations as well as the reduction in the Group's finance costs, due to the softening of Hong Kong's interest rates, also contributed to the relatively improved results reported for the year under review.
- During the year, the Group's hotel operations and management businesses generated income of HK\$710.6 million, an increase of approximately 17.8% over the comparative amount in 2024. Gross profit of the Group for the year amounted to HK\$811.3 million, an increase of approximately 18.0% year-on-year. Operating gain before finance costs and depreciation for the year amounted to HK\$392.9 million, reversing from the loss of HK\$706.4 million in 2024.
- Total depreciation charges on the Group's hotel properties in Hong Kong for the year under review amounted to HK\$575.2 million (2024 – HK\$582.8 million). Although these depreciation charges do not have impact on the Group's cash flow, they had nevertheless adversely affected the Group's financial results.
- The Regala Skycity Hotel is the second hotel developed by the Group at the Hong Kong International Airport. During the year, the operating performance of this hotel continued to improve, with its RevPAR having enhanced by 7.8% year-on-year. Consequently, its overall net property income had increased by 27.9% over the preceding year. It can be expected that when the Terminal 2 at the Hong Kong International Airport, to which it is directly linked, becomes fully operational, substantial additional businesses will be generated for the Regala Skycity Hotel.

- **Apart from the Regala Skycity Hotel, the Group owns through Regal Real Estate Investment Trust, a subsidiary entity of the Group, nine hotels operating in Hong Kong, including five Regal Hotels and four other hotels that are operating under the iclub brand. During the year under review, all these nine hotels also operated satisfactorily, achieving positive increases in their average RevPAR that outperformed market average.**

- **Aligning with its objective of delivering long-term stable returns through disciplined capital management, asset recycling and selective reinvestments, Regal REIT has most recently entered into a legally binding preliminary agreement in March 2026 with an independent third party for the sale of its entire equity interests in the company that indirectly holds the Regal Oriental Hotel in Kowloon City, based on an agreed property value of HK\$1,518.0 million for the hotel property. Full details of this sale transaction were contained in the joint announcement published by the Company on 22nd March, 2026. Upon completion of this sale transaction, the Group expects to record an accounting gain, before tax and non-controlling interests, of approximately HK\$800.0 million which will be reflected in the results for the 2026 financial year.**

- **The Group has a 50% joint venture interest in P&R Holdings Limited which owns, apart from other developments and properties, the Mount Regalia in Kau To, Sha Tin. The Mount Regalia is a major luxury residential development undertaken by P&R. The development has a total of 24 garden houses and 136 apartment units, together with car parks and club house facilities. Since the beginning of 2025 to date, P&R has concluded contracts for the sale of 2 houses (including a house which was previously sold under a sale agreement that has been defaulted by the purchaser) and 28 apartment units. Apart from those houses and apartment units that have been sold (including those contracted sales that are yet pending completion), P&R still owns 3 houses and 49 apartment units in this development, which command significant value.**

- **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 130 residential units with club house and commercial accommodations. The Group relaunched the sale of the remaining 123 residential units in June 2025 and, up to this date, all those remaining units have been sold and generated substantial sales proceeds. The Group also owns a site at Hai Tan Street in Sham Shui Po, which is intended for a commercial/residential development.**
- **The Group has recently entered into contract for the sale of one garden house in Regalia Bay, Stanley, a luxury residential development jointly developed by the Group in earlier years, at a satisfactory price, which is pending completion. Other than the house contracted to be sold, 7 garden houses in Regalia Bay are still being retained. Some of these remaining houses will continue to be disposed of.**
- **Over the past year, the Group has successfully implemented the planned disposal of some of its assets, with a view to reducing its indebtedness level and to generating capital to rejuvenate and enhance its assets portfolio.**
- **Although the external economic environment remains volatile, the Directors believe in the resilience of the Hong Kong economy and are optimistic that, as the operating environment in Hong Kong further improves, the Group will be able to gradually restore its financial strength and to regain profitability.**

FINANCIAL RESULTS

For the year ended 31st December, 2025, the Group recorded a consolidated loss attributable to shareholders of HK\$1,200.9 million, substantially reduced from the loss of HK\$2,597.8 million incurred in the preceding year.

As explained in the announcement of the Company on Update of Financial Information published on 25th March, 2026, the reduction in the loss reported for the year under review was primarily attributable to the fact that in the financial results for the preceding year, there was a fair value loss of HK\$946.1 million incurred on the Group’s investment holdings in Cosmopolitan International Holdings Limited, a listed fellow subsidiary of the Company,

which had since been written down to a relatively insignificant value. Moreover, the enhanced performance of the Group's hotel operations as well as the reduction in the Group's finance costs, due to the softening of Hong Kong's interest rates, also contributed to the relatively improved results reported for the year under review.

During the year, the Group's hotel operations and management businesses generated income of HK\$710.6 million, an increase of approximately 17.8% over the comparative amount in 2024. Gross profit of the Group for the year amounted to HK\$811.3 million, an increase of approximately 18.0% year-on-year. Operating gain before finance costs and depreciation for the year amounted to HK\$392.9 million, reversing from the loss of HK\$706.4 million in 2024 which, as explained before, was adversely affected by the fair value loss on financial assets.

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 charges to conform to the applicable accounting standards. Total depreciation charges on the Group's hotel properties in Hong Kong for the year under review amounted to HK\$575.2 million (2024 – HK\$582.8 million). Although these depreciation charges do not have impact on the Group's cash flow, they had nevertheless adversely affected the Group's financial results.

