

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## THE HONGKONG AND SHANGHAI HOTELS, LIMITED

香港上海大酒店有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 45) website: www.hshgroup.com

### 2024 Annual Results

FINANCIAL HIGHLIGHTS			
HK\$m	2024	2023	2024 vs 2023
Combined revenue *	<b>10,991</b>	8,703	26%
Consolidated revenue	<b>10,290</b>	8,112	27%
EBITDA before pre-opening and project expenses and other non-recurring expenses	<b>1,525</b>	1,390	10%
EBITDA	<b>1,446</b>	1,098	32%
(Loss)/profit attributable to shareholders	<b>(943)</b>	146	n/a
Underlying (loss)/profit	<b>(176)</b>	277	n/a
Shareholders' funds	<b>35,401</b>	36,279	(2%)
(Loss)/profit per share (HK\$)	<b>(0.57)</b>	0.09	n/a
Adjusted net assets per share (HK\$)	<b>24.01</b>	24.92	(4%)
Net external debt to total assets	<b>23%</b>	26%	-3pp

\* Including the groups' effective shares of associates and joint ventures.

- The group achieved a combined revenue of HK\$10,991 million (2023: HK\$8,703 million) for the year ended 31 December 2024. Excluding the revenue from the sale of The Peninsula London Residences of HK\$3,452 million (2023: HK\$2,298 million), the group's combined revenue amounted to HK\$7,539 million compared to HK\$6,405 million in 2023. The revenue growth was mainly due to the full year contribution from The Peninsula London.
- Despite the revenue growth, the group reported a loss attributable to shareholders and an underlying loss of HK\$943 million and HK\$176 million respectively.
- The main factors affecting the results for the year ended 31 December 2024 were:
  - The Peninsula New York was under renovation during January to September 2024 and the newly opened Peninsula hotels in London and Istanbul still require time to ramp up to a stabilised stage of operation.
  - An increase in depreciation of HK\$166 million mainly attributed to The Peninsula London which opened in September 2023.
  - An increase in net financing charges of HK\$461 million as the group is no longer capitalising interest on borrowings relating to The Peninsula London project following the opening of the hotel, as well as higher interest rates.
  - An impairment provision of HK\$158 million in respect of the group's investment in The Peninsula Yangon.
  - A revaluation loss of the group's investment properties by HK\$569 million.
- As at 31 December 2024, the group's net assets attributable to shareholders amounted to HK\$35.4 billion and the group's net external debt to total assets remained acceptable at 23%.

## FINANCIAL HIGHLIGHTS

	2024	2023	Increase/ (Decrease)
<b>PROFIT OR LOSS HIGHLIGHTS (HK\$m)</b>			
Combined revenue <sup>^</sup>	10,991	8,703	26%
Revenue	10,290	8,112	27%
EBITDA	1,446	1,098	32%
EBITDA before pre-opening and project expenses and other non-recurring expenses <sup>^^</sup>	1,525	1,390	10%
Operating profit*	760	578	31%
(Loss)/profit attributable to shareholders	(943)	146	n/a
(Loss)/profit per share (HK\$)	(0.57)	0.09	n/a
Underlying (loss)/profit**	(176)	277	n/a
Dividend	–	132	n/a
Dividend per share (HK cents)	–	8	n/a
Cash interest cover (times) <sup>Δ</sup>	1.9x	1.3x	46%
Weighted average interest rate	4.7%	4.4%	0.3pp
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION (HK\$m)</b>			
Total assets	54,176	57,869	(6%)
Audited net assets attributable to shareholders	35,401	36,279	(2%)
Adjusted net assets attributable to shareholders <sup>#</sup>	40,033	41,091	(3%)
Audited net assets per share (HK\$)	21.24	22.00	(3%)
Adjusted net assets per share (HK\$) <sup>#</sup>	24.01	24.92	(4%)
Net external borrowings	12,494	15,033	(17%)
Funds from operations to net external debt <sup>##</sup>	12%	7%	5pp
Net external debt to equity attributable to shareholders	35%	41%	(6pp)
Net external debt to total assets	23%	26%	(3pp)
<b>CONSOLIDATED STATEMENT OF CASH FLOWS (HK\$m)</b>			
Net cash generated from operating activities before taxation	4,564	3,435	
Capital expenditure on operating assets	(333)	(314)	
Capital expenditure on new projects and investments	(949)	(2,299)	
<b>SHARE INFORMATION (HK\$)</b>			
Highest share price	6.60	8.93	
Lowest share price	5.10	5.65	
Year end closing share price	6.22	5.84	

<sup>^</sup> Including the group's effective share of revenue of associates and joint ventures.

<sup>^^</sup> Pre-opening and project expenses and other non-recurring expenses are unrelated to the group's operating hotels and properties and are non-recurring in nature. Pre-opening expenses represent the recruitment, payroll, marketing, and administrative expenses incurred by the pre-opening offices of The Peninsula London in 2023 and 2024 and The Peninsula Istanbul in 2023. Project expenses represent the specific expenses incurred by the group to support the development of the two hotel projects, including payroll of the project teams specifically hired for the local project offices, travelling and accommodation, and other administrative expenses incurred by the project teams.

The 2023 figure includes a special provision amounting to HK\$33 million set aside by the group (excluding joint ventures) as a donation to support those affected by the devastating earthquake that occurred in Türkiye in February 2023, just before The Peninsula Istanbul soft opened. This "Hope for Türkiye" fundraising campaign was initiated by the group from 13 February 2023 to 31 December 2023. A contribution of EUR10 was donated for every occupied room night by our 10 participating hotels.

\* Being EBITDA minus depreciation and amortisation.

\*\* Underlying (loss) or profit is calculated by excluding the pre-opening and project expenses, the post-tax effect of net unrealised property revaluation movement and impairment provision.

<sup>Δ</sup> Cash interest cover is calculated based on EBITDA less lease payments divided by net interest on bank loans paid.

<sup>#</sup> Adjusted net assets attributable to shareholders and adjusted net assets per share are calculated by adjusting the group's hotels and golf course to fair market value based on the valuation conducted by independent property valuers, net of tax.

<sup>##</sup> Being EBITDA as a percentage of net external debt.

<sup>pp</sup> Denotes percentage points.

# CEO STATEMENT AND STRATEGIC REVIEW

## 1. The Year in Review

I am delighted to have joined The Hongkong and Shanghai Hotels as CEO on 3 March 2025, and I would like to thank all our valued shareholders for your commitment and support. It is a privilege to be working for a company that has built a reputation for excellence in luxury hospitality and exceptional services for 159 years. Building on this legacy and long-term vision, I look forward to working alongside the exceptional HSH team to imagine and deliver the future of luxury hospitality that is both sustainable and responsive to our times, whilst upholding the values that have steered the group's success and legacy.

As I am new to my role, I am grateful for the opportunity to take some time to understand our current business together with the Board and my team and develop our strategies for future growth, while keeping our commitment to our long-term values and philosophy of "Tradition Well Served". This report focuses on the results for 2024 and I will discuss more on the growth strategy of the group in due course.

Our priority for the short to medium term is to stabilise the financial results of our new hotels, reduce our borrowings, grow our revenue and profitability to then be well placed for growth. Long term, we aim to preserve the unique culture of the brand and create value for our shareholders. I believe there are exciting times ahead.

As you will read in more detail in the following Operational Review of this document, we reported a stable performance during 2024, compared to the satisfactory performance during the same period in 2023.

Our operational results reflect an emerging recovery from the difficult years of the pandemic, but we still have some way to go to achieve growth. We reported a net loss for the year, which reflected a number of factors, mostly related to depreciation attributed to The Peninsula London project, an increase in net financing charges related to The Peninsula London, and a revaluation loss of the group's investment properties for 2024.

Our long-term philosophies and values remain steadfast. I will summarise these in the following pages.

## **2. Our culture, vision and development strategy**

The Hongkong and Shanghai Hotels, Limited has a heritage of 159 years. Whilst we have witnessed profound political and economic changes since we were first established in 1866, both in our home market of Hong Kong and around the world, our company remains faithful to our key philosophies and values which are:

- to conduct business with the highest levels of integrity;
- to build on our heritage while continuing to invest in and develop our people;
- to maintain and enhance the quality of our assets;
- to continuously improve the service we offer to our guests, and
- to contribute positively to the cities in which we operate.

Maintaining a unique, close-knit and robust company culture is very important to us and we are pleased that our employees are proud to work for the company.

Together with the Board, we will be reviewing our current development and growth strategy while preserving the philosophies and values of the company, and to further enhance our position as one of the leading luxury hotel brands in the world.

## **3. Business overview**

Our group currently owns and operates twelve Peninsula hotels which are located in Hong Kong, Shanghai, Beijing, Tokyo, London, Paris, Istanbul, New York, Chicago, Beverly Hills, Bangkok and Manila.

Our recently opened hotels in London and Istanbul were fully operational in 2024 and have been exceptionally well received, earning recognition and awards within the industry. These properties are truly magnificent in terms of location, design, and service, significantly enhancing our brand presence in Europe.

Throughout the years we have maintained a significant investment programme to enhance the physical condition and quality of our existing properties, for example, by completing major renovations.

Our hotels are considered “trophy assets” in the cities they are in and they generate additional returns from shopping arcades or residential apartments as part of the hotel complex. We have long-term partnerships with our co-owners who value the benefits of creating a high-quality asset. Our objective is to build up a loyal clientele who are willing to pay premium prices for a superior luxury product and services. We achieve this by offering a high level of personalised service and attention to detail.

In the group's commercial properties division, we take a similar investment approach and seek long-term returns on our well-located properties. We own high-end residential property including The Repulse Bay in Hong Kong's exclusive South Side, residential apartments in Shanghai and London, and we lease commercial space to retail tenants at various Peninsula hotels, The Repulse Bay Arcade and The Peak Tower. Sky Terrace 428 at The Peak Tower gives tourists the opportunity to enjoy Hong Kong's panoramic views. We also hold commercial properties in Hong Kong, Paris and Ho Chi Minh City.

Peninsula Merchandising Limited develops and distributes Peninsula-branded merchandise including the famous Peninsula Mooncakes, as well as artisanal chocolates and high-quality tea. We operate Peninsula Boutiques in key gateway cities in Greater China and Asia, including a boutique at Hong Kong International Airport, several Peninsula hotels, and The Peninsula Boutique & Café in Shanghai's bustling Xintiandi district. We opened new pop-up stores in 2024 and invested in developing our online retail business. We are planning to expand the business further, with new boutiques and pop-ups in the Chinese mainland and Japan.

Our portfolio also includes the Peak Tram, which was first established in 1888 and has been owned and operated by our group since the early 1900s. Following its significant upgrade project which was completed in 2022, the Peak Tram has performed exceptionally well and has been well received by Hong Kong people and overseas visitors alike, and visitor numbers have exceeded pre-pandemic numbers in 2024.

Having a diverse portfolio helps to diversify investment risks generally associated with the luxury hospitality industry. The more stable returns of the commercial properties division and, to a smaller extent, the Peak Tram, Retail and Others division help to offset the cyclical nature of the hotel business.

#### **4. Projects Update**

The Peninsula London and The Peninsula Istanbul hotels, which soft opened in 2023 and were fully operational in 2024, formed the most substantial capital expenditure programme in our company's history, and the final accounts for The Peninsula London are still being completed.

##### **The Peninsula New York**

We completed a comprehensive interior design refurbishment of The Peninsula New York in September 2024, debuting a refresh of 219 guest rooms and suites, as well as the hotel's lobby, reception, *Palm Court*, and a completely transformed rooftop bar, *Pen Top*.

##### **The Peninsula Yangon**

The company entered into a shareholders' agreement with Yoma Strategic Investments Ltd. and First Myanmar Investment Public Company Limited in January 2014 to acquire a 70% majority interest for a proposed hotel development on the site of the former headquarters of the Myanmar Railway Company in central Yangon, Myanmar.

Regrettably, we agreed with our partners to stop work on The Peninsula Yangon project as of June 2021, other than minor weatherproofing and protection for the site. As development work for the project is still on hold and the outlook of the tourism market in Myanmar continues to be uncertain, management has conducted a review to assess the recoverability of The Peninsula Yangon's book value. Based on the assessment, the Directors consider it prudent to write off The Peninsula Yangon's remaining book value resulting in an impairment provision of HK\$158 million.

## **5. Financial results and financial planning**

Our business model as an owner-operator is a capital intensive one, but it allows us to have an appropriate degree of control or joint control over the upgrading of our existing assets and making investments in new developments. This ensures a high level of quality and consistency in our product and allows us to offer a bespoke, tailored guest experience.

As a result of our continuous investment into and enhancement of our property assets, the company's revalued net asset value per share has more than doubled in the last two decades to HK\$24.01 per share in 2024.

We continue to carefully monitor our company's financial position and we continuously take a proactive approach to forecasting future funding requirements.

We maintain sufficient cash reserves and adequate committed borrowing facilities from major financial institutions to ensure funds are available to meet our needs. Our net debt to total assets ratio is currently 23%, which we believe to be acceptable considering the financial obligations of The Peninsula London and The Peninsula Istanbul, although we are aiming to reduce our gearing. With business resuming to normal levels as well as the gradual handover and completion of our purchased London residences, it is expected that the group's gearing will reduce in the coming year.

As is often typical in the hospitality industry to support the opening of new hotels, our results were impacted by significant amounts of pre-opening expenses that were incurred in 2023 to support the launch of The Peninsula London. Following the opening of The Peninsula London and The Peninsula Istanbul, despite a scale-down of pre-opening expenses, project expenses continued to be incurred in 2024 for certain incomplete works as well as snagging, rectification and accounts finalisation for the projects.

To reflect the underlying operating performance of the group, we have provided a calculation of the underlying profit or loss attributable to shareholders. This is determined by excluding the pre-opening and project expenses, the post-tax effects of the revaluation movements of investment properties, impairment provisions and other non-recurring items.

The group's underlying loss attributable to shareholders for the year ended 31 December 2024 amounted to HK\$176 million compared to an underlying profit of HK\$277 million in 2023.

## 6. Driving business

We believe the fundamentals of luxury hospitality do not change over time and I am confident that demand for high quality service will continue long into the future.

The group's diverse portfolio of assets helps to balance the cyclical nature of the hotel industry. Our main revenue sources derive from our hotel rooms, driven by global distribution systems, digital marketing and e-commerce revenue, as well as travel agents and partners and online platforms. On the retail side, we maintain good relationships with our tenants and engage in joint promotions to encourage traffic into our arcades. We also derive significant revenue from residential leasing in our luxury property portfolio.

In recent years, a major focus of our strategy has been to attract and retain retail tenants in our hotel arcades, particularly in Hong Kong, Beijing and Shanghai, and we were pleased with the mix of tenants achieved during the year and renewed interest from anchor tenants. The Repulse Bay is widely recognised as one of the most attractive luxury residences on the South Side, and we are undertaking a refurbishment of the retail arcade in that property.

Driving brand awareness throughout our established markets and also in new and emerging markets is a critical component of the brand marketing team's function. Now in its third year, the brand's global advertising campaign, Peninsula Perspectives has added content from New York, Bangkok, and Tokyo. The campaign focuses on video-led narratives highlighting the cities where we operate and also the guest service that Peninsula is known for.

In celebration of the openings of The Peninsula London and The Peninsula Istanbul, a new cinematic Peninsula Perspectives film was commissioned which showcases Kam Tsui, one of The Peninsula Hong Kong's iconic Pages, travelling the world and visiting all of the Peninsula properties. The film debuted at the Grand Opening of The Peninsula London and is now widely used across a myriad of sales and marketing channels.

Appreciation of art and supporting local artists is a key part of our strategic marketing plan. Through activations on properties, as well as via access to important cultural institutions, The Peninsula provides guests and visitors the opportunity to engage with immersive, experiential art. Our globally recognised Art in Resonance programme returned to Hong Kong during Art Week in March with the commissioning and exhibition of four original works at The Peninsula Hong Kong. Our hotel teams continue to work with and help support local artists through innovative sponsorships and marketing programmes that allow our guests to engage with and be a part of cultural ecosystem in the cities in which we call home. The brand's support of the arts will continue into 2025 with a new exhibition at The Peninsula Hong Kong during Art Basel, of which we are proud sponsors.

A popular initiative with guests is our "Peninsula Time" offering fully flexible check-in and checkout. We also offer PenChat, a 24-hour private e-concierge service offering personalised attention.

Our sales teams travel extensively to meet in person around the world with PenClub members (Peninsula's top travel partners), with travel partners from the Leisure, Corporate and Meetings, Incentives, Conventions and Exhibitions (MICE) world, attend worldwide travel tradeshows and host events in some of our key markets but also emerging markets to continue building brand awareness and trade partner network.

Our company has its own in-house research and technology department which focuses on researching and developing the latest innovation for guest rooms and enhancing the customer experience.

## **7. Managing risk**

Operating a business in different overseas locations, given the unpredictable nature of the hotel industry, requires an agile yet measured approach to risk management. Our Group Risk Committee, chaired by the Chief Corporate and Governance Officer, regularly reviews the risk registers of our operations and new development projects, as well as monitors the principal risks and emerging risks of the group. We evaluate key risks and controls and using a 5-step risk management methodology we ensure the risk assessment process and internal controls remain current.