Based on their independent professional market valuations as at 31st December, 2025, the aggregate market value of the Group's hotel properties in Hong Kong was still well above their total carrying value, as they were subject to accumulated depreciation charges. For the purpose of reference, an Adjusted Net Assets Statement is presented in the section headed "Management Discussion and Analysis" in this announcement, which illustrated that, if all such properties were to be stated in the Group's financial statements at their market valuations as at 31st December, 2025, the Group's adjusted net assets would amount to HK\$15,012.1 million and the underlying adjusted net asset value of the Company would amount to HK\$16.70 per share, on the basis therein stated.

BUSINESS OVERVIEW

HOTELS

MARKET OVERVIEW

The global economy has shown notable resilience to heightened trade tensions and policy uncertainty, with global growth estimated to have averaged 2.7% in 2025.

Despite the complex changes in the domestic and global economic environments, the Gross Domestic Product (GDP) for China in 2025 increased by 5.0% over the previous year at constant prices, with its national economy successfully pushed forward by innovation-led and high-quality development. Hong Kong's economy recorded a growth of 3.5% in 2025, which was above the high-end forecast of 3.0% made by the Hong Kong Government in August 2025.

In 2025, Hong Kong welcomed about 49.9 million visitors, representing a year-on-year increase of 12.1%. While visitors from the Chinese Mainland remained predominantly the single largest market segment, encouraging growth was seen in the number of visitors from most other short haul as well as the long haul markets. Although the number of total visitor arrivals in 2025 was still behind the historical peak recorded in 2018, the recovery trend of Hong Kong's tourist industry is obvious and solid. According to the Hong Kong Tourism Board (HKTB), overnight visitors accounted for 46.5% of all visitors in 2025, with an average length of stay of 3.1 nights in Hong Kong.

Based on the hotel survey published by the HKTB, the average hotel occupancy rate for all the surveyed hotels in different categories in 2025 was 87.0%, an increase of 2.0 percentage points from 2024, but the industry-wide average room rate had contracted by 5.2%, with the average Revenue per Available Room (RevPAR) having overall decreased by 2.9% year-on-year.

HOTEL OWNERSHIP

The Regala Skycity Hotel is the second hotel developed by the Group at the Hong Kong International Airport. This hotel has over 1,200 well decorated hotel rooms and suites, complemented with a full range of food and beverage and conference facilities catering to

Meeting, Incentives, Conference and Exhibitions (MICE) businesses, with direct linkage to the Asia World Expo, the 11 Skies compound as well as the expanded Terminal 2 of the Hong Kong International Airport soon to be opened for passenger traffic in May this year.

During the year, the operating performance of this hotel continued to improve, with its RevPAR having enhanced by 7.8% year-on-year. Consequently, its overall net property income had increased by 27.9% over the preceding year.

It can be expected that when the Terminal 2 at the Hong Kong International Airport becomes fully operational, substantial additional businesses will be generated for the Regala Skycity Hotel.

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

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

REGAL REAL ESTATE INVESTMENT TRUST

As at 31st December, 2025, the Group held approximately 74.9% of the total outstanding issued units of Regal REIT, while Regal Portfolio Management Limited, a wholly owned subsidiary of the Group, acts as the REIT Manager.

For the year ended 31st December, 2025, Regal REIT recorded a consolidated loss before distributions to unitholders of HK\$171.9 million, as compared to a loss of HK\$204.4 million in the preceding year. The loss recorded for the year under review included a fair value loss of HK\$188.5 million arising from the changes in the appraised values of Regal REIT’s investment property portfolio, after accounting for the additional capital expenditures incurred, while for the comparative financial year in 2024, a fair value loss of HK\$128.8 million was recorded. If the effects of these fair value changes are excluded, Regal REIT would report a core operating profit of HK\$16.6 million for 2025, as compared to a loss of HK\$75.6 million in 2024. The core operating profit achieved was mainly attributable to the decrease in the financial expenses incurred, which was reduced to HK\$508.4 million (2024 – HK\$640.4 million), as the Hong

Kong Interbank Offered rates (HIBOR), on which the borrowing costs of a majority part of Regal REIT's bank loans are based, had gradually softened during the year.

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

The iclub Wan Chai Hotel is the first iclub hotel in Hong Kong and has been self-operated by Regal REIT since 2011. Business operations at this hotel continued to perform steadily and generated a modest gross operating profit during the year.

In December 2025, Regal REIT entered into a binding letter of intent and, subsequently in March 2026, a second supplemental lease agreement with the Airport Authority Hong Kong, pursuant to which the Sub-Lease for the Regal Airport Hotel has been formally extended for a further term of three years from 31st December, 2028 to 30th December, 2031. Further details on the terms for the extension of this sub-lease were contained in the joint announcement by the Company dated 15th December, 2025.

The REIT Manager conducts regular holistic review of the properties owned by Regal REIT, having regard to their income generation capabilities, future capital requirements, prevailing market conditions as well as Regal REIT's overall portfolio strategy. Aligning with Regal REIT's objective of delivering long-term stable returns through disciplined capital management, asset recycling and selective reinvestments, Regal REIT has most recently entered into a legally binding preliminary agreement in March 2026 with an independent third party for the sale of its entire equity interests in an intermediate holding company of the company that directly holds the Regal Oriental Hotel in Kowloon City, based on an agreed property value of HK\$1,518.0 million for the hotel property. Shareholders can refer to the joint announcement published by the Company on 22nd March, 2026 for the full details of this sale transaction. Upon completion of this sale transaction, the Group expects to record an accounting gain, before tax and non-controlling interests, of approximately HK\$800.0 million which will be reflected in the results for the 2026 financial year.

HOTEL OPERATIONS

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

Despite the strong increase in tourist arrivals, hotel operators in Hong Kong were still faced with challenges from the changed spending habits of the incoming visitors, a strong Hong Kong dollar, the cross-border consumption pattern as well as the increase of frontline staff costs. Nevertheless, the Group's hotel properties were able to manage the market transformation and achieved satisfactory increases in their average RevPAR as well as in their overall net property income during the year under review.

As regarding the five Regal Hotels in Hong Kong, their overall operating performance improved progressively during the year. The combined average RevPAR of these five hotels in 2025 had enhanced by approximately 9.5% year-on-year, with their aggregate net property income increasing by approximately 19.3% over the preceding year, albeit still below the aggregate base rent of HK\$550.0 million for 2025.

The market rental review for these five Regal Hotels for 2026 was completed in September 2025 and their aggregate annual base rent determined to be HK\$553.0 million, which is about 0.5% above the aggregate base rent for 2025. The variable rent will continue to be based on 50% sharing of the excess of their aggregate net property income over the aggregate base rent.

The three iclub Hotels that are also under lease from Regal REIT, namely, the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel and the iclub To Kwa Wan Hotel, had also attained satisfactory operating results in 2025. Their combined average RevPAR during the year had enhanced by approximately 13.6% year-on-year, with their aggregate net property income having also increased by approximately 17.5% over 2024.

Based on the market rental reviews determined by the independent property valuer under the terms of the leases, the aggregate base rent for these three iclub Hotels for 2026 was determined to be HK\$126.0 million, which is about 2.4% above the aggregate base rent in 2025, with

variable rent continuing to be based on 50% sharing of the excess of the net property income over the base rent of the respective hotels.

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

HOTEL MANAGEMENT

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

In China, the Group is providing management services to one hotel in Shanghai and one hotel in Dezhou operating under the Regal brand. The Group will continue to look for opportunities to expand its hotel management network in China.

PROPERTIES

After three consecutive years of market consolidation, the residential market in Hong Kong recovered gradually in 2025. While home prices have risen moderately since April last year, home rentals have increased by a larger extent, mainly benefiting from the influx of new immigrants under the Top Talent Pass Scheme.

The latest relaxation announced by the Hong Kong Government in 2025 on the Ad Valorem Stamp Duty payable on residential properties valued below HK\$4.0 million has activated property transactions from new entry-level buyers as well as those looking for home upgrades. Moreover, with the lowering of the borrowing costs due to the softening of the interest rates and the wealth effect brought forth by the relatively buoyant capital market in 2025, overall market confidence has been gradually restoring. Although developers in Hong Kong are still accelerating the sale of their new built residential units, the overall level of unsold inventories

has declined and it is also projected that new supply will begin to contract in the next three years.

All these factors are indicative that the residential market in Hong Kong has bottomed out and is heading for a steady rebound.

As mentioned before, the property business of the Group is mainly conducted through the joint venture at P&R as well as 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 to date, P&R has concluded contracts for the sale of 2 houses (including a house which was previously sold under a sale agreement that has been defaulted by the purchaser) and 28 apartment units. Apart from those houses and apartment units that have been sold (including those contracted sales that are yet pending completion), P&R still owns 3 houses and 49 apartment units in this development, which command significant value.

In addition, 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 130 residential units with club house and commercial accommodations. The Group relaunched the sale of the remaining 123 residential units in June 2025 and, up to this date, all those remaining units have been sold and generated substantial sales proceeds. The Group also owns a site at Hai Tan Street in Sham Shui Po, which is intended for a commercial/residential development.

The Group has recently entered into contract for the sale of one garden house in Regalia Bay, Stanley, a luxury residential development jointly developed by the Group in earlier years, at a satisfactory price, which is pending completion. Other than the house contracted to be sold, 7 garden houses in Regalia Bay are still being retained. Some of these remaining houses will continue to be disposed of.

As mentioned before, the Group has proceeded with the disposal of the property held in London, which transaction has been duly completed in September 2025, as well as the renovation-for-sale project held in Lisbon, Portugal, which sale is expected to be completed in May 2026.

Further 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

Although the Group's previous investments in this business segment have been highly rewarding, but having regard to its capital intensive nature and the latest change in the operating environment of the aviation industry, the Group does not have any plans to reinvest in this segment in the near term.

OUTLOOK

Global growth is forecast to edge down to 2.6% in 2026, driven by a notable slowdown in demand for traded goods and softening domestic demand in many major economies. Under the uncertainty of the United States trade policies and the heightened geopolitical tensions, particularly now in the Middle East region which is impacting the global energy ecosystem, there is still a high level of uncertainties in the global economic outlook. However, Hong Kong had registered a robust GDP growth of 3.5% in 2025 and it is anticipated that it will be able to maintain a steady growth trend in 2026.

To ensure the continuing success in the holding of mega events, the HKTB has been actively collaborating with different organisers and sponsors to stage a line-up of world-class mega events, festivities, international conferences and exhibitions year-round. This is expected to generate substantial economic benefits to different market sectors of the tourist industry in Hong Kong, including hotel, meeting and exhibition venues, retail as well as food and beverage and catering businesses.

2026 marks the first year of China's 15th Five-Year Plan and the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) will enter a period of full acceleration. With the support of the Central Government, the economy of Hong Kong should be able to further expand through its deepened integration with the GBA and the development of its new growth drivers in the innovation and technology sectors.

The 1-month HIBOR has further softened to the range of 2.0% to 2.5% per annum recently. If HIBOR continues to hover around this relatively lower level in the remaining part of this year, the directors of the REIT Manager expect the distributable income of Regal REIT to further increase in 2026, due to the anticipated reduction in its financial expenses.

The REIT Manager will continue to watch out for appropriate assets repositioning and enhancement opportunities, with a view to securing for the unitholders a stable return in the long term.

Over the past year, the Group has successfully implemented the planned disposal of some of its assets, with a view to reducing its indebtedness level and to generating capital to rejuvenate and enhance its assets portfolio.