In 2024, we continued to navigate issues such as geopolitical tensions and continued threats such as cybersecurity threats. Environmental, social and governance risks have become a major focus and to be considered as company's principal risks going forward, our Group Risk Committee will continue to look into enhancement of internal controls to manage the strategic risks of the group. We will also focus on enhancing communication, inspiring greater awareness and ownership of risks and controls across the group.

## **8. Our people**

In a year marked by transformation, it is vital that we ensure we prioritise the well-being and engagement of our employees. I am happy to share that our global employee experience survey conducted in September 2024 yielded encouraging results, with a voluntary response rate of 91%, an overall engagement score of 77% surpassing the global average benchmark and consistent results in five core KPIs, namely Engagement, Experience vs. Expectations, Intent to Stay, Inclusion, and Well-Being. Notably, nearly 90% of our workforce expressed their intent to stay with the group for more than a year, with 53% planning to stay for over five years. The insights gathered from their feedback will help us unlock ways to enhance our employee experience.

Over 6,100 colleagues globally now have access to our internal communications platforms, MyHSH Hub and Viva Engage, fostering global connections and ensuring awareness of the most recent happenings within the organisation. The platforms have facilitated over 84,000 interactions and featured over 1,670 published articles and pages on MyHSH Hub, receiving more than 98,100 views in its inaugural year of global rollout.

Throughout the year, our people remain actively engaged through an array of activities and initiatives such as those promoting active lifestyles and holistic wellness. Our popular Wisdom on Wellness (WOW) programme continues to champion the physical and mental well-being of employees globally.



Complementing our efforts to provide a positive employee experience, we continue to build on our strong foundations in talent acquisition and learning and talent development. In 2024, we received 80,000 job applications as we attract diverse new talent to our organisation through campus recruitment, internal referrals and other targeted initiatives. Our global campus recruitment programmes, with operations participating in early campus events and job fairs, have been particularly successful, allowing us to broaden our scope in China and Europe and resulting in the hiring of over 430 candidates. We also continue to develop our careers website to attract the next generation of talent. It is scheduled to be launched in the first quarter of 2025. I am proud to share that our talent acquisition efforts have been recognised with industry accolades, including the Gold Award for Best Talent Acquisition Team from LinkedIn in Asia.

Concurrently, in the development of our workforce, we have rolled out tailored training programmes to provide impactful learning experiences for all colleagues as we build a culture of continuous learning. To nurture our future leaders, we continued to enhance our 12-month-long Emerging Manager programme, Corporate Management Training programme, and Global Cross Exposure programme. In the first quarter of 2025, we will see the launch of our succession planning framework, ensuring a strong pipeline of internal talent to support our long-term growth.

Looking forward, we will continue to support our people, ensuring they are well-informed and well-equipped to drive our collective success as a company.

As of 31 December 2024, there were 7,836 full time employees in the group.

## **9. Sustainable luxury**

As owner and operator of our hotels and properties, we are in a unique position to always act decisively and with genuine intent in our sustainability approach, while maintaining unparalleled service standards. The Peninsula London and The Peninsula Istanbul achieved international green building certification “BREEAM Excellent” this year, on-track to joining the rest of The Peninsula Hotels to achieve EarthCheck certification. Such efforts are a testament of our commitment to building for the future, ensuring sustainable elements and best practices are considered from design to construction and operation stages. We also rely on our people, the heart and soul of this company, to bring Sustainable Luxury Vision to life in their daily work. We can only achieve our collective goals when sustainability is embedded in all aspects of our business, and we will continue to empower our people with the knowledge and awareness to do so.

The global context of sustainability is increasingly complex, leading some businesses to grapple with what future direction they should take. As we are reaching the midpoint of our ten-year *Sustainable Luxury Vision 2030* (“Vision 2030”) strategy, we engaged with members of our Board and our senior management team to take stock of where we stand through a formal stakeholder engagement exercise. The message is clear – we remain committed to the *Vision 2030* goals.

We have already observed an increase of unusual climate events in parts of the world where we operate, causing concern for the risks posed by climate change to our ecosystems, businesses and human health. As a group, we remain focused on reducing our own impact on the environment, implement measures to mitigate climate risks, and take proactive climate actions to facilitate a low carbon transition. In 2024, we conducted a comprehensive review of our assets to identify further energy saving and renewable energy adoption opportunities as we assess how to further decarbonise. We aim to optimise alignment on energy and carbon savings, payback period of initiatives and the company's longer-term capital expenditure planning in facilitating our goals.

We continue to be guided by our *Vision 2030* strategy, which serves as a compass for who we are today, and what our hopes are for the future.

## 10. Outlook

In the current business climate, the outlook for our various businesses is generally stable, and we are cautiously optimistic for the year ahead. We believe that luxury tourism globally is being driven by affluent travellers seeking exclusive, sustainable and unique experiences and we are tailoring our marketing accordingly, with a focus on personalisation.

In Hong Kong, the long-haul market for leisure travellers is improving and we are seeing positive numbers of visitors returning from Southeast Asia and the Middle East. However, geopolitical tensions remain a general concern.

The Peak Tram is experiencing a strong business environment and is a very attractive experience for visitors. We are pleased to see strong demand returning for the residential apartments at The Repulse Bay from both the local and the expatriate markets and we expect this to continue as leasing contracts are renewed after the pandemic. The office market in Hong Kong is soft, and we are implementing strategies to attract tenants.

At the Peninsula Hong Kong, we are expecting a stronger year as visitors return for major events including Art Basel in March, of which we are a sponsor. In the Asian hotels, once again, we are cautiously optimistic. We expect to see continued growth in Japan where there is high demand for exclusivity and premium services and accommodation. Beijing and Shanghai have a positive outlook with good business expected from the domestic market and stronger international business returning as China expands its visa-free policy to increasing numbers of countries. Rates remain high in the US and the outlook is stable, with The Peninsula New York expecting good growth after the renovation.

The new Peninsula London and Peninsula Istanbul hotels are truly spectacular and together with The Peninsula Paris have significantly enhanced our brand presence in Europe. They have already achieved several industry awards and accolades and are receiving very positive reviews from guests as well as extensive media coverage.

On the commercial property side, we will continue to invest in our existing assets and uplift our offering to visitors, residents and tenants, with enhanced offerings at The Repulse Bay arcade.

We are noticing a trend of experiential travel in the high-end hospitality sector and we are exploring new opportunities for luxury lifestyle experiences. Building on the success of The Quail: Motorsports Gathering, we are expanding our Peninsula Signature Experiences division to Asia with a driving experience in Japan in April as well as exploring other lifestyle and motoring opportunities.

We are a company that focuses on the very long term, and we believe that if we focus on our people, this will be reflected in the excellent service that we offer our guests. We are doing what we can to support and retain our people, as well as recruit new talent. Our unique company culture is one of our greatest assets. We have a goal of constantly improving to become a more agile, more commercially sound company while preserving our heritage, brand and culture to propel us into the next level of growth.

We are fortunate to have a highly motivated and dedicated team of management and staff who are committed to our long-term vision.

On a personal note, I would like to thank Clement Kwok, who retired as CEO in October 2024, for his tremendous contributions to the company over the past 22 years. I will remain committed to sustainability, co-chairing the Group Corporate Responsibility Committee (GCRC) together with Christobelle Liao. I will continue to modernise the workplace to create a more meaningful and purpose-led environment for our employees.

I would also like to recognise Peter Borer, who dedicated 43 years of service to the Peninsula group. During that time, he built and maintained the exceptional hospitality standards that define our brand.

A sincere thanks to Christobelle Liao for “steering the ship” ably and successfully over the past few months as Interim CEO.

I would like to congratulate Gareth Roberts on his promotion to COO. Mr Roberts is young and energetic, with over 22 years of experience with the company. I look forward to working alongside him, as well as our CFO, Keith Robertson, and the Board, to lead the company in a new strategic direction.

I would like to thank our staff for their hard work in the past year, and also extend my thanks to our Chairman, our Board, and our shareholders for their trust in me as I take on the position of CEO. I believe it will be an exciting time ahead for our company.

**Benjamin Vuchot**

31 March 2025

## OPERATIONAL REVIEW

### BUSINESS PERFORMANCE

Our group comprises three key divisions – Hotels; Commercial Properties; and Peak Tram, Retail and Others. These divisions are described in more detail in the following review.

#### Hotels Division

Hotels	Revenue	Variance Year-on-Year	
	HK\$m	HK\$	Local Currency
<b>Consolidated hotels</b>			
The Peninsula Hong Kong	1,069	+3%	+3%
The Peninsula Beijing	324	-1%	+1%
The Peninsula Tokyo	826	+11%	+21%
The Peninsula London	856	+562%	+549%
The Peninsula New York	650	-15%	-15%
The Peninsula Chicago	654	+6%	+6%
The Peninsula Bangkok	237	+14%	+16%
The Peninsula Manila	228	+2%	+5%
<b>Non-consolidated hotels</b>			
The Peninsula Shanghai	459	+0%	+1%
The Peninsula Paris	800	+12%	+13%
The Peninsula Istanbul	372	+95%	+96%
The Peninsula Beverly Hills	628	+2%	+2%

#### The Peninsula Hong Kong

The Peninsula Hong Kong		
Revenue	HK\$1,069m	+3%
Occupancy		+6pp
Average Room Rate		-5%
RevPAR		+10%

**The Peninsula Hong Kong** experienced positive results in terms of revenue, occupancy and RevPAR compared to the same period in 2023. We were pleased to see a gradual improvement in the overall tourism sentiment in Hong Kong, and visitors are returning from the traditionally strong long-haul markets from US and Europe.

The city’s food and beverage industry continued to be negatively impacted by a trend of Hong Kong residents travelling to the neighbouring city of Shenzhen to experience alternative dining options and hotel stays, although the outlook for 2025 is better.

We implemented dining promotions and unique experiences to attract guests. To drive food and beverage revenue, we once again partnered with *Le French May* to host exclusive concerts and dinners. In June and July 2024, we held a special celebration of Italian cuisine and culture, in collaboration with Mercato Gourmet, Hong Kong’s leading Italian culinary retail brand.

Our collaborative venture with Hong Kong’s iconic Star Ferry was extended in 2024 due to popular demand, and as a special occasion in April 2024 we hosted one of Puccini’s beloved operas, *La Bohème*, featuring our signature Peninsula Afternoon Tea.

In March 2024, our global art programme “Art in Resonance” returned to The Peninsula Hong Kong. The opening, which was held during Hong Kong Art Week in collaboration with Art Basel, featured specially commissioned works from four visionary artists. In November 2024, we introduced four bespoke Bentley Bentayga Extended Wheelbase (EWB) Azure SUVs to our automotive fleet, to align with our legacy of offering the finest available transport to our guests. Our special Festive celebrations were once again very well received by guests.

We were proud to celebrate a No. 1 ranking in the “Top 10 hotels in Hong Kong and Macau” category at the Condé Nast Traveler Readers’ Choice Awards 2024 for the second consecutive year.

The Peninsula Office Tower was 86% occupied in 2024, and the immediate outlook is stable. The Peninsula Arcade occupancy was 90% and despite a softer retail market across the city, our anchor luxury retail outlets have experienced queues outside their boutiques.

### **The Peninsula Shanghai**

<b>The Peninsula Shanghai</b>		
Revenue	RMB424m	+1%
Occupancy		+2pp
Average Room Rate		+6%
RevPAR		+9%

**The Peninsula Shanghai** performed well in 2024 and reported good average rates. The hotel also reported a positive year-on-year increase in occupancy and RevPAR.

International business returned to Shanghai, particularly in terms of business delegations and high-profile events for luxury brands. The majority of overseas visitors came from Hong Kong and Russia, we welcomed increasing numbers of leisure travellers from Indonesia, South Korea and Southeast Asia. The average length of stay of visitors increased significantly.

Food and beverage revenue was challenging due to a softer market across the city and a downturn in consumer spending. Banqueting and weddings were softer this year as it was not considered an auspicious year in China.

The Peninsula Arcade was 82% occupied during 2024. The retail market remained a challenge in Shanghai, although our anchor tenants reported stable business.

The group owns a 50% interest in The Peninsula Shanghai Complex which comprises a hotel, a shopping arcade and a residential tower of 39 apartments. As at 31 December 2024, a total of 32 apartment units have been sold.

### The Peninsula Beijing

The Peninsula Beijing		
Revenue	RMB299m	+1%
Occupancy		+5pp
Average Room Rate		+1%
RevPAR		+11%

**The Peninsula Beijing** experienced a strong year, achieving the highest RevPAR in the history of the hotel. More than 70% of our geographic mix was derived from the domestic market. Diplomatic business made up a majority of the international guests, with heads of state and high-level government visitors from Russia, Qatar, West Africa and European countries. However, flight capacity in Beijing remains below pre-pandemic levels and this continued to affect arrivals from long-haul markets.

We implemented some “intangible cultural heritage” experiences including exclusive visits to a Baiju (Chinese liquor) factory and a behind-the-scenes visit to the Forbidden City glazed brick factory, with the objective of offering unique experiences for our guests.

Food and beverage revenue was strong with good performance at *Huang Ting* and *The Lobby*, although banqueting was slower due to the year not being considered auspicious for weddings in Chinese culture. *Jing*, our Michelin-starred French restaurant, performed well.

In December, we continued our commitment to promoting contemporary art with an exhibition themed “The Path of Love and Hope” by Japanese artist Ryunosuke Okazaki which was well received by guests.

The Peninsula Arcade was 92% occupied although luxury retail business has softened across the city. We worked closely with our retail tenants to drive traffic and we have signed tenancy agreements with luxury brands as well as contemporary sports and wellness brands to attract a younger demographic.

### The Peninsula Tokyo

The Peninsula Tokyo		
Revenue	JPY16.18b	+21%
Occupancy		+11pp
Average Room Rate		+11%
RevPAR		+32%

**The Peninsula Tokyo** recorded a strong 2024 with rates, occupancy and RevPAR achieving significant growth, returning to pre-pandemic results. This was driven by robust international business from US, UK and Hong Kong.

Food and beverage revenue improved compared to the previous year, with banquets experiencing strong demand. *Hei Fung Terrace* and *The Lobby* recorded good results. At *Peter* and *Peter Bar* we implemented private dining events and continued our popular Guest Bartender Series with “Season Two”, featuring top female mixologists from Japan offering innovative cocktails.

*Sakura* season is the busiest time of year in Tokyo and to celebrate this beautiful display of nature, we collaborated with a celebrated *Kamon* father-and-son artist and design team to adorn The Lobby with a giant *Kamon* artwork entitled “The Peninsula Tokyo + Sakura + Art”. In autumn, we showcased another grand art installation created by renowned father-and-son artists *Shoryu* and *Yoho Hatoba*, titled “The Peninsula Tokyo + Kaede + Art”.

The arcade business was robust and we introduced one of the world’s largest sports car brands as a new tenant on the ground level of the hotel.

### The Peninsula London

The Peninsula London		
Revenue	GBP86m	+549%
Occupancy		+20pp
Average Room Rate		-11%
RevPAR		+29%

One of the highlights of the year at **The Peninsula London** was the grand opening celebration on 18 June 2024 which was attended by more than 2,500 VIP guests and celebrities.

The Peninsula London continues to attract positive reviews. Rooms business is gaining momentum month by month and banquets and the Spa are performing well. Food and beverage was strong and our Cantonese restaurant *Canton Blue* and rooftop bar *Brooklands* performed well during the year. We were delighted that the fine dining restaurant of *Brooklands* was bestowed with two Michelin stars in January 2024 and retained this in 2025.

The Peninsula London Complex comprises a 190-room hotel and 24 luxury Peninsula-branded Residences. In 2024, the sales of a total of 7 luxury Residences were completed, generating total proceeds of HK\$3.5 billion. Of the 24 Residences, the sales of 17 have been completed to date.

We are in the process of preparing and agreeing final accounts with our trade contractors and consultants, which will include finalisation of programme delay costs.

## The Peninsula Paris

The Peninsula Paris		
Revenue	EUR95m	+13%
Occupancy		+3pp
Average Room Rate		+9%
RevPAR		+16%

The highlight of the year for **The Peninsula Paris** was the Summer Olympics, during which the hotel generated significant room revenue as a result of corporate and diplomatic business. We also welcomed a high-level government heads of state visits during March which had a significant positive impact on business.

2024 marked The Peninsula Paris's 10th anniversary, a milestone celebrated throughout the year with a series of events, media and social campaigns and celebrations. New culinary concepts were introduced including "Les échappées", *al fresco* summer dinners with live music on Sundays and Monday on *La Terrasse Kléber*.

The introduction of the luxurious brand Margy's from Monte Carlo in May 2024 at the Spa was very well received by guests.

The signature events held during the year including the summer rooftop party, Pink October charity gala, and the elegant Winter Gala, combined with new and stylish content creation, have rejuvenated the brand image of The Peninsula Paris with the aim of appealing to local Parisiens and international guests alike.