Although the external economic environment remains volatile, the Directors believe in the resilience of the Hong Kong economy and are optimistic that, as the operating environment in Hong Kong further improves, the Group will be able to gradually restore its financial strength and to regain profitability.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's significant investments and principal business activities mainly comprise hotel ownership business which is principally undertaken through Regal REIT, hotel operation and management businesses, asset management of Regal REIT, property development and

investment, including those undertaken through the joint venture in P&R, aircraft ownership and leasing and other investments including financial assets investments.

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

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

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

Hong Kong

Regala Skycity Hotel, the Hong Kong International Airport

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

The hotel project has a site area of approximately 6,650 square metres (71,580 square feet) and permissible gross floor area of 33,700 square metres (362,750 square feet). The hotel has 13 storeys (including one basement floor) with a total of 1,208 guestrooms and suites, complemented with extensive banquet, meeting and food and beverage facilities. It has direct linkage to the Asia World Expo, the 11 Skies compound as well as the expanded Terminal 2 of the Hong Kong International Airport scheduled to become operational in May 2026. 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.

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, all the 123 relaunched residential units have been sold for an aggregate gross consideration of HK\$923.2 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 and the ground investigation and field works completed in May 2025.

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

The Group has recently entered into contract for the sale of one garden house at a satisfactory price, which is pending completion. Other than the house contracted to be sold, 7 garden houses with total gross area of about 3,203 square metres (34,481 square feet) are still being retained. Some of these remaining houses will continue to be disposed of.

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 an 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\$204.0 million). Completion of this transaction took place in September 2025. Detailed information on this transaction was 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 had been completed and the relevant usage permits were obtained in August 2024.

In May 2025, the Group entered into an agreement for the divesture of its entire equity and loan interests in the 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 EUR3.2 million has already been received by the Group. Completion of this disposal transaction is expected to take place in 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. Apart from 1 house that has been contracted to be sold pending completion, 6 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 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 had 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 87 apartment units have been sold or contracted to be sold for a total sale price of HK\$5,614.3 million, including 28 apartment units and 2 houses (including a house which was previously sold under a sale agreement that has been defaulted by the purchaser) that were sold or contracted to be sold since the beginning of 2025 to date. Sale transactions completed during the year included 2 houses (including the house that was previously leased with an option for the lessee to purchase) and 22 apartment units (total sale price of HK\$1,001.3 million) and the profits derived therefrom accounted for in the results under review.

Apart from those houses and apartment units that have been contracted to be sold, but yet pending completion, P&R still owns 3 houses and 49 apartment units in this development, which command significant value.

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 divesture 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. The development works for this development site are planned to be commenced shortly.

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. Demolition works for the existing buildings at Nos.301-303 Castle Peak Road are in progress. Further development works for this development site are also planned to be commenced shortly.

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 latest phase of the development had been sold in prior years. Total proceeds from the sales of the residential units amounted to approximately RMB2,048.3 million (HK\$2,314.0 million).

The sale of the shops with about 4,110 square metres (44,250 square feet) comprised in the latest phase of the residential site in the development project 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\$107.5 million). The sale of the 1,387 car parking spaces is continuing and, up to date, 593 car parking spaces have been sold or contracted to be sold, for aggregate sales proceeds of approximately RMB58.9 million (HK\$67.4 million). Most of these sale transactions have already been completed and the revenues accounted for in prior financial years.

The remaining commercial components of the final stage of the development comprise 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 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, 368 office units with a total of about 16,411 square metres (176,648 square feet) have been sold under contracts or subscribed by prospective purchasers, for an aggregate sale consideration of RMB141.0 million (HK\$159.0 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 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\$9.3 million).

The Cosmopolitan group entered into an agreement in January 2026 for the sale of the hotel block within the development to a third party purchaser for hotel operations at a gross consideration of RMB143.0 million. This transaction is anticipated to be completed in the second quarter of this year and the net proceeds to be received will be used by the Cosmopolitan group to reduce its indebtedness and to replenish its working capital.

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 had 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\$419.5 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.

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.

FINANCIAL REVIEW

ASSETS VALUE

The Group's hotel properties in Hong Kong owned by Regal REIT, with the exception of the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel and the iclub To Kwa Wan Hotel, were stated in the financial statements at their fair values as at 23rd July, 2010 when Regal REIT became a subsidiary of the Group, plus subsequent capital additions and deducting accumulated depreciation. The market valuations of these hotel properties have since appreciated

substantially as a whole but have not been reflected in the Group's financial statements. Moreover, the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel and the iclub To Kwa Wan Hotel were stated in the Group's financial statements at their fair values at the time of acquisition net of the unrealised gain attributable to the Group and are also subject to depreciation and impairment, while the Regala Skycity Hotel completed in 2021 is stated at cost and also subject to depreciation. For the purpose of providing supplementary information, if the Group's entire hotel property portfolio in Hong Kong is restated in the consolidated financial statements at market value as at 31st December, 2025, the Group's unaudited adjusted net asset and the unaudited adjusted net asset value per ordinary share of the Company would be HK\$15,012.1 million and HK\$16.70 per share, respectively, computed as follows:

	As at 31st December, 2025	
	HK\$'M	HK\$ per ordinary share
Book net assets attributable to equity holders of the parent	5,296.6	5.89
Adjustment to restate the Group's hotel property portfolio in Hong Kong at its market value	9,715.5	10.81
Unaudited adjusted net assets attributable to equity holders of the parent	15,012.1	16.70

CAPITAL RESOURCES AND FUNDING

Funding and Treasury Policy

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

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

of the land costs and/or construction costs, and with the loan maturities aligning with the estimated project completion dates and/or sales forecast.

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

Cash Flows

During the year under review, there were net cash flows generated from operating activities of HK\$1,359.5 million (2024 – HK\$428.6 million). Net interest payment for the year amounted to HK\$663.4 million (2024 – HK\$831.6 million).

Borrowings and Gearing

As at 31st December, 2025, the Group had cash and bank balances and deposits of HK\$809.0 million (2024 – HK\$1,093.8 million) and the Group's borrowings, net of cash and bank balances and deposits, amounted to HK\$13,611.8 million (2024 – HK\$14,500.6 million).

As at 31st December, 2025, the gearing ratio of the Group was 59.5% (2024 – 58.1%), representing the Group's borrowings, net of cash and bank balances and deposits, of HK\$13,611.8 million (2024 – HK\$14,500.6 million), as compared to the total assets of the Group of HK\$22,872.5 million (2024 – HK\$24,973.7 million).

On the basis of the adjusted total assets as at 31st December, 2025 of HK\$35,388.5 million (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 38.5% (2024 – 38.6%).

Details of the maturity profile of the borrowings of the Group as of 31st December, 2025 are shown in the consolidated financial statements ("Financial Statements") contained in the

annual report of the Company for the year ended 31st December, 2025 (the “2025 Annual Report”) to be published on or before 30th April, 2026.

Lease Liabilities

As at 31st December, 2025, the Group had lease liabilities of HK\$164.3 million (2024 – HK\$10.6 million).

Pledge of Assets

As at 31st December, 2025, the Group’s properties under development and certain of the Group’s property, plant and equipment, investment properties, right-of-use assets, financial assets at fair value through profit or loss, time deposits and bank balances in the total amount of HK\$18,343.5 million were pledged to secure banking facilities and other loan facilities granted to the Group as well as bank guarantees procured by the Group pursuant to certain lease guarantees in connection with the leasing of the hotel properties from Regal REIT. The equity interests in the relevant holding companies of certain property interests and financial assets at fair value through profit or loss were also pledged to secure the bank and other borrowings of the Group.

As at 31st December, 2024, 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\$19,871.2 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. The equity interests in the relevant holding company of a property development project were also pledged to secure the other borrowing of the Group.

Capital Commitments

Details of the capital commitments of the Group as at 31st December, 2025 are shown in the Financial Statements.

Contingent Liabilities

Details of the contingent liabilities of the Group as at 31st December, 2025 are shown in the Financial Statements.

DIVIDEND

The Directors have resolved not to recommend the payment of a final dividend to holders of ordinary shares for the year ended 31st December, 2025 (2024 – Nil). No interim dividend was paid for the year ended 31st December, 2025 (2024 – Nil).

ANNUAL GENERAL MEETING

An Annual General Meeting of the Company will be convened to be held on Wednesday, 10th June, 2026. The Notice of the Annual General Meeting will be published on the websites of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Company and sent to the shareholders of the Company, together with the Company’s 2025 Annual Report, in due course.

CLOSURE OF REGISTER

For the purpose of ascertaining shareholders’ entitlement to attend and vote at the 2026 Annual General Meeting, the Register of Ordinary Shareholders of the Company will be closed from Friday, 5th June, 2026 to Wednesday, 10th June, 2026, both days inclusive, during which period no transfers of ordinary shares will be effected. In order to be entitled to attend and vote at the 2026 Annual General Meeting, all transfers of ordinary shares, duly accompanied by the relevant share certificates, must be lodged with the Company’s branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on Thursday, 4th June, 2026.

YEAR END RESULTS

Consolidated Statement of Profit or Loss

	Year ended 31st December, 2025	Year ended 31st December, 2024
	HK\$'M	HK\$'M
REVENUE (Notes 2 & 3)	2,758.5	1,825.8
Cost of sales	(1,947.2)	(1,138.0)
Gross profit	811.3	687.8
Other income and gains, net (Note 3)	86.7	287.8
Fair value losses on financial assets at fair value through profit or loss, net	(6.2)	(1,080.1)
Fair value losses on investment properties, net	(157.9)	(118.1)
Impairment loss of items of property, plant and equipment	–	(37.9)
Impairment loss on properties under development	–	(53.2)
Impairment loss on properties held for sale	(16.4)	(10.1)
Impairment loss on other receivables	–	(100.1)
Impairment loss on investments in associates	(0.2)	(0.8)
Property selling and marketing expenses	(54.5)	(7.7)
Administrative expenses	(269.9)	(274.0)
OPERATING PROFIT/(LOSS) BEFORE DEPRECIATION	392.9	(706.4)
Depreciation (Note 4)	(592.1)	(603.3)
OPERATING LOSS (Note 4)	(199.2)	(1,309.7)
Finance costs (Note 5)	(768.9)	(993.9)
Share of profits and losses of:		
Joint ventures	(280.5)	(419.4)
An associate	(0.3)	1.5
LOSS BEFORE TAX	(1,248.9)	(2,721.5)
Income tax (Note 6)	(58.8)	(11.5)
LOSS FOR THE YEAR BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	(1,307.7)	(2,733.0)

Consolidated Statement of Profit or Loss (Cont'd)

	Year ended 31st December, 2025	Year ended 31st December, 2024
	HK\$'M	HK\$'M
Attributable to:		
Equity holders of the parent	(1,200.9)	(2,597.8)
Non-controlling interests	(106.8)	(135.2)
	(1,307.7)	(2,733.0)
LOSS PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (Note 8)		
Basic and diluted	HK\$(1.46)	HK\$(3.02)