## The Peninsula Istanbul

The Peninsula Istanbul		
Revenue	EUR44m	+96%
Occupancy		+24pp
Average Room Rate		-22%
RevPAR		+53%

**The Peninsula Istanbul** experienced its first full year of operation in 2024. Since opening in 2023, the hotel has received significant positive media coverage and received an accolade of No 1 Hotel in Europe and No 1 Hotel in Istanbul from *Travel + Leisure's* 2024 World's Best Awards.

While in its first full year of operation, momentum has been satisfactory and continues to gather pace, achieving RevPAR number 3 in the city for the full year of 2024. Geopolitical tensions in the region affected overseas visitors in the first quarter but this stabilised from the second quarter onwards and US visitors started to return to the region. Saudi Arabia, Qatar, Russia and UK markets were also strong. Average room rate has reported a significant drop year on year, due to a revised room rate strategy focusing on driving occupancy and in line with our competitive set.



Food and beverage performance has been strong, particularly in *The Lobby* and banqueting, as the hotel offers one of the largest *al fresco* ballrooms in the city which has become popular for weddings and large corporate events. Our rooftop restaurant GALLADA closed from January to April 2024 to allow for the construction of an extended pavilion, enabling more year-round dining. GALLADA has received significant positive reviews and has become a top dining destination in the city.

### The Peninsula New York

The Peninsula New York		
Revenue	US\$83m	-15%
Occupancy		-2pp
Average Room Rate		+17%
*RevPAR		+14%

\* The number of available rooms has fluctuated due to the renovations at the hotel from January to September 2024.

**The Peninsula New York** completed a significant renovation during 2024 which resulted in a transformation of the guestrooms, lobby, rooftop bar *Pen Top* and public areas. This renovation started in phases in January 2024 and was completed in September 2024 in time for the UN General Assembly, which was a significant source of business for the hotel. An average 98 keys out of 233 keys were out of commission during this period. This negatively affected revenue for the period under renovation; however, the room rates and RevPAR improved once the new rooms product became available and received very positive reviews from guests and media.

Food and beverage revenue was strong, with good results from catering as a result of having a retractable roof on the terrace for small private events.

### The Peninsula Chicago

The Peninsula Chicago		
Revenue	US\$84m	+6%
Occupancy		+4pp
Average Room Rate		+3%
RevPAR		+10%

**The Peninsula Chicago** recorded a positive year in 2024, driven by good group business including a variety of entertainment groups, celebrities, high-profile sports teams and press tours. Having implemented some innovative digital marketing strategies, we were pleased to see the results and once again finished the year as the leader in RevPAR in the city.

Business was robust at our rooftop bar *Z Bar*, which has won accolades of the Best Bar in Chicago from Mandoe Media. Aside from *Z Bar*, food and beverage revenue was flat and we implemented a variety of innovative promotions at *Pierrot Gourmet*, *Shanghai Terrace*, as well as bringing back the very popular “Chocolate Bar” promotion in *The Lobby*.

The Peninsula Chicago has collaborated with art partners to curate contemporary art exhibits that are showcased throughout the hotel’s public space and on display for several months, commencing during the city’s annual EXPO CHICAGO art event. In April 2024, the Pizzuti Collection collaborated with The Peninsula Chicago to present *A Journey*, an exhibition of 30 exceptional works, many of which are painted by Black artists, which was very well received by guests and the local community.

We were delighted to receive the accolade of No. 2 Hotel in Chicago from *Travel + Leisure’s* 2024 World’s Best Award.

**The Peninsula Beverly Hills**

<b>The Peninsula Beverly Hills</b>		
Revenue	US\$81m	+2%
Occupancy		+4pp
Average Room Rate		-4%
RevPAR		+3%

**The Peninsula Beverly Hills** experienced a stable performance in 2024 with improved occupancy and RevPAR year-on-year, although rates declined slightly. Los Angeles was affected by prolonged inclement weather in early 2024, which negatively affected our rooftop and pool areas as well as weekend guests and drive-in visitors.

In the first quarter, we received high suite demand due to large conferences being held in Beverly Hills, particularly the Milken Conference which led to substantial additional events and group bookings.

Food and beverage revenue was softer during the year and we implemented various promotions to drive business. As part of a pop-up dining experience series, we introduced a pop-up of Michelin-starred French restaurant Camphor and Mexican cultural evenings of “Nights in Jalisco” during August, which helped drive revenue in *Belvedere Terrace*.

In June 2024, the hotel was the venue for an auction exhibition of “Princess Diana’s Elegance & A Royal Collection” which was the largest collection of gowns and accessories ever to be auctioned. This event received remarkable press coverage for the hotel.

We were saddened by the loss of lives and thousands of homes due to the wildfires in early 2025 in the city. We have implemented a “Hope for Los Angeles” campaign to give back to the local communities affected by the fires. For every night booked at The Peninsula Beverly Hills, New York, or Chicago between 1 February and 31 March 2025, a US\$5 donation will be made to a non-profit, government-funded organisation providing resources to wildfire survivors.

## The Peninsula Bangkok

The Peninsula Bangkok		
Revenue	THB1,063m	+16%
Occupancy		+5pp
Average Room Rate		+8%
RevPAR		+20%

**The Peninsula Bangkok** experienced an improved year compared to the same period last year with increasing room rates, stronger RevPAR and revenue. International business improved in Thailand with guests returning from mainland China, Malaysia, Russia and South Korea.

The local business environment remains challenging in Bangkok due to a large oversupply of hotels, and the team is focused on positioning The Peninsula Bangkok as a unique “urban wellness resort” location with stunning riverfront views. We re-introduced our wellness festival in September 2024, with the theme of “Art of Urban Wellness”, featuring a diverse range of holistic wellness activities, classes, and workshops led by acclaimed practitioners, aimed at enhancing guests’ physical, mental, and nutritional well-being.

In May 2024, we announced the three-month residency of Thai textile virtuoso Jarupatcha Achavasmit as part of The Peninsula’s celebrated global art programme, “Art in Resonance”. We also offered complimentary cultural tours on a weekly basis which comprised multicultural visits to Thai temples, shrines and mosques.

In November 2024, we implemented a special range of packages to celebrate Loy Krathong, one of Thailand’s most cherished festivals, with a spectacular range of activities celebrating tradition, entertainment, and gourmet cuisine.

## The Peninsula Manila

The Peninsula Manila		
Revenue	Php1,681m	+5%
Occupancy		-1pp
Average Room Rate		+4%
RevPAR		+3%

**The Peninsula Manila** experienced a satisfactory performance in 2024 compared to the previous year. Average room rates, revenue and RevPAR all increased year on year. New office buildings and revitalised shopping centres in the nearby area of Makati City brought increased traffic and a new Convention Hall attracted an increasing amount of domestic and international conventions business.

The Peninsula Manila remains a preferred hotel of high-level ministerial delegations and we welcomed several heads of State and government delegations from Asia and the North America during 2024. We also saw good growth in air crew groups choosing to stay at The Peninsula Manila, which should help improve occupancy in the coming year.

Banqueting business continued to be a key driver of food and beverage revenue and wedding business was strong. *The Lobby*, *Spices* and *Escolta* also performed well. We introduced *Mizunara: The Library, Hong Kong* for a pop-up promotion of Hong Kong cocktails at *The Bar* in February 2024 and this proved popular with guests.

We were delighted to receive the accolade of “Best Business Hotel in Manila” in the 2024 Business Traveller Asia-Pacific Awards.

### Commercial Properties Division

Commercial Properties	Revenue	Variance Year-on-Year	
	HK\$m	HK\$	Local Currency
The Repulse Bay Complex	581	+5%	+5%
The Peak Tower	165	+20%	+20%
St. John’s Building	45	-4%	-4%
The Landmark	38	-7%	-2%
21 avenue Kléber	31	+17%	+18%
The Peninsula Shanghai Apartments	8	+17%	+20%

Our largest commercial property, **The Repulse Bay Complex**, enjoyed a positive momentum and positive leasing environment compared to the previous year. Residential revenue and occupancy improved at 101 Repulse Bay and de Ricou following a minor refurbishment of 30 apartments, and we were pleased to see demand returning from local moves and expatriates who are returning or moving to Hong Kong.

The Repulse Bay Arcade, which offers a diverse range of lifestyle amenities and services, reported stable occupancy and revenue. We have undertaken a strategic review of the arcade with some renovation in order to offer unique and enhanced facilities to guests. Ahead of this revamp, The Repulse Bay introduced a refreshed brand identity in May 2024, including a new logo and revamped website inspired by certain elements of The Peninsula brand identity.

**The Peak Tower** reported strong performance in 2024. Revenue and occupancy at The Peak Tower improved and we are exploring a variety of new dining and retail options to enhance the Peak Tower’s appeal as a destination. We continued to implement a variety of promotions and business strategies to entice more visitors to the Peak. Visitors to Sky Terrace 428 improved significantly compared to the previous year, due to successful sales of “combo” tickets with the Peak Tram. In December, we unveiled the “It’s Different Up Here” campaign which ran until February 2025. It included an entertaining display called “101 Peak Street” at The Peak Tower, comprising a series of “Hong Kong Stories and flavours” for visitors to enjoy local delicacies.

**St John’s Building** is located above the lower terminus of the Peak Tram and offers an excellent location for office space. The office market remained weak in Hong Kong during 2024 and this was reflected in the lower revenue and occupancy.

**The Landmark**, a 16-storey residential and office property, is located on a prime riverfront site in the central business district of Ho Chi Minh City, Vietnam. Business performance was softer in 2024 compared to the previous year. Revenue and occupancy for the offices declined slightly compared to the same period last year and residential revenue and occupancy also declined. Together with our partners, we are evaluating the future of the property when the lease expires in 2026.

**21 avenue Kléber** offers a prime location immediately adjacent to The Peninsula Paris on Avenue Kléber, just steps from the Arc de Triomphe. The office and retail spaces are currently fully occupied. Rental revenue improved compared to the previous year.

### Peak Tram, Retail and Others

	Revenue	Variance	
	HK\$m	HK\$	Local Currency
The Peak Tram	312	+41%	+41%
The Quail	236	+4%	+4%
Peninsula Clubs & Consultancy Services	5	+7%	+7%
Peninsula Merchandising	353	+12%	+12%
Tai Pan Laundry	63	+7%	+7%

**The Peak Tram**, a funicular railway, is one of Hong Kong's most popular tourist attractions and has been in operation since 1888. Following the major upgrade project that was completed in 2022, business has been very strong. In 2024, patronage returned to pre-pandemic levels, with the Peak Tram operating at full capacity on certain days, and revenue increased by more than 40% year-on-year. We have adjusted our ticketing strategy and pricing to standardise fares on all days, to allow for a steady flow of visitors and to try to manage the traffic. Since the renovation, more visitors are able to queue inside a sheltered area and enjoy a variety of audiovisual entertainment features.

**The Quail** reported moderate revenue growth year over year, with the majority of improvement coming from the property's signature event held in August, *The Quail Motorsports Gathering* which saw record results and is considered one of the world's leading concours events. The outlook for 2025 is positive, and the future business pipeline is strong. A fourth quarter shift towards balancing average rates with improved occupancy and RevPAR trends, and we experienced revenue growth in the restaurant outlets. Efforts to strengthen local relationships through improved experiences are underway, centred around the core community of The Quail golf club members and local residents.

**Peninsula Clubs & Consultancy Services (PCCS)** manages The Hong Kong Club, Hong Kong Bankers Club and The Refinery. PCCS reported an improvement in revenue compared to the same period last year.

Revenue at **Peninsula Merchandising** increased compared to the previous year, although our business was affected by a softer retail market in Hong Kong and mainland China. We reported continued growth in our boutique stores in Japan as well as our online businesses, and we have strategically changed our ecommerce provider in mainland China to drive online traffic. This division is renowned for its signature Mooncakes and our mid-Autumn sales were satisfactory. Business is progressing well, with expansion in several markets including the mainland China. We are directly operating retail boutiques and online sales channels, as well as seasonal pop ups. In Hong Kong, we organised new pop-ups for key seasonal gifting seasons, including one in the luxury department store Lane Crawford during Chinese New Year 2024. Although revenue increased, there is still some work to be done on improving profitability and reducing costs and we are working on strategies to achieve this.

We are preparing to launch new categories of products including “lifestyle” to develop a broader range of luxury gifting. We are also expanding the range across core categories such as chocolate, tea and delicacies, in order to introduce our brand in new markets.

We are planning for a refurbishment of The Peninsula Boutique at Hong Kong International Airport to be completed within the second quarter of 2025.

**Tai Pan Laundry** revenue increased compared to the same period last year, driven by improved business from hotels, clubs and gyms and diversified business services.

*The financial information sets out in this results announcement has been reviewed by the company's Audit Committee, and has been agreed by the company's auditor, KPMG, Certified Public Accountants. The financial figures in respect of the preliminary announcement of the group's results for the year ended 31 December 2024 have been compared by KPMG to the amounts set out in the group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.*

## **FINANCIAL REVIEW**

The group achieved consolidated revenue of HK\$10,290 million and consolidated EBITDA of HK\$1,446 million for the year ended 31 December 2024, representing a year-on-year increase of 27% and 32% respectively. These increases were mainly attributable to The Peninsula London's full-year of operation and the completion of sale of seven Peninsula London Residences.

Excluding the results arising from the sale of seven (2023: ten) Peninsula London Residences, the group's consolidated revenue and consolidated EBITDA increased by 18% and 34% to HK\$6,838 million and HK\$1,128 million respectively.

Despite the increases in operating revenue and EBITDA, overall, the group incurred a loss attributable to shareholders of HK\$943 million (including a property revaluation loss of HK\$569 million and an impairment provision of HK\$158 million) as compared to a profit of HK\$146 million (including a property revaluation gain of HK\$186 million) last year. Excluding the non-recurring and non-operating items, the group reported an underlying loss of HK\$176 million as compared to an underlying profit of HK\$277 million last year. As outlined in the profit warning announcement dated 14 February 2025, the main factors affecting the comparison with last year were:

- An increase in depreciation of 32% mainly attributed to The Peninsula London which opened in September 2023.
- An increase in net financing charges of 157% as the group is no longer capitalising interest on borrowings relating to The Peninsula London project following the opening of the hotel, as well as higher interest rates.
- An unrealised revaluation loss on the group's investment properties of HK\$569 million as compared to a revaluation gain of HK\$186 million last year.
- An impairment provision of HK\$158 million in respect of the group's investment in The Peninsula Yangon project.

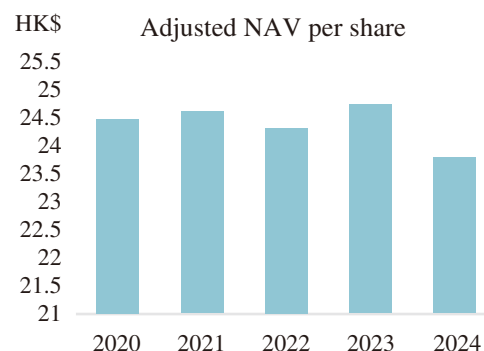
The group's financial position as of 31 December 2024 remained stable with net assets attributable to shareholders of HK\$35.4 billion. During the year, the group generated operating cash flow of HK\$4,391 million. After accounting for capital expenditure, interest payments and dividends paid, the net cash inflow generated by the group amounted to HK\$2,239 million. As a result, the group's net debt decreased by 17% to HK\$12.5 billion and the net debt to total assets reduced by 3 percentage points to 23%.

## The group's adjusted net asset value

In the financial statements, the group's hotels (other than shopping arcades and offices within the hotels) and golf course are stated at depreciated cost less accumulated impairment losses, if any, but not at fair value.

Accordingly, we have commissioned an independent third-party fair valuation of the group's hotels and golf course as at 31 December 2024. If these assets were to be stated at fair value, the group's net assets attributable to shareholders would increase by 13% to HK\$40,033 million as indicated in the table below.

**Adjusted NAV**  
HK\$40,033m ↓ 3%



HK\$m	2024	2023
Net asset value attributable to shareholders per the audited statement of financial position	35,401	36,279
Adjusting the value of hotels and golf course to fair value, net of related deferred tax and non-controlling interests	<u>4,632</u>	<u>4,812</u>
Adjusted net asset attributable to shareholders	<u>40,033</u>	<u>41,091</u>
Audited net asset per share (HK\$)	<u>21.24</u>	<u>22.00</u>
Adjusted net asset per share (HK\$)	<u>24.01</u>	<u>24.92</u>

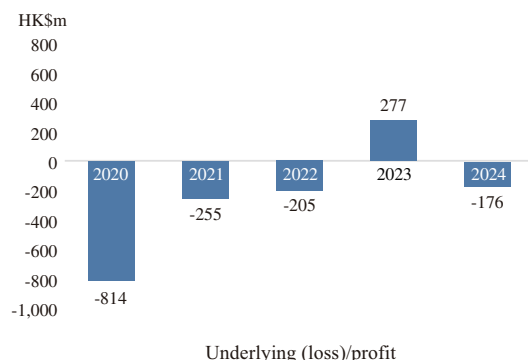


## The group's underlying profit or loss

Our operating results are mainly derived from operation of hotels, leasing and sale of luxury residential apartments, leasing of office and retail properties, operation of the Peak Tram, and retail merchandising. We manage the group's operations with principal reference to their underlying operating cash flows and recurring earnings. However, to comply with the applicable accounting standards, we are required to include non-recurring and non-operating items, such as any changes in the fair value of investment properties and impairment provisions, in our consolidated statement of profit or loss. To reflect the underlying operating performance of the group, we have provided a calculation of the underlying profit or loss attributable to shareholders. This is determined by excluding the pre-opening and project expenses, the post-tax effects of the revaluation movements of investment properties, impairment provisions and other non-recurring items.