Consolidated Statement of Comprehensive Income

	Year ended 31st December, 2025	Year ended 31st December, 2024
	HK\$'M	HK\$'M
LOSS FOR THE YEAR BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	(1,307.7)	(2,733.0)
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	(51.4)	12.6
Transfer from hedging reserve to profit or loss	14.6	(10.9)
	<u>(36.8)</u>	<u>1.7</u>
Exchange differences on translating foreign operations	34.4	(28.1)
Share of other comprehensive income/(loss) of:		
A joint venture	28.0	(16.8)
An associate	–	(0.1)
	<u>25.6</u>	<u>(43.3)</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		
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)	(5.2)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	25.3	(48.5)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(1,282.4)</u>	<u>(2,781.5)</u>
Attributable to:		
Equity holders of the parent	(1,166.4)	(2,646.7)
Non-controlling interests	(116.0)	(134.8)
	<u>(1,282.4)</u>	<u>(2,781.5)</u>

Consolidated Statement of Financial Position

	31st December, 2025	31st December, 2024
	HK\$'M	HK\$'M
NON-CURRENT ASSETS		
Property, plant and equipment	4,681.3	5,139.8
Investment properties	851.9	1,100.1
Right-of-use assets	12,140.1	12,257.9
Properties under development	404.6	399.9
Investments in joint ventures	2,233.1	2,259.3
Investments in associates	8.9	9.3
Financial assets at fair value through profit or loss	283.8	416.3
Other loan	857.0	857.0
Debtors and deposits (Note 9)	4.4	6.8
Derivative financial instruments	–	9.9
Deferred tax assets	47.7	47.7
Intangible assets	3.6	3.6
	<hr/>	<hr/>
Total non-current assets	21,516.4	22,507.6
CURRENT ASSETS		
Properties held for sale	238.5	994.9
Inventories	21.3	21.2
Debtors, deposits and prepayments (Note 9)	241.2	274.8
Financial assets at fair value through profit or loss	45.4	77.2
Derivative financial instruments	–	0.3
Tax recoverable	0.7	3.9
Restricted cash	309.4	351.4
Pledged time deposits and bank balances	295.2	291.7
Time deposits	–	31.5
Cash and bank balances	204.4	419.2
	<hr/>	<hr/>
Total current assets	1,356.1	2,466.1

Consolidated Statement of Financial Position (Cont'd)

	31st December, 2025	31st December, 2024
	HK\$'M	HK\$'M
CURRENT LIABILITIES		
Creditors, deposits received and accruals (Note 10)	(476.4)	(379.5)
Contract liabilities	(72.6)	(63.0)
Lease liabilities	(11.2)	(7.8)
Interest bearing bank borrowings	(5,270.2)	(4,912.4)
Other borrowing	(25.0)	(73.0)
Derivative financial instruments	(1.0)	–
Tax payable	(51.5)	(33.0)
Total current liabilities	<u>(5,907.9)</u>	<u>(5,468.7)</u>
NET CURRENT LIABILITIES	<u>(4,551.8)</u>	<u>(3,002.6)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>16,964.6</u>	<u>19,505.0</u>
NON-CURRENT LIABILITIES		
Creditors and deposits received (Note 10)	(47.5)	(53.6)
Lease liabilities	(153.1)	(2.8)
Interest bearing bank borrowings	(9,125.6)	(10,609.0)
Derivative financial instruments	(42.0)	(0.7)
Deferred tax liabilities	(633.1)	(624.0)
Total non-current liabilities	<u>(10,001.3)</u>	<u>(11,290.1)</u>
Net assets	<u>6,963.3</u>	<u>8,214.9</u>
EQUITY		
Equity attributable to equity holders of the parent		
Issued capital	89.9	89.9
Reserves	5,206.7	6,342.9
	<u>5,296.6</u>	<u>6,432.8</u>
Perpetual securities	1,732.9	1,732.9
Non-controlling interests	(66.2)	49.2
Total equity	<u>6,963.3</u>	<u>8,214.9</u>

Notes:

1. Basis of Preparation and Accounting Policies

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

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the year’s consolidated financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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 in and the functional currencies of group overseas subsidiaries, joint venture and associates for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the Group’s financial statements.

The Group had a net loss attributable to owners of the parent of HK\$1,200.9 million (2024 – HK\$2,597.8 million) for the year ended 31st December, 2025 and net current liabilities of HK\$4,551.8 million (2024 – HK\$3,002.6 million) and net assets of HK\$6,963.3 million (2024 – HK\$8,214.9 million) as at 31st December, 2025. The Group had total non-pledged time deposits, cash and bank balances of HK\$204.4 million (2024 – HK\$450.7 million) as at 31st December, 2025. The Group also had a positive net

cash flows from operating activities of HK\$1,359.5 million (2024 – HK\$428.6 million) for the year ended 31st December, 2025.

The 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 31st December, 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 plan for certain maturing interest bearing bank borrowings that are secured by certain properties; and
- (v) the available unutilised banking and other financial facilities of the Group.

2. Operating Segment Information

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

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

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

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

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

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

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

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's operating segments for the years ended 31st December, 2025 and 2024:

	Hotel operation and management and hotel ownership		Asset management		Property development and investment		Financial assets investments		Aircraft ownership and leasing		Others		Eliminations		Consolidated	
	2025 HK\$'M	2024 HK\$'M	2025 HK\$'M	2024 HK\$'M	2025 HK\$'M	2024 HK\$'M	2025 HK\$'M	2024 HK\$'M	2025 HK\$'M	2024 HK\$'M	2025 HK\$'M	2024 HK\$'M	2025 HK\$'M	2024 HK\$'M	2025 HK\$'M	2024 HK\$'M
Segment revenue (Note 3):																
Sales to external customers	1,841.4	1,717.6	-	-	804.5	17.9	(0.4)	6.5	-	18.0	113.0	65.8	-	-	2,758.5	1,825.8
Intersegment sales	0.2	0.2	93.1	93.1	3.9	3.4	-	-	-	-	195.0	167.4	(292.2)	(264.1)	-	-
Total	<u>1,841.6</u>	<u>1,717.8</u>	<u>93.1</u>	<u>93.1</u>	<u>808.4</u>	<u>21.3</u>	<u>(0.4)</u>	<u>6.5</u>	<u>-</u>	<u>18.0</u>	<u>308.0</u>	<u>233.2</u>	<u>(292.2)</u>	<u>(264.1)</u>	<u>2,758.5</u>	<u>1,825.8</u>
Segment results before depreciation	599.6	518.0	(16.6)	(14.9)	(123.5)	(118.6)	(11.7)	(1,166.7)	-	147.9	2.9	(6.7)	-	-	450.7	(641.0)
Depreciation	(584.0)	(593.8)	(0.2)	(0.1)	(4.0)	(4.0)	-	-	-	(2.8)	(3.9)	(2.6)	-	-	(592.1)	(603.3)
Segment operating results	<u>15.6</u>	<u>(75.8)</u>	<u>(16.8)</u>	<u>(15.0)</u>	<u>(127.5)</u>	<u>(122.6)</u>	<u>(11.7)</u>	<u>(1,166.7)</u>	<u>-</u>	<u>145.1</u>	<u>(1.0)</u>	<u>(9.3)</u>	<u>-</u>	<u>-</u>	<u>(141.4)</u>	<u>(1,244.3)</u>
Unallocated interest income and unallocated non-operating and corporate gains															14.3	29.4
Unallocated non-operating and corporate expenses, net															(73.3)	(95.3)
Finance costs (other than interest on lease liabilities)															(767.7)	(993.4)
Share of profits and losses of:																
Joint ventures	-	-	-	-	(280.5)	(419.4)	-	-	-	-	-	-	-	-	(280.5)	(419.4)
An associate	-	-	-	-	(0.3)	1.5	-	-	-	-	-	-	-	-	(0.3)	1.5
Loss before tax															(1,248.9)	(2,721.5)
Income tax															(58.8)	(11.5)
Loss for the year before allocation between equity holders of the parent and non-controlling interests															<u>(1,307.7)</u>	<u>(2,733.0)</u>
Attributable to:																
Equity holders of the parent															(1,200.9)	(2,597.8)
Non-controlling interests															(106.8)	(135.2)
															<u>(1,307.7)</u>	<u>(2,733.0)</u>

	Hotel operation and management and hotel ownership		Asset management		Property development and investment		Financial assets investments		Aircraft ownership and leasing		Others		Eliminations		Consolidated	
	2025 HK\$'M	2024 HK\$'M	2025 HK\$'M	2024 HK\$'M	2025 HK\$'M	2024 HK\$'M	2025 HK\$'M	2024 HK\$'M	2025 HK\$'M	2024 HK\$'M	2025 HK\$'M	2024 HK\$'M	2025 HK\$'M	2024 HK\$'M	2025 HK\$'M	2024 HK\$'M
Segment assets	17,287.7	17,612.2	39.5	33.0	2,107.4	3,400.5	330.1	500.6	-	-	46.0	42.1	(38.7)	(31.9)	19,772.0	21,556.5
Investments in joint ventures	-	-	-	-	2,233.1	2,259.3	-	-	-	-	-	-	-	-	2,233.1	2,259.3
Investments in associates	-	-	-	-	4.9	5.2	-	-	-	-	4.0	4.1	-	-	8.9	9.3
Cash and unallocated assets															858.5	1,148.6
Total assets															<u>22,872.5</u>	<u>24,973.7</u>
Segment liabilities	(617.6)	(432.2)	(1.0)	(1.2)	(115.0)	(62.3)	(12.0)	(1.0)	-	(2.1)	(19.4)	(23.5)	38.7	31.9	(726.3)	(490.4)
Interest bearing bank borrowings and unallocated liabilities															(15,182.9)	(16,268.4)
Total liabilities															<u>(15,909.2)</u>	<u>(16,758.8)</u>
Other segment information:																
Interest income	-	-	-	-	(55.1)	(109.0)	(0.7)	(2.1)	-	-	-	-	-	-	-	-
Impairment loss on properties under development	-	-	-	-	-	53.2	-	-	-	-	-	-	-	-	-	-
Impairment loss on properties held for sale	-	-	-	-	16.4	10.1	-	-	-	-	-	-	-	-	-	-
Impairment/(reversal of impairment) of trade debtors, net	0.3	(2.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value losses on financial assets at fair value through profit or loss, net	-	-	-	-	-	-	6.2	1,080.1	-	-	-	-	-	-	-	-
Fair value losses/(gains) on investment properties	8.0	(6.4)	-	-	149.8	124.5	-	-	-	-	-	-	-	-	-	-
Impairment loss on items of property, plant and equipment	-	-	-	-	-	37.3	-	-	-	-	-	-	-	0.6	-	-
Impairment loss on investment in associates	-	-	-	-	-	-	-	-	-	-	0.2	0.8	-	-	-	-
Impairment loss on other receivables	-	-	-	-	-	-	-	99.0	-	-	-	1.1	-	-	-	-
Gain on disposal of items of property, plant and equipment	-	-	-	-	-	-	-	-	-	(83.7)	-	-	-	-	-	-
Capital expenditure	43.7	74.9	0.1	0.6	18.3	3.1	-	-	-	-	0.2	6.9	-	-	-	-

Geographical information

(a) Revenue from external customers

	2025	2024
	HK\$'M	HK\$'M
Hong Kong	2,739.6	1,778.0
Mainland China	3.0	15.9
Other	15.9	31.9
	<u>2,758.5</u>	<u>1,825.8</u>

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

(b) Non-current assets

	2025	2024
	HK\$'M	HK\$'M
Hong Kong	19,051.2	19,703.8
Mainland China	1,111.6	1,142.2
Other	160.7	323.9
	<u>20,323.5</u>	<u>21,169.9</u>