The group's underlying loss attributable to shareholders for the year ended 31 December 2024 amounted to HK\$176 million compared to an underlying profit of HK\$277 million in 2023.

### Underlying loss HK\$176m



HK\$m	2024	2023
<b>(Loss)/profit attributable to shareholders</b>	<b>(943)</b>	146
Revaluation loss/(gain) of investment properties <sup>#</sup>	<b>582</b>	(180)
Impairment provision, net of non-controlling interests	<b>106</b>	–
Pre-opening, project and other non-recurring expenses <sup>ΔΔ</sup>	<b>79</b>	311
<b>Underlying (loss)/profit</b>	<b>(176)</b>	<b>277</b>

<sup>#</sup> Including the group's share of revaluation movement of The Peninsula Shanghai's commercial arcade, net of tax and non-controlling interests.

<sup>ΔΔ</sup> Pre-opening and project expenses and other non-recurring expenses are unrelated to the group's operating hotels and properties and are non-recurring in nature. Pre-opening expenses represent the recruitment, payroll, marketing, and administrative expenses incurred by the pre-opening offices of the group's new hotels. Project expenses represent the specific expenses incurred by the group to support the development of new hotel projects. In 2023, significant amounts of pre-opening expenses and project expenses were incurred by The Peninsula London and The Peninsula Istanbul. In 2024, whilst the two hotels had opened for operation, the project team was still required for follow up works, including snagging, rectification and accounts finalisation.

## Statement of profit or loss

The following table summarises the key components of the group's loss attributable to shareholders. This table should be read in conjunction with the commentary of this Financial Review.

HK\$m	2024	2023	2024 vs 2023 favourable/ (unfavourable)
Revenue			
– operations	<b>6,838</b>	5,814	18%
– residential sales	<b>3,452</b>	2,298	50%
Total revenue	<b>10,290</b>	8,112	27%
Operating costs			
– operations	<b>(5,631)</b>	(4,680)	(20%)
– residential sales	<b>(3,134)</b>	(2,042)	(53%)
EBITDA before non-recurring expenses	<b>1,525</b>	1,390	10%
Pre-opening, project and other non-recurring expenses	<b>(79)</b>	(292)	73%
EBITDA	<b>1,446</b>	1,098	32%
Depreciation and amortisation	<b>(686)</b>	(520)	(32%)
Net financing charges	<b>(754)</b>	(293)	(157%)
Share of results of joint ventures	<b>(92)</b>	(166)	45%
Share of results of associates	<b>(16)</b>	(18)	11%
(Decrease)/increase in fair value of investment properties	<b>(569)</b>	186	n/a
Impairment provision for The Peninsula Yangon development project	<b>(158)</b>	-	n/a
Taxation	<b>(164)</b>	(139)	(18%)
(Loss)/profit for the year	<b>(993)</b>	148	n/a
Non-controlling interests	<b>50</b>	(2)	n/a
(Loss)/profit attributable to shareholders	<b>(943)</b>	146	n/a

As is often typical in the hospitality industry to support the opening of new hotels, significant amounts of pre-opening expenses were incurred in 2023 to support the launch of The Peninsula London and The Peninsula Istanbul. Following the opening of the two hotels, despite a scale-down of pre-opening expenses, project expenses were incurred in 2024 for certain completion of works as well as snagging, rectification and accounts finalisation for the projects.

The increase in depreciation and amortisation was mainly attributable to The Peninsula London which opened in September 2023. The increase in net financing charges was due to the cessation of capitalisation of interest on borrowings relating to The Peninsula London following the hotel opening.

## Revenue

The group's hotel revenue is derived from our twelve luxury hotels under The Peninsula brand in Asia, the US and Europe, two of which are held by the group's associates and two by joint ventures. In addition to the hotels division, the group also operates a commercial properties division which is engaged in the development and sale or leasing of luxury residential apartments and leasing of office and retail buildings in prime city-centre locations in Asia and Europe. The group's third business division is engaged in the operation of the Peak Tram, retail and other services, including operation of The Quail.

The group's consolidated revenue in 2024 increased by 27% to HK\$10,290 million, inclusive of HK\$3,452 million revenue arising from the sale of 7 Peninsula Residences in London (2023: HK\$2,298 million). Combined revenue, including the group's effective share of revenue of associates and joint ventures amounted to HK\$10,991 million, representing an increase of 26% over 2023.

A breakdown of the group's total revenue, including its effective share of revenue of associates and joint ventures by business segment and geographical segment is set out in the tables in the next page.

### Consolidated Revenue

HK\$10,290m ↑ 27%

HK\$6,838m\* ↑ 18%

### Hotels

HK\$4,980m ↑ 19%

### Commercial Properties

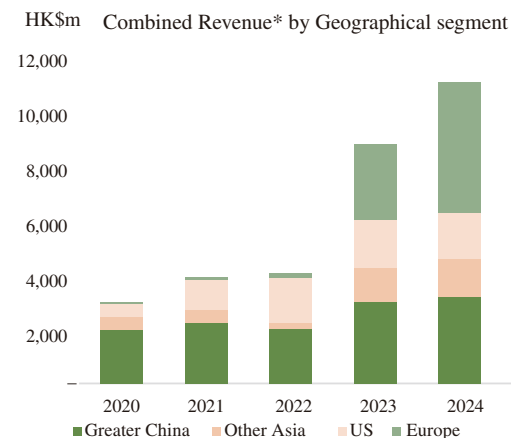
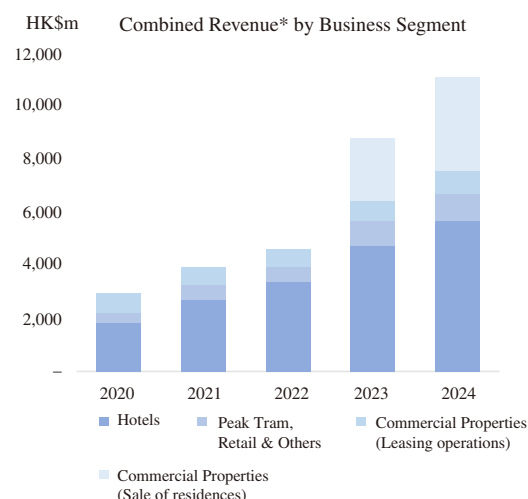
HK\$4,340m ↑ 40%

HK\$888m\* ↑ 9%

### Peak Tram, Retail & Others

HK\$970m ↑ 17%

\* Excluding revenue from the sale of  
The Peninsula London Residences



\* Including the group's effective share of revenue of associates and joint ventures

## Revenue by business segment\*

HK\$m	2024			2023			2024 vs 2023
	Group's subsidiaries	Associates and joint ventures (effective share)	Combined total	Group's subsidiaries	Associates and joint ventures (effective share)	Combined total	
Hotels	4,980	701	5,681	4,174	591	4,765	19%
Commercial Properties	4,340	-	4,340	3,110	-	3,110	40%
Peak Tram, Retail & Others	970	-	970	828	-	828	17%
	<b>10,290</b>	<b>701</b>	<b>10,991</b>	<b>8,112</b>	<b>591</b>	<b>8,703</b>	<b>26%</b>

\* Revenue of Commercial Properties for 2024 included HK\$3,452 million (2023: HK\$2,298 million) revenue arising from the sale of seven (2023: ten) Peninsula Residences in London.

## Revenue by geographical segment\*

HK\$m	2024			2023			2024 vs 2023
	Group's subsidiaries	Associates and joint ventures (effective share)	Combined total	Group's subsidiaries	Associates and joint ventures (effective share)	Combined total	
Greater China	2,932	229	3,161	2,735	230	2,965	7%
Other Asia	1,365	-	1,365	1,232	-	1,232	11%
US	1,567	126	1,693	1,638	123	1,761	(4%)
Europe	4,426	346	4,772	2,507	238	2,745	74%
	<b>10,290</b>	<b>701</b>	<b>10,991</b>	<b>8,112</b>	<b>591</b>	<b>8,703</b>	<b>26%</b>

\* Revenue of the Europe geographical segment for 2024 included HK\$3,452 million (2023: HK\$2,298 million) revenue arising from the sale of seven (2023: ten) Peninsula London Residences.

The hotels division is the largest contributor of the group's combined revenue. During the year, The Peninsula New York underwent major renovation from January to September and reported a significant reduction in revenue. However, this revenue shortfall was fully offset by the revenue growth achieved by The Peninsula Tokyo and the full year contribution from The Peninsula London. The division reported an increase in combined revenue by 19% to HK\$5,681 million.

Revenue from the commercial properties division increased by 40% to HK\$4,340 million, inclusive of HK\$3,452 million (2023: HK\$2,298 million) revenue arising from the sale of seven (2023: ten) Peninsula Residences in London. Excluding this, the division reported an increase in revenue by 9% due to improved occupancy from The Repulse Bay and a higher number of visitors to Sky Terrace 428. The Repulse Bay Complex is the largest contributor of revenue in respect of leasing operations, accounting for 65% of the division's rental revenue.

Revenue of the Peak Tram, Retail & Others division increased by 17% to HK\$970 million, mainly attributable to the strong performance achieved by the Peak Tram and higher mooncake revenue achieved by The Peninsula Merchandising.

## Operating costs (inclusive of pre-opening and project expenses)

The following table summarises the key components of the group's operating costs.

HK\$m	2024	2023	2024 vs 2023 favourable/ (unfavourable)
Cost of inventories	3,595	2,435	(48%)
Staff costs and related expenses	2,749	2,462	(12%)
Rent and utilities	524	492	(7%)
Advertising and promotions	314	251	(25%)
Credit card and room commissions	296	217	(36%)
Guest supplies and laundry expenses	279	241	(16%)
IT and telecommunication expenses	121	106	(14%)
Property maintenance and insurance	328	263	(25%)
Other operating expenses	638	547	(17%)
	<b>8,844</b>	<b>7,014</b>	<b>(26%)</b>
Represented by:			
Operating costs	5,631	4,680	(20%)
Costs of the Peninsula Residences sold, including agency fees	3,134	2,042	(53%)
Pre-opening, project and other non-recurring expenses	79	292	73%
	<b>8,844</b>	<b>7,014</b>	<b>(26%)</b>

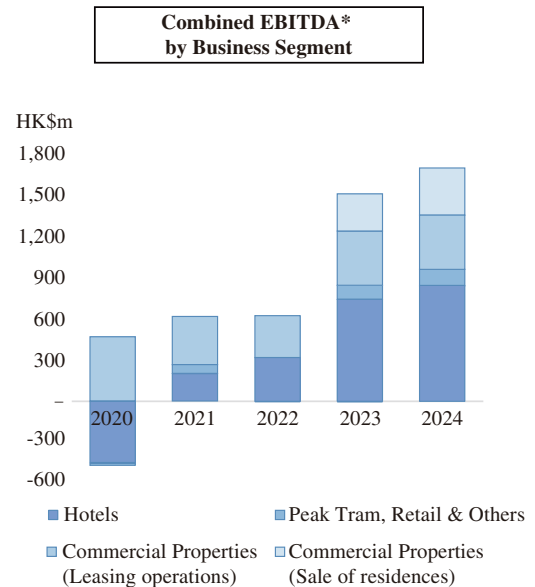
During the year, the group's costs increased by 26% to HK\$8,844 million. Excluding the cost of inventories relating to The Peninsula London Residences and pre-opening, project and other non-recurring expenses, the operating costs amounted to HK\$5,631 million, representing an increase of 20% compared to an increase in consolidated revenue (excluding the sales of The Peninsula London Residences) of 18%. The negative flow-through was mainly due to the revenue shortfall suffered by The Peninsula New York during the renovation from January to September 2024 and the high operating costs incurred by The Peninsula London in its early stage of operation before achieving stabilisation.

In 2024, a total of seven (2023: ten) Peninsula London Residences were sold. The associated costs were higher as the residential units sold during the year were relatively larger than those sold in last year.

Excluding the costs of The Peninsula London Residences sold, staff costs continued to be the largest portion of our operating expenses given the nature of operating high-end luxury hotels. The increase in staff costs and related expenses was driven by the annual inflationary adjustments, increase in full-time equivalent employees (the total number of hours worked by all employees and casual labour as the equivalent number of full-time employees) to cater for the increased business levels and the full year operation of The Peninsula London. As at 31 December 2024, the group's full time headcount increased from 7,695 to 7,836.

## EBITDA\* and EBITDA\* Margin

The breakdown of the group's combined EBITDA\* (earnings before interest, taxation, depreciation and amortisation) by business segment and by geographical segment is set out in the following tables.



\* Excluding pre-opening and project expenses and other non-recurring expenses

## EBITDA\* by business segment

HK\$m	2024			2023			2024 vs 2023
	Group's subsidiaries	Associates and joint ventures (effective share)	Combined total	Group's subsidiaries	Associates and joint ventures (effective share)	Combined total	
Hotels	695	118	813	633	79	712	14%
Commercial Properties	716	-	716	642	-	642	12%
Peak Tram, Retail & Others	114	-	114	115	-	115	(1%)
	<b>1,525</b>	<b>118</b>	<b>1,643</b>	<b>1,390</b>	<b>79</b>	<b>1,469</b>	<b>12%</b>

## EBITDA\* by geographical segment

HK\$m	2024			2023			2024 vs 2023
	Group's subsidiaries	Associates and joint ventures (effective share)	Combined total	Group's subsidiaries	Associates and joint ventures (effective share)	Combined total	
Greater China	802	65	867	797	62	859	1%
Other Asia	220	-	220	204	-	204	8%
US	95	21	116	204	24	228	(49%)
Europe	408	32	440	185	(7)	178	147%
	<b>1,525</b>	<b>118</b>	<b>1,643</b>	<b>1,390</b>	<b>79</b>	<b>1,469</b>	<b>12%</b>

## EBITDA\* margin

	2024			2023		
	Group's subsidiaries	Associates and joint ventures (effective share)	Combined total	Group's subsidiaries	Associates and joint ventures (effective share)	Combined total
Hotels	14%	17%	14%	15%	13%	15%
Commercial Properties	16%	-	16%	21%	-	21%
Peak Tram, Retail & Others	12%	-	12%	14%	-	14%
Overall EBITDA* margin	<b>15%</b>	<b>17%</b>	<b>15%</b>	<b>17%</b>	<b>13%</b>	<b>17%</b>
By region						
Greater China	29%	28%	29%	30%	27%	30%
Other Asia	15%	-	15%	15%	-	15%
US	6%	17%	7%	12%	20%	13%
Europe	<b>9%</b>	<b>9%</b>	<b>9%</b>	<b>7%</b>	<b>-3%</b>	<b>6%</b>

\* Excluding pre-opening and project expenses and other non-recurring expenses.

The group achieved a combined EBITDA of HK\$1,643 million in 2024. Excluding the EBITDA on sale of The Peninsula London Residences, the group's combined EBITDA amounted to HK\$1,325 million compared to HK\$1,213 million in 2023, representing an increase of 9% year-on-year.

The group's operations in different business segments and different geographic locations are subject to different cost bases. The decrease in the Commercial Properties division's EBITDA margin was due to the effect of The Peninsula London Residences. Excluding The Peninsula London Residences, the EBITDA margin for 2024 was 45% (2023: 48%). The decrease in margin was mainly due to an increase in utility and building maintenance costs.

Overall EBITDA margin, excluding The Peninsula London Residences, was 18% (2023: 19%).

## Share of results of joint ventures

The group, through its joint venture The Peninsula Shanghai Waitan Hotel Company Limited (PSW), owns a 50% interest in The Peninsula Shanghai Complex which comprises The Peninsula Shanghai hotel and shopping arcade and the adjoining Peninsula Residences apartment tower. During the year, no apartment was sold and at the end of 2024, PSW owned 7 remaining apartments which are held for sale.

The group also owns a 50% interest in The Peninsula Istanbul through PIT İstanbul Otel İşletmeciliği Anonim Şirketi (PIT), a joint venture incorporated in Türkiye. The Peninsula Istanbul, which opened in February 2023, was loss-making in 2024 as the hotel still requires time to ramp up to a stabilised stage of operations.

The group's share of net loss of these hotels amounted to HK\$92 million (2023: HK\$166 million).

## Share of results of associates

The group has a 20% interest in each of The Peninsula Beverly Hills and The Peninsula Paris. The group's share of net loss of these hotels amounted to HK\$16 million (2023: HK\$18 million).

## Decrease in fair value of investment properties

The investment properties of the group were revalued as at 31 December 2024 by independent firms of valuers based on an income capitalisation approach. The net revaluation deficit of HK\$569 million was principally attributable to the decrease in the appraised market value of The Repulse Bay Complex and St. John's Building.

## Impairment provision

As development work for The Peninsula Yangon project has been on hold since June 2021 and the outlook of the tourism market in Myanmar continues to be uncertain, a review has been conducted by management to assess the recoverability of The Peninsula Yangon's book value. Based on the assessment, the Directors consider it prudent to write off the remaining book value of The Peninsula Yangon resulting in an impairment provision of HK\$158 million being recognised in the statement of profit or loss for the year ended 31 December 2024.



## Statement of financial position

The key components of the group's assets and liabilities are set out in the following table. As reflected in the table, the group's financial position as at 31 December 2024 remained stable with shareholders' funds amounting to HK\$35,401 million, representing a per share value of HK\$21.24.

HK\$m	2024	2023	2024 vs 2023 increase/ (decrease)
Fixed assets	<b>47,864</b>	48,832	(2%)
Properties held/under development for sale	<b>1,472</b>	4,382	(66%)
Other long-term assets	<b>2,838</b>	2,587	10%
Derivative financial instruments	<b>166</b>	220	(25%)
Cash at banks and in hand	<b>895</b>	881	2%
Other assets	<b>941</b>	967	(3%)
	<b>54,176</b>	57,869	(6%)
Interest-bearing borrowings	<b>(13,389)</b>	(15,914)	16%
Lease liabilities	<b>(2,612)</b>	(2,733)	4%
Other liabilities	<b>(2,729)</b>	(2,843)	4%
	<b>(18,730)</b>	(21,490)	13%
Net assets	<b>35,446</b>	36,379	(3%)
<i>Represented by:</i>			
Shareholders' fund	<b>35,401</b>	36,279	(2%)
Non-controlling interests	<b>45</b>	100	(55%)
Total equity	<b>35,446</b>	36,379	(3%)

## Summary of hotel, commercial and other properties

The group has interests in twelve operating hotels in Asia, US and Europe and a golf course in the US. In addition to these properties, the group owns residential apartments, office towers and commercial buildings for rental purposes.

The group's hotel properties and investment properties are dealt with under different accounting policies as required by the relevant accounting standards. The hotel properties (other than shopping arcades and offices within the hotels) and golf course are stated at cost less accumulated depreciation and any provision for impairment losses, whilst investment properties (including shopping arcades and offices within the hotels) are stated at fair value as appraised by independent valuers. In order to provide users of the financial statements with additional information on the fair value of the group's properties, independent valuers have been engaged to conduct a valuation of the hotel properties and golf course as at 31 December 2024.

A summary of the group's hotel, commercial and other properties showing both the book value and the fair value as at 31 December 2024 is set out in the table on the following page.

	2024 Group's interest	2024		2023	
		Value of 100% of the property (HK\$m)			
		Fair value valuation	Book value	Fair value valuation	Book value
<b>Hotel properties*</b>					
The Peninsula Hong Kong	100%	12,303	9,757	12,322	9,751
The Peninsula London	100%	7,967	7,646	8,201	7,811
The Peninsula New York	100%	2,200	1,873	2,129	1,604
The Peninsula Chicago	100%	1,231	961	1,227	998
The Peninsula Beijing	76.6% <sup>Δ</sup>	940	909	1,047	1,023
The Peninsula Tokyo	100%	1,294	879	1,395	1,004
The Peninsula Bangkok	100%	648	555	642	554
The Peninsula Manila	77.4%	35	19	45	26
The Peninsula Istanbul <sup>#</sup>	50%	1,890	1,890	2,147	2,147
The Peninsula Shanghai <sup>#</sup>	50%	2,584	1,864	2,706	2,024
The Peninsula Paris <sup>#</sup>	20%	4,297	3,617	4,600	4,116
The Peninsula Beverly Hills <sup>#</sup>	20%	2,796	265	2,771	257
		<b>38,185</b>	<b>30,235</b>	<b>39,232</b>	<b>31,315</b>
<b>Commercial properties</b>					
The Repulse Bay Complex	100%	18,005	18,005	18,424	18,424
The Peak Tower	100%	1,487	1,487	1,418	1,418
St. John's Building	100%	1,080	1,080	1,174	1,174
21 avenue Kléber	100%	651	651	674	674
The Peninsula Shanghai Residences	100%	355	355	367	367
The Landmark	70% <sup>ΔΔ</sup>	9	9	18	18
		<b>21,587</b>	<b>21,587</b>	<b>22,075</b>	<b>22,075</b>
<b>Other properties</b>					
The Quail and vacant land	100%	282	271	282	274
Vacant land in Thailand	100%	93	93	91	91
Other properties for own use	100%	361	177	403	188
		<b>736</b>	<b>541</b>	<b>776</b>	<b>553</b>
<b>Properties under development</b>					
The Peninsula Yangon	70%	n/a	–	122	122
		–	–	122	122
<b>Total market/book value</b>		<b>60,508</b>	<b>52,363</b>	<b>62,205</b>	<b>54,065</b>

\* Including the shopping arcades and offices within the hotels.

<sup>Δ</sup> The group owns 100% economic interest of The Peninsula Beijing with a reversionary interest to the PRC partner in 2033 upon expiry of the joint venture period.

<sup>ΔΔ</sup> The group owns 50% economic interest of The Landmark with a reversionary interest to the Vietnamese partner in 2026 upon expiry of the joint venture period.

<sup>#</sup> These properties are held by associates/joint ventures.

## Properties held for sale

The group owns a 100% interest in The Peninsula London Complex which comprises a 190-room Peninsula hotel and 24 Peninsula-branded Residences. The gross floor area of The Peninsula London Residences is approximately 119,000 square feet. In 2023, ten Peninsula London Residences were sold and during 2024, seven more units were sold.

Properties held for sale as at 31 December 2024 represented the cost of the remaining seven unsold Peninsula London Residences.

A calculation of the gain on sale of The Peninsula London Residences and the movement of properties held for sale during 2024 are set out in the tables below.

### Gain on sale of The Peninsula London Residences

HK\$m	2024	2023
Sale proceeds	3,452	2,298
Cost of residences sold	(3,086)	(1,999)
Direct selling costs	(48)	(43)
Profit on sale of The Peninsula London Residences before tax	<u>318</u>	<u>256</u>

### Movement of properties held for sale

HK\$m	2024	2023
At 1 January	4,382	5,169
Exchange adjustment	(5)	290
Addition	181	922
Cost of inventories sold	(3,086)	(1,999)
At 31 December	<u>1,472</u>	<u>4,382</u>

Prior to the handover of The Peninsula London Residences, reservation fees and pre-sale deposits paid by buyers are held in escrow accounts in accordance with the local regulations in the UK and are therefore not reflected in the consolidated statement of financial position.

## Other long-term assets

The other long-term assets as at 31 December 2024 of HK\$2,838 million (2023: HK\$2,587 million) comprised mainly the group's 50% interest in The Peninsula Shanghai, the group's 20% interest and the value of its operating right in The Peninsula Beverly Hills, the group's 20% interest and the value of its operating right in The Peninsula Paris and the group's 50% interest and the value of trademark for The Peninsula Istanbul.

## Derivative financial instruments

Derivative financial instruments mainly represent the fair value of interest rate swaps entered into by the group with financial institutions for hedging purposes. Under the interest rate swap arrangements, the group receives floating interest income and pays fixed interest expense.

## Cash at banks and in hand and interest-bearing borrowings

As at 31 December 2024, the group's cash at banks and in hand and interest-bearing borrowings amounted to HK\$895 million (2023: HK\$881 million) and HK\$13,389 million (2023: HK\$15,914 million) respectively, resulting in a net borrowing of HK\$12,494 million (2023: HK\$15,033 million). The decrease in net borrowing was mainly due to the receipt of sale proceeds from The Peninsula London Residences during the year.

## Cash flows

Excluding the proceeds from sales of The Peninsula London Residences of HK\$3,452 million (2023: HK\$2,298 million), the group generated a cash inflow from operations after tax, normal capital expenditure and hotel lease payments of HK\$523 million compared to HK\$906 million in 2023.

After accounting for capital expenditure and related interest on projects, dividends paid and other receipts, the group's net cash inflow amounted to HK\$2,239 million compared to a net outflow of HK\$58 million in 2023.

The following table summarises the key cash movements for the year ended 31 December 2024.

HK\$m	2024	2023
Operating EBITDA (before pre-opening and project expenses and residential sales)	1,207	1,101
Tax payment	(173)	(28)
Changes in working capital (excluding those relating to The Peninsula London Residences)	(16)	295
Normal capital expenditure on existing assets (excluding projects)	(333)	(314)
Net cash inflow after normal capital expenditure	685	1,054
Lease payments attributable to existing operations	(162)	(148)
	523	906
Proceeds from sale of The Peninsula London Residences	3,452	2,298
<b>Net cash inflow from operations</b>	<b>3,975</b>	<b>3,204</b>
<b><i>Project-related cash flows</i></b>		
Capital expenditure on The Peninsula London Complex and The Peninsula Istanbul	(648)	(2,231)
Capital expenditure on The Peninsula New York major renovation	(289)	–
Capital expenditure on Peak Tram upgrade project	(12)	(68)
Pre-opening and project expenses	(79)	(259)
<b>Cash outflow for projects</b>	<b>(1,028)</b>	<b>(2,558)</b>
<b>Net cash inflow before dividends and other payments</b>	<b>2,947</b>	<b>646</b>
Dividends paid to shareholders of the company	(22)	–
Dividends paid to holders of non-controlling interests	(6)	(6)
Net interest paid	(685)	(708)
Other receipts	5	10
<b>Net cash inflow/(outflow) before financing</b>	<b>2,239</b>	<b>(58)</b>

## Capital commitments

The group's total capital commitments as at 31 December 2024 are summarised in the table below.

HK\$m	2024	2023
Capital commitments in respect of:		
Existing properties	673	755
Special projects	395	1,534
The group's share of capital commitments of joint ventures and associates	81	172
	<b>1,149</b>	<b>2,461</b>

As at 31 December 2024, the group's undrawn committed facilities and cash at banks amounted to HK\$3.7 billion (2023: HK\$4.2 billion). The Directors believe that the group will be able to meet the above capital commitments as well as the working capital requirements of its operations.

## Capital and treasury management

The group is exposed to liquidity, foreign exchange, interest rate and credit risk in the normal course of business and policies and procedures are put in place to manage such risks.

The group manages treasury activities centrally at its corporate office in Hong Kong. The group regularly reviews its capital structure and actively monitors current and expected liquidity requirements to ensure there is ample headroom for its obligations and commitments. The group also maintains adequate committed borrowing facilities from major financial institutions to ensure funds are available to meet its future financial obligations and to finance its growth and development. A centralised strategy is adopted by concentrating committed borrowing facilities at the corporate office in Hong Kong.

The group has established liquidity structure consists of notional cash pooling and domestic cash pooling so that global cash balances can be concentrated back to head office efficiently for strategic cash management.

As at 31 December 2024, the group has a credit rating of A from Japan Credit Rating Agency, Ltd for long-term foreign currency and local currency denominated debts.

## Liquidity and Financing

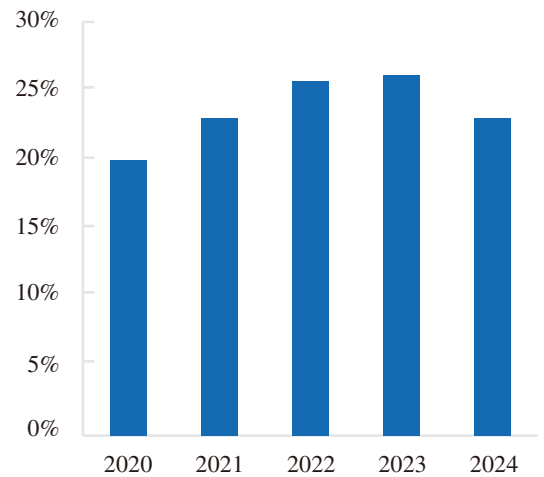
We take a proactive approach to manage the group's liquidity and refinancing risk to ensure ample headroom to cover our capital commitments and protect against business volatility.

As at 31 December 2024, 32% and 30% of the group's committed facility is classified as green loans and sustainability linked loans respectively. The group is committed to integrate ESG elements into our business and finance strategy.

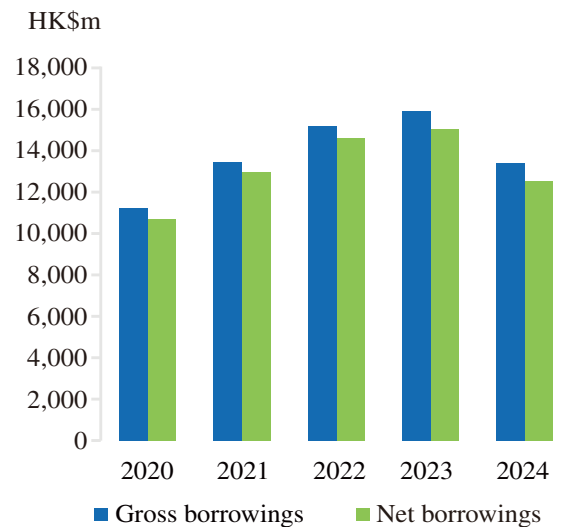
The group monitors its capital structure on the basis of its net borrowings (defined as interest-bearing borrowings less cash at banks and in hand) to total assets and monitors its liquidity through cash interest cover and funds availability.

In 2024, gross borrowings decreased favourably to HK\$13.4 billion (2023: HK\$15.9 billion) mainly due to collection of Peninsula London Apartments proceeds. Consolidated net debt decreased to HK\$12.5 billion as compared to HK\$15.0 billion in 2023. As at 31 December 2024, the group had HK\$2.8 billion of unused committed facilities. The group's net borrowings to total assets has improved to 23% as compared to 26% in 2023.

Net Borrowings to Total Assets



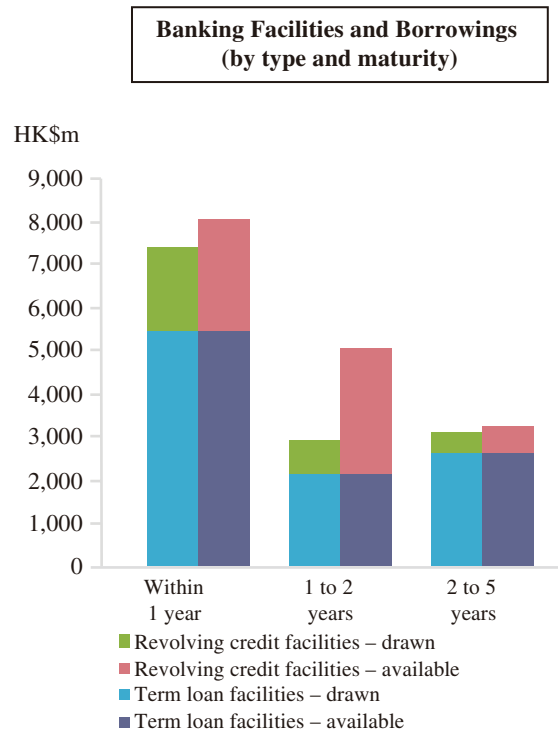
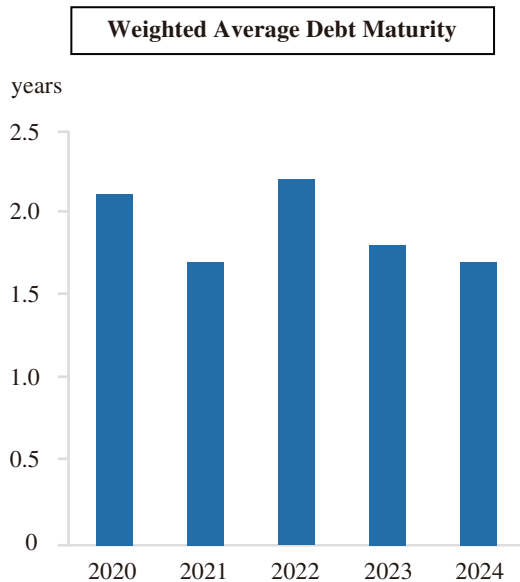
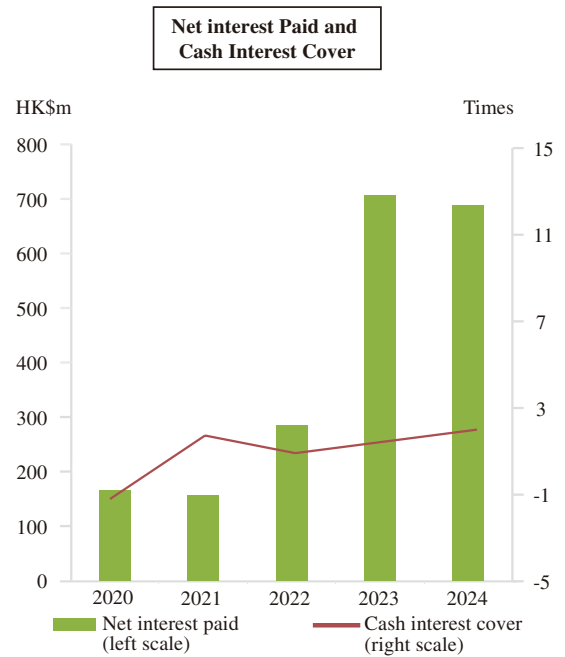
Gross and Net Borrowings



During the year, the group also refinanced its maturing loans in HKD and USD with new maturity tenors up to 5 years. The average debt maturity for the year has decreased slightly from 1.8 years to 1.7 years.