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

Information about major customer

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

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

	2025	2024
	HK\$'M	HK\$'M
<u>Revenue</u>		
<i>Revenue from contracts with customers</i>		
Hotel operations and management services	1,781.2	1,656.9
Proceeds from sale of properties	781.9	–
Other operations	118.2	70.5
	<hr/> 2,681.3	<hr/> 1,727.4
<i>Revenue from other sources</i>		
Rental income:		
Hotel properties	41.9	40.2
Investment properties	34.0	32.1
Aircraft	–	18.0
Others	1.7	1.6
Gain/(loss) from sale of financial assets at fair value through profit or loss, net	(0.8)	3.0
Loss on settlement of derivative financial instruments, net	(0.2)	–
Interest income from financial assets at fair value through profit or loss	0.3	1.7
Dividend income from listed investments	0.3	1.8
	<hr/> 2,758.5 <hr/>	<hr/> 1,825.8 <hr/>

	2025	2024
	HK\$'M	HK\$'M
<u>Other income and gains, net</u>		
Bank interest income	7.3	17.4
Other interest income	59.8	119.0
Loss on disposal of unlisted investments included in financial assets at fair value through profit or loss	(5.5)	(3.5)
Dividend income from unlisted investments	5.4	9.8
Release of aircraft maintenance reserve	–	50.3
Gain on disposal of items of properties, plant and equipment	–	83.7
Gain on disposal of a subsidiary	4.5	–
Others	15.2	11.1
	<u>86.7</u>	<u>287.8</u>

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

	2025	2024
	HK\$'M	HK\$'M
Profit on disposal of properties	<u>26.8</u>	<u>–</u>
Depreciation of property, plant and equipment	312.1	321.7
Depreciation of right-of-use assets	280.0	281.6
	<u>592.1</u>	<u>603.3</u>

5. Finance costs of the Group are as follows:

	2025	2024
	HK\$'M	HK\$'M
Interest on bank loans	702.3	959.1
Interest on other borrowing	4.1	0.7
Interest on lease liabilities	1.2	0.5
Amortisation of debt establishment costs	42.6	41.3
Total interest expenses on financial liabilities not at fair value through profit or loss	750.2	1,001.6
Fair value changes on derivative financial instruments – cash flow hedges (transfer from hedging reserve)	14.6	(10.9)
Other loan costs	4.1	3.3
	768.9	994.0
Less: Finance costs capitalised	–	(0.1)
	768.9	993.9

6. The income tax charge for the year arose as follows:

	2025	2024
	HK\$'M	HK\$'M
Current – Hong Kong		
Charge for the year	21.5	17.9
Underprovision in prior years	30.7	14.1
Current – Overseas		
Charge for the year	0.2	–
Deferred	6.4	(20.5)
Total tax charge for the year	58.8	11.5

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 year.

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

The share of tax credit attributable to a joint venture amounting to HK\$27.8 million (2024 – tax charge of HK\$36.0 million) is included in “Share of profits and losses of a joint venture and associates” in the consolidated statement of profit or loss.

7. Dividend:

No dividend was paid or proposed during the year ended 31st December, 2025, nor has any dividend been proposed since the end of the reporting period (2024 – Nil).

8. The calculation of the basic loss per ordinary share for the year ended 31st December, 2025 is based on the loss for the year attributable to equity holders of the parent of HK\$1,200.9 million (2024 – HK\$2,597.8 million), adjusted for the accrued distribution related to perpetual securities of HK\$114.3 million (2024 – distribution related to perpetual securities of HK\$114.1 million), and on the weighted average of 898.8 million (2024 – 898.8 million) ordinary shares of the Company outstanding during the year.

No adjustment was made to the basic loss per ordinary share for the years ended 31st December, 2025 and 2024 as the Company had no potentially dilutive ordinary shares outstanding and therefore no diluting events existed throughout the years.

9. Included in debtors, deposits and prepayments is an amount of HK\$135.9 million (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:

	2025	2024
	HK\$'M	HK\$'M
Outstanding balances with ages:		
Within 3 months	74.2	88.3
4 to 6 months	35.2	6.5
7 to 12 months	22.7	7.6
Over 1 year	10.9	15.5
	<hr/>	<hr/>
	143.0	117.9
Impairment	(7.1)	(12.0)
	<hr/>	<hr/>
	135.9	105.9
	<hr/> <hr/>	<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\$52.8 million (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:

	2025	2024
	HK\$'M	HK\$'M
Outstanding balances with ages:		
Within 3 months	47.9	68.6
4 to 6 months	1.3	3.2
7 to 12 months	1.2	–
Over 1 year	2.4	0.4
	<u>52.8</u>	<u>72.2</u>

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

11. Event after the reporting period

On 20th March, 2026, Regal REIT group entered into a preliminary share purchase agreement with an independent third party to dispose of the entire issued share capital of Chasehill Limited (the “Target Company”), a wholly owned subsidiary of Regal REIT group, at an agreed property valuation of HK\$1,518.0 million for the Regal Oriental Hotel. The wholly owned subsidiary of the Target Company is the sole registered legal and beneficial owner of Regal Oriental Hotel. Full details of this sale transaction were contained in the joint announcement published by the Company on 22nd March, 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

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

SCOPE OF WORK OF INDEPENDENT AUDITORS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31st December, 2025 as set out in this preliminary results announcement have been agreed by the Company's auditors to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditors in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company's auditors on this preliminary results announcement.

REVIEW OF RESULTS

The Audit Committee has reviewed the Group's draft consolidated financial statements for the year ended 31st December, 2025, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditors.

CORPORATE GOVERNANCE

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

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, 30th March, 2026