Majority of facilities that are maturing in 2025 are towards end of the year. The group has already actively started all major refinancing activities in 2025 Q1 for the next 12 months.

Net interest paid in 2024 decreased to HK\$685 million (2023: HK\$708 million). Cash interest cover (EBITDA less lease payments divided by net interest paid) was 1.87 times (2023: 1.34).



We continue to monitor our overall debt and cashflow positions closely and believe that the best defense against any unforeseen volatility in business levels is to maintain prudent financial headroom.

The consolidated and non-consolidated borrowings as at 31 December 2024 are summarised as follows:

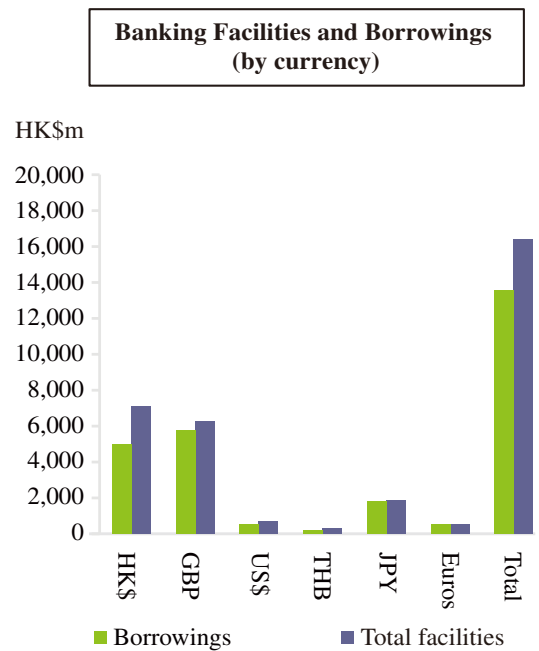
HK\$m	2024					2023	
	Hong Kong	Other Asia	United States of America	Europe	UK	Total	Total
Consolidated gross borrowings	4,887	1,873	450	485	5,694	13,389	15,914
Non-consolidated gross borrowings attributable to the group*:							
The Peninsula Shanghai (50%)	-	496	-	-	-	496	524
The Peninsula Beverly Hills (20%)	-	-	163	-	-	163	171
The Peninsula Paris (20%)	-	-	-	367	-	367	393
Non-consolidated borrowings	-	496	163	367	-	1,026	1,088
Consolidated and non-consolidated gross borrowings	<b>4,887</b>	<b>2,369</b>	<b>613</b>	<b>852</b>	<b>5,694</b>	<b>14,415</b>	<b>17,002</b>

\* Represents HSH's attributable share of borrowings

## Foreign Exchange

The group reports its financial results in Hong Kong dollars and does not hedge US dollar exposures in the light of the HK-US dollar peg. The group generally uses cross currency swaps, foreign exchange swaps or forward exchange contracts to hedge foreign exchange exposure.

All of the group's borrowings are denominated in the functional currency of the operations to which they relate. As at 31 December 2024, GBP, HK dollar and Japanese yen borrowings represented 43%, 37% and 13% of total borrowings, respectively. Other balances were in other local currencies of the group's entities.

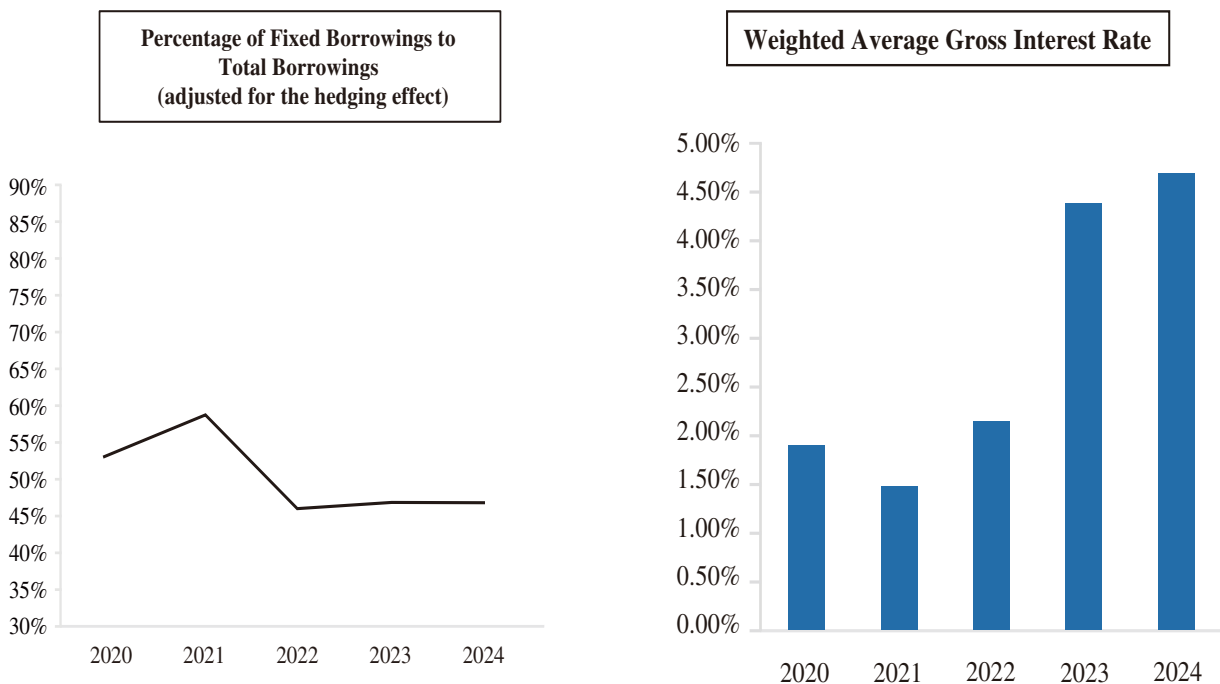




## Interest rate risk

The group has an interest rate risk management policy which focuses on reducing the group's exposure to changes in interest rates by maintaining a prudent mix of fixed and floating rate liabilities. In addition to raising funds directly on a fixed rate basis, the group also uses interest rate swaps or cross currency interest rate swaps in managing its long-term interest rate exposure.

As at 31 December 2024, the group has maintained fixed to floating interest rate ratio of 47% as compared to 2023. Weighted average gross interest rate for the year increased slightly from 4.38% to 4.69%.



## Credit risk

The group manages its exposure to non-performance of counterparties by transacting with lenders with a credit rating of at least investment grade. However, in developing countries, it may be necessary to deal with lenders of lower credit ratings.

Due to long term risk profiles, derivatives are used solely for hedging purposes and not for speculation and the group only enters into such derivative transactions with counterparties with invest grade ratings only.

As at 31 December 2024, derivatives with a notional amount of HK\$5,278 million (2023: HK\$5,504 million) were transacted.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS (HK\$m)

	Note	Year ended 31 December	
		2024	2023
<b>Revenue</b>	2	<b>10,290</b>	8,112
Cost of inventories		(3,595)	(2,435)
Staff costs and related expenses		(2,749)	(2,462)
Rent and utilities		(524)	(492)
Other operating expenses		(1,976)	(1,625)
<b>Operating profit before interest, taxation, depreciation and amortisation (EBITDA)</b>		<b>1,446</b>	1,098
Depreciation and amortisation		(686)	(520)
<b>Operating profit</b>		<b>760</b>	578
Interest income		28	21
Financing charges		(782)	(314)
Net financing charges		(754)	(293)
<b>Profit after net financing charges</b>		<b>6</b>	285
Share of results of joint ventures	9	(92)	(166)
Share of results of associates	10	(16)	(18)
Provision for impairment	7(a)	(158)	–
(Decrease)/increase in fair value of investment properties	7(a)	(569)	186
<b>(Loss)/profit before taxation</b>		<b>(829)</b>	287
Taxation			
Current tax	3	(143)	(118)
Deferred tax	3	(21)	(21)
<b>(Loss)/profit for the year</b>		<b>(993)</b>	148
<b>(Loss)/profit attributable to:</b>			
Shareholders of the company		(943)	146
Non-controlling interests		(50)	2
<b>(Loss)/profit for the year</b>		<b>(993)</b>	148
<b>(Loss)/earnings per share, basic and diluted (HK\$)</b>	4	<b>(0.57)</b>	0.09

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (HK\$m)

	Year ended 31 December	
	2024	2023
<b>(Loss)/profit for the year</b>	<b>(993)</b>	148
<b>Other comprehensive income for the year, net of tax:</b>		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of:		
– financial statements of overseas subsidiaries	(20)	247
– financial statements of joint ventures	220	(46)
– financial statements of and loans to an associate	(28)	11
– hotel operating rights and trademarks	(26)	16
	<b>146</b>	228
Cash flow hedges:		
– effective portion of changes in fair values	65	13
– transfer from equity to profit or loss	(125)	(120)
	<b>(60)</b>	(107)
Item that will not be reclassified to profit or loss:		
Remeasurement of net defined benefit retirement obligations	1	(4)
	<b>1</b>	(4)
<b>Other comprehensive income</b>	<b>87</b>	117
<b>Total comprehensive income for the year</b>	<b>(906)</b>	265
<b>Total comprehensive income attributable to:</b>		
Shareholders of the company	(856)	263
Non-controlling interests	(50)	2
<b>Total comprehensive income for the year</b>	<b>(906)</b>	265

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (HK\$m)

	Note	As at 31 December 2024	As at 31 December 2023
<b>Non-current assets</b>			
Investment properties		32,629	33,170
Other properties, plant and equipment		15,235	15,662
	7	47,864	48,832
Interest in joint ventures	9	1,862	1,529
Interest in associates	10	404	448
Hotel operating rights and trademarks	11	419	459
Derivative financial instruments	12	153	218
Deferred tax assets		153	151
		50,855	51,637
<b>Current assets</b>			
Properties held/under development for sale	8	1,472	4,382
Derivative financial instruments	12	13	2
Inventories		123	114
Trade and other receivables	13	818	853
Cash at banks and in hand	14(a)	895	881
		3,321	6,232
<b>Current liabilities</b>			
Trade and other payables	15	(1,823)	(1,950)
Interest-bearing borrowings	16	(7,388)	(2,504)
Current taxation		(72)	(102)
Lease liabilities	17	(160)	(149)
		(9,443)	(4,705)
<b>Net current (liabilities)/assets</b>		(6,122)	1,527
<b>Total assets less current liabilities</b>		44,733	53,164
<b>Non-current liabilities</b>			
Interest-bearing borrowings	16	(6,001)	(13,410)
Trade and other payables	15	(145)	(113)
Net defined benefit retirement obligations		(21)	(20)
Deferred tax liabilities		(668)	(658)
Lease liabilities	17	(2,452)	(2,584)
		(9,287)	(16,785)
<b>Net assets</b>		35,446	36,379
<b>Capital and reserves</b>			
Share capital	18	5,947	5,837
Reserves		29,454	30,442
<b>Total equity attributable to shareholders of the company</b>		35,401	36,279
Non-controlling interests		45	100
<b>Total equity</b>		35,446	36,379

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (HK\$m)

	Attributable to shareholders of the company						Non-controlling interests	Total equity
	Reserves					Total		
	Share capital	Hedging reserve	Exchange and other reserves	Retained profits	Total reserves			
<b>At 1 January 2023</b>	5,837	290	(443)	30,332	30,179	36,016	104	36,120
Changes in equity for 2023:								
Profit for the year	-	-	-	146	146	146	2	148
Other comprehensive income	-	(107)	224	-	117	117	-	117
Total comprehensive income for the year	-	(107)	224	146	263	263	2	265
Dividend paid to non-controlling interests	-	-	-	-	-	-	(6)	(6)
<b>Balance at 31 December 2023 and 1 January 2024</b>	<b>5,837</b>	<b>183</b>	<b>(219)</b>	<b>30,478</b>	<b>30,442</b>	<b>36,279</b>	<b>100</b>	<b>36,379</b>
Changes in equity for 2024:								
Loss for the year	-	-	-	(943)	(943)	(943)	(50)	(993)
Other comprehensive income	-	(60)	147	-	87	87	-	87
Total comprehensive income for the year	-	(60)	147	(943)	(856)	(856)	(50)	(906)
Dividend approved in respect of the previous year	110	-	-	(132)	(132)	(22)	-	(22)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(6)	(6)
Capital contribution from a non-controlling shareholder of a subsidiary	-	-	-	-	-	-	1	1
<b>Balance at 31 December 2024</b>	<b>5,947</b>	<b>123</b>	<b>(72)</b>	<b>29,403</b>	<b>29,454</b>	<b>35,401</b>	<b>45</b>	<b>35,446</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS (HK\$m)

		Year ended 31 December	
	Note	2024	2023
<b>Operating activities</b>			
Profit after net financing charges		6	285
Adjustments for:			
Depreciation	7(a)	672	506
Amortisation of hotel operating rights	11	14	14
Interest income		(28)	(21)
Financing charges		782	314
<b>EBITDA</b>		<b>1,446</b>	<b>1,098</b>
Changes in working capital in connection with			
The Peninsula London Residences sold		3,086	1,999
Increase in inventories		(12)	(28)
Decrease/(increase) in trade and other receivables		29	(36)
Increase in trade and other payables		15	402
<b>Total changes in working capital</b>		<b>3,118</b>	<b>2,337</b>
<b>Cash generated from operations</b>		<b>4,564</b>	<b>3,435</b>
Net tax paid:			
Hong Kong Profits Tax		(140)	(11)
Overseas tax		(33)	(17)
<b>Net cash generated from operating activities</b>		<b>4,391</b>	<b>3,407</b>
<b>Investing activities</b>			
Capital expenditure on The Peninsula London Complex and The Peninsula Yangon		(443)	(1,862)
Capital expenditure on the Peak Tram upgrade project		(12)	(68)
Capital expenditure on The Peninsula New York for hotel refurbishment		(289)	–
Capital injection into The Peninsula Istanbul joint venture		(205)	(369)
Capital expenditure on operating assets		(333)	(314)
Receipt from associates		5	10
<b>Net cash used in investing activities</b>		<b>(1,277)</b>	<b>(2,603)</b>
<b>Financing activities</b>			
Drawdown of term loans		2,226	2,139
Repayment of term loans		(3,579)	(1,631)
Net decrease in revolving loans		(851)	(154)
Net deposit of interest-bearing bank deposits with maturity of more than three months		(24)	(146)
Interest paid and other financing charges		(708)	(731)
Interest received		23	23
Capital element of lease rental paid		(26)	(27)
Interest element of lease rental paid		(136)	(121)
Dividend paid to shareholders of the company		(22)	–
Dividends paid to holders of non-controlling interests		(6)	(6)
<b>Net cash used in financing activities</b>		<b>(3,103)</b>	<b>(654)</b>
Net increase in cash and cash equivalents		11	150
Cash and cash equivalents at 1 January		720	570
Effect of changes in foreign exchange rates		(21)	–
<b>Cash and cash equivalents at 31 December</b>	14(a)	<b>710</b>	<b>720</b>

## Notes to the Financial Statements

### 1. Statement of compliance

The financial information relating to the years ended 31 December 2024 and 2023 included in this preliminary announcement of annual results does not constitute the company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2024 in due course.

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

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the group. Note 21 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the group for the current and prior accounting periods reflected in these financial statements.

## 2. Revenue (HK\$m)

The company is an investment holding company; its subsidiary companies, joint ventures and associates are engaged in the ownership, management and operation of hotels, commercial properties and Peak Tram, retail and other services.

Revenue represents the consideration expected to be received in respect of the transfer of goods and services, including the sales of residential apartments, in accordance with HKFRS 15, *Revenue from contracts with customers* and rental income derived from the hotels' shopping arcade and offices and commercial properties recognised in accordance with HKFRS 16, *Leases*. Set out below is a breakdown of the group's revenue for the years ended 31 December 2024 and 2023:

	2024				2023			
	Recognise at a point in time	Recognise over time	Rental income on leases	Total	Recognise at a point in time	Recognise over time	Rental income on leases	Total
<b>Hotels</b>								
– Rooms	–	2,669	–	2,669	–	2,063	–	2,063
– Food and beverage	1,354	–	–	1,354	1,215	–	–	1,215
– Shopping arcades and offices	–	33	508	541	–	31	498	529
– Others	291	125	–	416	256	111	–	367
	<u>1,645</u>	<u>2,827</u>	<u>508</u>	<u>4,980</u>	<u>1,471</u>	<u>2,205</u>	<u>498</u>	<u>4,174</u>
<b>Commercial properties</b>								
– Residential properties	–	67	411	478	–	41	373	414
– Offices	–	14	86	100	–	13	86	99
– Shopping arcades and others	197	34	79	310	191	30	78	299
– Sales of residential apartments	3,452	–	–	3,452	2,298	–	–	2,298
	<u>3,649</u>	<u>115</u>	<u>576</u>	<u>4,340</u>	<u>2,489</u>	<u>84</u>	<u>537</u>	<u>3,110</u>
<b>Peak Tram, Retail and Others</b>								
– Golf club	149	87	–	236	140	87	–	227
– Peak Tram operation	312	–	–	312	221	–	–	221
– Peninsula Merchandising	353	–	–	353	316	–	–	316
– Others	63	6	–	69	59	5	–	64
	<u>877</u>	<u>93</u>	<u>–</u>	<u>970</u>	<u>736</u>	<u>92</u>	<u>–</u>	<u>828</u>
				<u>10,290</u>				<u>8,112</u>



### 3. Income tax in the consolidated statement of profit or loss (HK\$m)

(a) Taxation in the consolidated statement of profit or loss represents:

	2024	2023
<b>Current tax – Hong Kong Profits Tax</b>		
Provision for the year	89	87
Over-provision in respect of prior years	(5)	(4)
	<u>84</u>	<u>83</u>
<b>Current tax – Overseas</b>		
Provision for the year	50	36
Under/(over)-provision in respect of prior years	9	(1)
	<u>59</u>	<u>35</u>
	<u>143</u>	<u>118</u>
<b>Deferred tax</b>		
Decrease in net deferred tax liabilities relating to revaluation of overseas investment properties	(1)	(4)
Increase in net deferred tax liabilities relating to other temporary differences	22	25
	<u>21</u>	<u>21</u>
<b>Total</b>	<u>164</u>	<u>139</u>

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

(b) Pillar Two income taxes

The Pillar Two model rules introduce new taxing mechanism under which multinational enterprises (MNEs) meeting the EUR750 million consolidated revenue threshold for at least two of the previous four years would be subject to a top-up tax if the effective tax rate of the jurisdictions in which the MNEs operate is below 15%.

The group was not in scope of the Pillar Two model rules for the year ended 31 December 2024. However, the group is expected to be in scope of the Pillar Two model rules for the financial year beginning 1 January 2025.

#### 4. (Loss)/earnings per share

##### (a) (Loss)/earnings per share – basic

	2024	2023
(Loss)/earnings attributable to shareholders of the company (HK\$m)	(943)	146
Weighted average number of shares in issue (million shares)	1,659	1,649
(Loss)/earnings per share (HK\$)	<u>(0.57)</u>	<u>0.09</u>

##### (b) (Loss)/earnings per share – diluted

There were no potential dilutive ordinary shares in existence during the years ended 31 December 2024 and 2023 and hence the diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share.

#### 5. Dividends payable to shareholders of the company attributable to the year (HK\$m)

	2024	2023
No interim dividend declared and paid (2023: Nil)	–	–
Final dividend proposed after the end of the reporting period of Nil HK cents per share (2023: 8 HK cents)	–	132
	<u>–</u>	<u>132</u>

No interim dividend was declared and paid by the company for the six months ended 30 June 2024 (2023: Nil). Given the underlying loss incurred by the company for the year ended 31 December 2024, the Board of Directors has resolved not to declare a final dividend for the year ended 31 December 2024 (2023: final dividend of 8 HK cents per share). The dividend decisions made by the Board for the six months ended 30 June 2024 and the year ended 31 December 2024 were in line with the company's dividend policy.

## 6. Segment reporting (HK\$m)

The group is organised on a divisional basis. In a manner consistent with the way in which information is reported internally to the group's senior executive management for the purposes of resource allocation and performance assessment, the group's reportable segments are as follows:

Hotels	This segment includes revenue generated from operating hotels, leasing of commercial shopping arcades and office premises located within the hotel buildings.
Commercial Properties	This segment is engaged in the development, leasing and sale of luxury residential apartments, leasing of retail and office premises (other than those in hotel properties), as well as operating food and beverage outlets in such premises.
Peak Tram, Retail and Others	This segment is engaged in the operation of the Peak Tram, wholesaling and retailing of food and beverage products, The Quail, laundry services and the provision of management and consultancy services for clubs.

No operating segments have been aggregated to form the reportable segments.

### (a) Segment results

The results of the group's reportable segments for the years ended 31 December 2024 and 2023 are set out as follows:

	Hotels		Commercial Properties		Peak Tram, Retail and Others		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
Reportable segment revenue*	<u>4,980</u>	<u>4,174</u>	<u>4,340</u>	<u>3,110</u>	<u>970</u>	<u>828</u>	<u>10,290</u>	<u>8,112</u>
Reportable segment operating profit before interest, taxation, depreciation and amortisation (EBITDA)	<u>695</u>	<u>633</u>	<u>716</u>	<u>642</u>	<u>114</u>	<u>115</u>	<u>1,525</u>	<u>1,390</u>
Depreciation and amortisation	<u>(556)</u>	<u>(412)</u>	<u>(29)</u>	<u>(18)</u>	<u>(101)</u>	<u>(90)</u>	<u>(686)</u>	<u>(520)</u>
Segment operating profit before pre-opening and project expenses and other non-recurring expenses	<u>139</u>	<u>221</u>	<u>687</u>	<u>624</u>	<u>13</u>	<u>25</u>	<u>839</u>	<u>870</u>
Pre-opening and project expenses and other non-recurring expenses	<u>(79)</u>	<u>(292)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(79)</u>	<u>(292)</u>
Segment operating profit/(loss)	<u>60</u>	<u>(71)</u>	<u>687</u>	<u>624</u>	<u>13</u>	<u>25</u>	<u>760</u>	<u>578</u>

Reconciliation of consolidated segment operating profit/(loss) to the (loss)/profit before taxation in the consolidated statement of profit or loss is not presented, since the consolidated segment operating profit is the same as the operating profit presented in the consolidated statement of profit or loss for the year.

\* Analysis of segment revenue is disclosed in note 2.

## 6. Segment reporting (HK\$m) *continued*

### (b) Segment assets

Segment assets include all tangible and current assets and hotel operating rights held directly by the respective segments. The group's segment assets and unallocated assets as at 31 December 2024 and 2023 are set out as follows:

	Note	2024	2023
Reportable segment assets			
Hotels		<b>28,545</b>	28,756
Commercial properties		<b>23,259</b>	26,654
Peak Tram, Retail and Others		<b>1,158</b>	1,207
		<b>52,962</b>	56,617
Unallocated assets			
Derivative financial instruments	12	<b>166</b>	220
Deferred tax assets		<b>153</b>	151
Cash at banks and in hand	14(a)	<b>895</b>	881
Consolidated total assets		<b>54,176</b>	57,869

### (c) Geographical information

The following table sets out information about the geographical location of (i) the group's revenue from external customers and (ii) the group's properties held/under development for sale and total reportable non-current assets.

	Revenue from external customers		Reportable non-current assets	
	2024	2023	2024	2023
Greater China	<b>2,932</b>	2,735	<b>33,088</b>	33,726
Other Asia*	<b>1,365</b>	1,232	<b>2,673</b>	3,099
United States of America	<b>1,567</b>	1,638	<b>3,423</b>	3,195
Europe	<b>4,426</b>	2,507	<b>12,837</b>	15,630
	<b>10,290</b>	8,112	<b>52,021</b>	55,650

\* Other Asia includes Japan, Thailand, the Philippines and Vietnam.

## 7. Investment properties and other properties, plant and equipment (HK\$m)

### (a) Movements of investment properties and other properties, plant and equipment

	Land	Right-of-use assets	Hotel and other buildings held for own use	Motor vehicles, plant and equipment	Construction in progress	Sub-total	Investment properties	Total
<b>Cost or valuation:</b>								
At 1 January 2023	679	2,885	8,247	5,614	6,916	24,341	32,895	57,236
Exchange adjustments	4	(31)	21	5	231	230	7	237
Additions	-	30	67	157	1,402	1,656	82	1,738
Disposals	-	-	(1)	(9)	-	(10)	-	(10)
Transfer	-	-	5,603	1,951	(7,554)	-	-	-
Fair value adjustment	-	-	-	-	-	-	186	186
At 31 December 2023	683	2,884	13,937	7,718	995	26,217	33,170	59,387
<b>Representing:</b>								
Cost	683	2,884	13,937	7,718	995	26,217	-	26,217
Valuation - 2023	-	-	-	-	-	-	33,170	33,170
	683	2,884	13,937	7,718	995	26,217	33,170	59,387
At 1 January 2024	683	2,884	13,937	7,718	995	26,217	33,170	59,387
Exchange adjustments	(2)	(161)	(323)	(105)	(18)	(609)	(82)	(691)
Additions	-	55	43	185	563	846	110	956
Disposals	-	-	(3)	(40)	-	(43)	-	(43)
Transfer/reclassification	-	-	1,951	(1,208)	(743)	-	-	-
Fair value adjustment	-	-	-	-	-	-	(569)	(569)
At 31 December 2024	681	2,778	15,605	6,550	797	26,411	32,629	59,040
<b>Representing:</b>								
Cost	681	2,778	15,605	6,550	797	26,411	-	26,411
Valuation - 2024	-	-	-	-	-	-	32,629	32,629
	681	2,778	15,605	6,550	797	26,411	32,629	59,040
<b>Accumulated depreciation and impairment losses:</b>								
At 1 January 2023	246	392	4,543	4,246	679	10,106	-	10,106
Exchange adjustments	1	(8)	(18)	(22)	-	(47)	-	(47)
Charge for the year	-	47	171	288	-	506	-	506
Written back on disposals	-	-	(1)	(9)	-	(10)	-	(10)
At 31 December 2023	247	431	4,695	4,503	679	10,555	-	10,555
At 1 January 2024	247	431	4,695	4,503	679	10,555	-	10,555
Exchange adjustments	(1)	(23)	(79)	(63)	-	(166)	-	(166)
Charge for the year	-	50	304	318	-	672	-	672
Impairment provision	-	40	-	-	118	158	-	158
Written back on disposals	-	-	(3)	(40)	-	(43)	-	(43)
At 31 December 2024	246	498	4,917	4,718	797	11,176	-	11,176
<b>Net book value:</b>								
At 31 December 2024	435	2,280	10,688	1,832	-	15,235	32,629	47,864
At 31 December 2023	436	2,453	9,242	3,215	316	15,662	33,170	48,832

## **7. Investment properties and other properties, plant and equipment (HK\$m)**

*continued*

### **(a) Movements of investment properties and other properties, plant and equipment**

*continued*

During the year, the group acquired items of fixed assets with a cost of HK\$956 million (2023: HK\$1,738 million), of which HK\$289 million related to The Peninsula New York refurbishment project and HK\$272 million related to development costs for The Peninsula London. The Peninsula London soft opened on 12 September 2023 and we are in the process of preparing and agreeing final accounts with our trade contractors and consultants, which will include finalisation of programme delay costs.

The net book value for other items of properties, plant and equipment disposed of during the year ended 31 December 2024 was insignificant in value.

The group assessed the recoverable amounts of its other properties, plant and equipment and construction in progress at the reporting date in accordance with the accounting policy.

During the year, an impairment provision of HK\$158 million was made in respect of the group's investment in The Peninsula Yangon project. As development work for the project is still on hold and the outlook of the tourism market in Myanmar continues to be uncertain, a review has been conducted by management to assess the recoverability of The Peninsula Yangon's book value. Based on the assessment, management considered that the carrying amount of the investment in The Peninsula Yangon project may not be recoverable through future cash flows. Accordingly, The Peninsula Yangon's book value was fully written off.

- (b)** All investment properties of the group were revalued as at 31 December 2024. The changes in fair value of the investment properties during the year were accounted for in the consolidated statement of profit or loss. The valuations were carried out by valuers independent of the group who have staff with recent experience in the location and category of the property being valued. Discussions have been held with the valuers on the valuation assumptions and valuation results when the valuation is performed at each reporting date.

## 7. Investment properties and other properties, plant and equipment (HK\$m)

*continued*

### (c) Right-of-use assets

The group is the lessee in respect of a number of properties which are leased from third party landlords. Pursuant to its accounting policy, the group capitalises the present value of the future minimum lease payments of its leased properties as right-of-use assets. A majority of the carrying value of the right-of-use assets is attributable to the hotel in New York which has a lease term of 90 years commencing in 1988, the hotel in Tokyo which has a lease term of 70 years commencing in 2015 and the hotel in London which has a lease term of 146 years commencing in 2016. The right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the earlier of the end of their respective useful life or the end of the lease term.

The net book value of right-of-use assets by class of underlying asset is analysed as follows:

	<b>2024</b>	2023
Classified as properties leased for own use, carried at depreciated cost	<b>2,280</b>	2,453
Included in construction in progress	–	117
	<b><u>2,280</u></b>	<b><u>2,570</u></b>

The analysis of expense items in relation to leased properties charged to the consolidated statement of profit or loss is as follows:

	<b>2024</b>	2023
Depreciation charge of right-of-use assets for properties leased for own use	<b>50</b>	47
Interest on lease liabilities	<b>136</b>	136
Variable lease payments not included in the measurement of lease liabilities	<b>23</b>	12

## 8. Properties held/under development for sale (HK\$m)

	2024	2023
At 1 January	4,382	5,169
Addition	181	922
Cost of inventories sold	(3,086)	(1,999)
Exchange adjustment	(5)	290
At 31 December	<u>1,472</u>	<u>4,382</u>

The group owns a 100% interest in The Peninsula London Complex which comprises a 190-room Peninsula hotel and 24 luxury Peninsula-branded Residences. The land area of the overall site is approximately 67,000 square feet and the gross floor area of the Peninsula Residences is approximately 119,000 square feet.

During the year, a total of 7 (2023: 10) Peninsula Residences were handed over to the buyers and the related carrying amount of inventories of HK\$3,086 million (2023: HK\$1,999 million) was charged as cost of inventories in the consolidated statement of profit or loss.

As at 31 December 2024, the group had entered into contract with a third-party purchaser (2023: 7 third-party purchasers) to pre-sell a further one unit (2023: 8 units) of The Peninsula Residences. However, reservation fees and pre-sale deposits paid by the purchasers are held in escrow accounts in accordance with the local regulations in the UK and therefore, such fees and deposits are not reflected in the consolidated statement of financial position.



## 9. Interest in joint ventures (HK\$m)

	2024	2023
Share of net assets	1,404	1,071
Loans to PSW	458	458
	<b>1,862</b>	<b>1,529</b>

- (a) Details of the joint ventures, which are accounted for using the equity method in the group's consolidated financial statements, are as follows:

Company name	Form of business structure	Place of incorporation and operation	Particulars of issued and paid-up capital	Group's effective interest	Principal activity
The Peninsula Shanghai Waitan Hotel Company Limited (PSW)	Incorporated	PRC	US\$117,500,000 (31 December 2023: US\$117,500,000)	50%	Hotel investment and apartments held for sale
PIT İstanbul Otel İşletmeciliği Anonim Şirketi (PIT)	Incorporated	Türkiye	TRY6,110,197,428 (31 December 2023: TRY4,473,197,428)	50%	Hotel investment

- (b) PSW has pledged its properties inclusive of the land use rights as security for an initial loan facility amounting to RMB1,220 million (HK\$1,297 million) (2023: RMB1,220 million (HK\$1,341 million)). As at 31 December 2024, the loan drawdown amounted to RMB934 million (HK\$993 million) (2023: RMB954 million (HK\$1,048 million)). The net carrying amount of these pledged assets amounted to RMB2,077 million (HK\$2,208 million) (2023: RMB2,156 million (HK\$2,369 million)).
- (c) Set out below is a summary of the aggregate financial information of joint ventures, of which the group has a 50% share:

	2024	2023
EBITDA	132	63
<b>Net loss from operations before non-operating items</b>	<b>(148)</b>	<b>(264)</b>
Non-operating items, net of tax:		
Unrealised loss on revaluation of PSW's arcade, net of tax	(36)	(29)
Pre-opening expenses of PIT	–	(38)
<b>Net loss after non-operating items</b>	<b>(184)</b>	<b>(331)</b>
<b>The group's share of results of the joint ventures</b>	<b>(92)</b>	<b>(166)</b>

## 10. Interest in associates (HK\$m)

	2024	2023
Interest in associates	<b>404</b>	<b>448</b>

- (a) Details of the principal unlisted associates, which are accounted for using the equity method in the group's consolidated financial statements, are as follows:

Company name	Form of business structure	Place of incorporation and operation	Particulars of issued and paid-up capital	Group's effective interest*	Principal activity
19 Holding SAS (19 Holding)**	Incorporated	France	EUR1,000	20%	Investment holding
Majestic EURL (Majestic)	Incorporated	France	EUR80,000,000	20%	Hotel investment and investment holding
Le 19 Avenue Kléber	Incorporated	France	EUR100,000	20%	Hotel operation
The Belvedere Hotel Partnership (BHP)#	Partnership	United States of America	US\$46,500,000	20%	Hotel investment

\* The group's effective interest is held indirectly by the company.

\*\* 19 Holding holds a 100% direct interest in Majestic which owns The Peninsula Paris.

# BHP holds a 100% interest in The Peninsula Beverly Hills.

- (b) Included in the balance of interest in associates are long-term unsecured loans to 19 Holding of HK\$365 million (2023: HK\$413 million). These loans were made pro rata to the group's shareholding in 19 Holding and are interest-bearing at 2.9% (2023: 2.9%) and are repayable in December 2027.
- (c) Majestic has pledged its hotel property as security for a loan facility amounting to EUR227 million (HK\$1,834 million) (2023: EUR227 million (HK\$1,963 million)). As at 31 December 2024, the loan drawdown amounted to EUR227 million (HK\$1,834 million) (2023: EUR227 million (HK\$1,963 million)). As at 31 December 2024, the net carrying amount of the pledged asset amounted to EUR448 million (HK\$3,619 million) (2023: EUR476 million (HK\$4,116 million)).
- (d) BHP has pledged its hotel property to an independent financial institution as security for BHP's loan facility, amounting to US\$110 million (HK\$858 million) (2023: US\$110 million (HK\$858 million)). As at 31 December 2024, the loan drawdown amounted to US\$110 million (HK\$858 million) (2023: US\$110 million (HK\$858 million)). The net carrying amount of the pledged asset amounted to US\$34 million (HK\$265 million) (2023: US\$33 million (HK\$257 million)).

## 10. Interest in associates (HK\$m) *continued*

- (e) Set out below is a summary of the aggregate financial information of the associates, of which the group has a 20% share:

	2024	2023
<b>EBITDA</b>	<b>261</b>	236
<b>Net loss from continuing operations</b>	<b>(79)</b>	(91)
<b>The group's share of results of the associates</b>	<b>(16)</b>	(18)

## 11. Hotel operating rights and trademarks (HK\$m)

	2024	2023
<b>Cost</b>		
At 1 January	696	676
Exchange adjustments	(33)	20
At 31 December	663	696
<b>Accumulated amortisation</b>		
At 1 January	(237)	(220)
Exchange adjustments	7	(3)
Amortisation for the year	(14)	(14)
At 31 December	(244)	(237)
Net book value	419	459

Hotel operating rights and trademarks represent the cost attributable to securing the group's rights to operate The Peninsula Beverly Hills and The Peninsula Paris as well as the cost of acquisition of certain trademarks for The Peninsula Istanbul. Hotel operating rights and trademarks are amortised on a straight-line basis over the terms of the relevant operating periods of The Peninsula Beverly Hills, The Peninsula Paris and The Peninsula Istanbul respectively.

The amortisation charge for the year is included in "Depreciation and amortisation" in the consolidated statement of profit or loss.

## 12. Derivative financial instruments (HK\$m)

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedges:				
Interest rate swaps	153	–	220	–
Forward foreign exchange contracts	13	–	–	–
	<u>166</u>	<u>–</u>	<u>220</u>	<u>–</u>
Less: Portion to be settled within one year				
Cash flow hedges:				
Interest rate swaps	–	–	(2)	–
Forward foreign exchange contracts	(13)	–	–	–
	<u>(13)</u>	<u>–</u>	<u>(2)</u>	<u>–</u>
Amount to be settled after one year	<u>153</u>	<u>–</u>	<u>218</u>	<u>–</u>

## 13. Trade and other receivables (HK\$m)

	2024	2023
Trade debtors	424	409
Rental deposits, payments in advance and other receivables	367	390
Contract assets	16	50
Tax recoverable	11	4
	<u>818</u>	<u>853</u>

Contract assets represent prepaid commissions in respect of The Peninsula London Residences, which are expected to be recognised in the consolidated statement of profit or loss within one year.

The amount of the group's trade and other receivables expected to be recovered or recognised as expenses after more than one year is HK\$187 million (2023: HK\$178 million). All the other trade and other receivables are expected to be recovered or recognised as expenses within one year.

The ageing analysis of trade debtors is as follows:

	2024	2023
Current	369	344
Less than one month past due	25	22
One to three months past due	12	15
More than three months but less than 12 months past due	18	28
Amounts past due	55	65
	<u>424</u>	<u>409</u>

Trade debtors are normally due within 30 days from the date of billing.

## 14. Cash and cash equivalents and other cash flow information (HK\$m)

### (a) Cash at banks and in hand

	2024	2023
Interest-bearing bank deposits	519	408
Cash at banks and in hand	376	473
Total cash at banks and in hand	895	881
Less: Bank deposits with maturity of more than three months	(185)	(161)
Cash and cash equivalents in the consolidated statement of cash flows	<u>710</u>	<u>720</u>

Cash at banks and in hand (including interest-bearing bank deposits) at the end of the reporting period include amounts of HK\$351 million (2023: HK\$332 million) held by overseas subsidiaries which are subject to regulatory and foreign exchange restrictions.

## 14. Cash and cash equivalents and other cash flow information (HK\$m) continued

### (b) Reconciliation of liabilities arising from financing activities

	Interest-bearing borrowings	Lease liabilities	Derivative financial instruments	Interest payable	Total
As at 1 January 2023	15,192	2,792	(349)	23	17,658
<i>Changes from financing cashflows</i>					
Drawdown of term loans	2,139	–	–	–	2,139
Repayment of term loans	(1,631)	–	–	–	(1,631)
Net decrease in revolving loans	(154)	–	–	–	(154)
Interest paid and other financing charges	(21)	–	–	(710)	(731)
Capital element of lease rental paid	–	(27)	–	–	(27)
Interest element of lease rental paid	–	(121)	–	–	(121)
<i>Change in fair value</i>					
Effective portion of changes in fair values	–	–	129	–	129
<i>Other changes</i>					
Exchange difference	362	(36)	–	–	326
Financing charges	27	107	–	184	318
Capitalised borrowing costs	–	29	–	546	575
Changes in other working capital	–	(11)	–	–	(11)
<b>As at 31 December 2023 and 1 January 2024</b>	<b>15,914</b>	<b>2,733</b>	<b>(220)</b>	<b>43</b>	<b>18,470</b>
<i>Changes from financing cashflows</i>					
Drawdown of term loans	2,226	–	–	–	2,226
Repayment of term loans	(3,579)	–	–	–	(3,579)
Net decrease in revolving loans	(851)	–	–	–	(851)
Interest paid and other financing charges	(15)	–	–	(693)	(708)
Capital element of lease rental paid	–	(26)	–	–	(26)
Interest element of lease rental paid	–	(136)	–	–	(136)
<i>Change in fair value</i>					
Effective portion of changes in fair values	–	–	54	–	54
<i>Other changes</i>					
Exchange difference	(332)	(150)	–	–	(482)
Financing charges	26	136	–	620	782
Capitalised borrowing costs	–	–	–	66	66
Increase in lesae liabilities from entering into new leases during the year	–	55	–	–	55
<b>As at 31 December 2024</b>	<b>13,389</b>	<b>2,612</b>	<b>(166)</b>	<b>36</b>	<b>15,871</b>

## 15. Trade and other payables (HK\$m)

	2024	2023
Trade creditors	176	169
Interest payable	36	43
Accruals for properties, plant and equipment and properties held/under development for sale	196	264
Tenants' deposits	352	339
Guest deposits and gift vouchers	203	203
Other payables	1,005	1,045
Financial liabilities measured at amortised cost	1,968	2,063
Less: Non-current portion of trade and other payables	(145)	(113)
Current portion of trade and other payables	<u>1,823</u>	<u>1,950</u>

As at 31 December 2024, trade and other payables of the group expected to be settled or recognised as income after more than one year amounted to HK\$145 million (2023: HK\$113 million). The other trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

The Directors consider that the carrying amount of all trade and other payables approximates their fair value.

The ageing analysis of trade creditors is as follows:

	2024	2023
Less than three months	166	137
Three to six months	8	28
More than six months	2	4
	<u>176</u>	<u>169</u>

## 16. Interest-bearing borrowings (HK\$m)

	2024	2023
Total facilities available:		
Term loans and revolving credits	16,076	19,160
Uncommitted facilities, including bank overdrafts	232	232
	<u>16,308</u>	<u>19,392</u>
Utilised at 31 December:		
Term loans and revolving credits	13,258	15,801
Uncommitted facilities, including bank overdrafts	162	156
	<u>13,420</u>	<u>15,957</u>
Less: Unamortised financing charges	(31)	(43)
	<u>13,389</u>	<u>15,914</u>
<i>Represented by:</i>		
Long-term bank loans, repayable within one year	7,388	2,504
Short-term bank loans and overdrafts, repayable on demand	–	–
	<u>7,388</u>	<u>2,504</u>
Long-term bank loans, repayable:		
Between one and two years	2,927	9,414
Between two and five years	3,105	4,039
Over five years	–	–
	<u>6,032</u>	<u>13,453</u>
Less: Unamortised financing charges	(31)	(43)
Non-current portion of long-term bank loans	6,001	13,410
<b>Total interest-bearing borrowings</b>	<u><b>13,389</b></u>	<u><b>15,914</b></u>

All of the interest-bearing borrowings are unsecured. The group intends to refinance these loan facilities upon their maturities.

As at 31 December 2024, the group's committed facilities included green loans and sustainability linked loan facilities of HK\$5,111 million (2023: HK\$6,885 million) and HK\$4,855 million (2023: HK\$6,247 million) respectively. The sustainability interest margin discount applicable to the sustainability linked loan facilities, ranging from 2 basis points to 4 basis points, are determined by reference to the key performance indicators relating to the group's carbon intensity, energy intensity, waste diversion and status of sustainability certificates.



## 17. Lease liabilities (HK\$m)

The group is the lessee in respect of a number of properties which are leased from third party landlords. Pursuant to its accounting policy, the group capitalises the present value of the future minimum lease payments of its leased properties as right-of-use assets and the corresponding credit is recognised as lease liabilities. The group remeasures its lease liabilities at each accounting period end to reflect the interest accrued on the outstanding lease liabilities and the lease payments made.

The following table shows the remaining contractual maturities of the group's minimum lease liabilities at the end of the current and previous reporting periods:

	2024	2023
<i>Carrying value</i>		
Current portion	160	149
Non-current portion	2,452	2,584
	<b>2,612</b>	<b>2,733</b>
<i>Contractual undiscounted cash outflow</i>		
Within one year	160	149
After one year but within two years	160	144
After two years but within five years	277	287
After five years	11,219	11,743
	<b>11,816</b>	<b>12,323</b>

## 18. Share capital

	2024		2023	
	No. of shares (million)	HK\$m	No. of shares (million)	HK\$m
<b>Ordinary shares, issued and fully paid:</b>				
At 1 January	1,649	5,837	1,649	5,837
Shares issued under scrip dividend scheme (note)	18	110	—	—
At 31 December	<b>1,667</b>	<b>5,947</b>	<b>1,649</b>	<b>5,837</b>

In accordance with Section 135 of the Companies Ordinance, the ordinary shares of the company do not have a par value.

All shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the company's residual assets.

### Note

During 2024, the company issued and allotted new shares under the 2023 scrip dividend scheme at scrip price of HK\$6.276.

## 19. Commitments (HK\$m)

Capital commitments outstanding as at 31 December 2024 and 2023 not provided for in the financial statements were as follows:

	2024			2023		
	Contracted for	Authorised but not contracted for	Total	Contracted for	Authorised but not contracted for	Total
Capital commitments in respect of:						
Existing properties	112	561	673	109	646	755
Special projects	75	320	395	43	1,491	1,534
	<u>187</u>	<u>881</u>	<u>1,068</u>	<u>152</u>	<u>2,137</u>	<u>2,289</u>
The group's share of capital commitments of joint ventures and associates	31	50	81	105	67	172
	<u>218</u>	<u>931</u>	<u>1,149</u>	<u>257</u>	<u>2,204</u>	<u>2,461</u>

## 20. Contingent liabilities

The Directors consider that there being no material contingent liabilities for the group as at 31 December 2024 and 2023.

## 21. Changes in accounting policies

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the group:

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* (“2020 amendments”)
- Amendments to HKAS 1, *Presentation of financial statements – Non-current liabilities with covenants* (“2022 amendments”)
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial Instruments: Disclosures – Supplier finance arrangements*

None of the above developments have had a material effect on how the group's results and financial position for the current or prior periods have been prepared or presented.

The group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### Corporate Governance

The Board of Directors believes that our corporate culture, which is aligned with our purpose, values and strategy, is crucial to the long-term economic success, strong reputation and sustainable growth of the group. The Board of Directors sets and promotes company culture based on “doing the right thing”, and requires senior and middle level management to actively promote and live by this principle. With that in mind, we have implemented a governance framework, led by the Board of Directors, that aims at embedding and reinforcing this paramount corporate culture across all levels of the business.

The Governance section in the 2024 Annual Report reinforces the commitment of the Board of Directors and senior management to the high levels of governance, acting with integrity, and practicing accountability and transparency in our business operations, which supports the development of corporate culture throughout the group.

The Stock Exchange’s Corporate Governance Code in Appendix C1 of the Listing Rules (CG Code) forms the basis of the HSH Corporate Governance Code (HSH Code). The Board of Directors recognises the principles underlying the CG Code and has applied these principles to our corporate governance structure and practices which was disclosed in the Governance section of the 2024 Annual Report. Throughout 2024, the company has complied with all of the code provisions and recommended best practices in the CG Code, save for the publication of quarterly financial results and disclosure of individual senior management remuneration, as set out in the Corporate Governance Report.

### Corporate Responsibility and Sustainability

Our 2024 Corporate Responsibility and Sustainability Report (CRS Report), which is available online, provides information on our strategic approach in managing sustainability issues, review of our progress towards *Sustainable Luxury Vision 2030* goals, and sharing of related initiatives and programmes. The report has been prepared in accordance with the provisions as set out in Environmental, Social and Governance Reporting Code (ESG Code) in Appendix C2 of the Listing Rules. In line with international best practice and to have more in depth discussion on industry-specific and other sustainability topics, the CRS Report also references the Global Reporting Initiative Sustainability Reporting (GRI) Standards, the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, the Sustainability Accounting Standard Board (SASB), and the International Sustainability Standards Board (ISSB)’s IFRS S2 Climate-related Disclosures (ISSB Climate Standard). KPMG was commissioned to conduct limited assurance and to provide an independent conclusion on selected information of the CRS Report. The CRS Report is available on the websites of the company and the Stock Exchange together with the 2024 Annual Report.

## **Purchase, Sale or Redemption of Listed Securities**

There was no purchase, sale or redemption of the company's listed securities by the company or any of its subsidiaries during the year 2024.

## **Directors' and Specified Employees' Dealings with company securities**

All Directors conducted their dealings in accordance with the company's Code for Dealing in the Company's Securities by Directors (Securities Code) which contains terms no less exacting than the standards set out in the Stock Exchange's Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 of the Listing Rules (Model Code). Directors must seek approval before engaging in any dealing.

All Directors have confirmed their full compliance with the required standard set out in the Model Code and the Securities Code during the year 2024.

Our Securities Code is extended to specified employees including senior management and leaders of key functions who may from time to time come across inside information. All specified employees have also confirmed their full compliance with the required standards set out in the adopted Code for Dealing in the Company's Securities by Specified Employees.

## **Final Dividend**

Given the underlying loss of the company, the Board of Directors has resolved not to declare a final dividend for the year ended 31 December 2024 (2023: 8 HK cents per share).

## **Closure of Register of Members**

The register of members of the company will be closed from Wednesday, 30 April 2025 to Wednesday, 7 May 2025, both days inclusive, during which period the registration of transfer of shares will be suspended. In order to qualify for the right to attend, speak and vote at the forthcoming Annual General Meeting (AGM), all transfer documents accompanied by the relevant share certificates must be lodged with the company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 pm on Tuesday, 29 April 2025.

## **Amendments to the Articles of Association**

In view of the amendments to the Companies Ordinance, which enable listed companies incorporated in Hong Kong to (i) hold shares bought back in treasury, (ii) allow implied consent in respect of receipt of notice and documents from the company, and (iii) allow wholly virtual meeting to be held, the Board proposes to amend the Articles of Association of the company. These amendments aim to align with the new regulations and include other ancillary and housekeeping changes.

The proposed amendments are subject to the approval of the shareholders by way of a special resolution at the AGM. A circular containing details of the proposed amendments, among other things, will be dispatched to the shareholders together with the 2024 Annual Report.

## **AGM and Annual Report**

The AGM will be held at The Peninsula Hong Kong on Wednesday, 7 May 2025 at 12:00 noon. The 2024 Annual Report will be uploaded on the websites of the company and the Stock Exchange on or about 11 April 2025 as well as dispatched to the shareholders together with the Notice of AGM on or about 14 April 2025.

By Order of the Board

**Till Lembke**

*Company Secretary*

Hong Kong, 31 March 2025

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

*Non-Executive Chairman*

The Hon. Sir Michael Kadoorie

*Non-Executive Deputy Chairman*

Philip Lawrence Kadoorie

**Executive Directors**

*Chief Executive Officer*

Benjamin Julien Arthur Vuchot

*Chief Corporate and Governance Officer*

Christobelle Yi Ching Liao

*Chief Financial Officer*

Keith James Robertson

*Chief Operating Officer*

Gareth Owen Roberts

Clement King Man Kwok

**Non-Executive Directors**

Nicholas Timothy James Colfer

Andrew Clifford Winawer Brandler

James Lindsay Lewis

Diego Alejandro González Morales

Peter Camille Borer

**Independent Non-Executive Directors**

Dr the Hon. Sir David Kwok Po Li

Patrick Blackwell Paul

Pierre Roger Boppe

Dr William Kwok Lun Fung

Dr Rosanna Yick Ming Wong

Dr Kim Lesley Winser

Ada Koon Hang Tse