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Pacific Century
Premium Developments
盈科大衍地產發展

PACIFIC CENTURY PREMIUM DEVELOPMENTS LIMITED

盈科大衍地產發展有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00432)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2025

The board of directors (“Board”) of Pacific Century Premium Developments Limited (“Company”) announces the audited consolidated results of the Company and its subsidiaries (“Group”) for the year ended December 31, 2025.

SUMMARY

- Consolidated revenue from continuing operations increased by 51 per cent to HK\$1,046 million
- Loss attributable to equity holders of the Company amounted to HK\$69 million
- Basic loss per share: 3.38 Hong Kong cents
- The Board did not recommend the payment of a final dividend

REVIEW OF OPERATIONS

Property investment and development

Property investment in Indonesia

In Jakarta, Indonesia, the occupancy of our premium commercial building, Pacific Century Place, Jakarta (“PCP Jakarta”), was stable throughout the year, and the project remained a consistent revenue contributor to the Group. As of December 31, 2025, the office space committed occupancy was 87%, compared to 85% in the previous year. The gross rental income amounted to HK\$208 million for 2025, compared to HK\$206 million in 2024. As at December 31, 2025, the assets and liabilities of the property investment business in Indonesia were reclassified as “Assets/Liabilities of disposal group held for sale”.

Property development in Japan

The Group had a revenue of HK\$216 million recognised from property development in Japan for the year ended December 31, 2025, compared to nil for the same period in 2024.

Property development and golf operation in Thailand

In Phang Nga, Thailand, the Group has sold or reserved 40% of Phase 1A villas. The Group’s revenue from its property development in Thailand totalled HK\$14 million for the year ended December 31, 2025, compared to no revenue in 2024.

We formed a strategic alliance with Hotel Properties Limited in Singapore to bring a Four Seasons Resort and Branded Residences to the prestigious integrated resort community of Aquella in Phang Nga. The move represents a significant milestone in PCPD’s long-term vision of transforming Aquella into a visionary integrated resort destination that effortlessly blends luxury living, recreation and exceptional service.

Total revenue from our golf operations, Aquella Golf & Country Club amounted to HK\$10 million for the year ended December 31, 2025, compared to HK\$9 million for the same period in 2024.

Property development in Hong Kong

Development of the superstructure of the Group’s project at 3–6 Glenealy, Central, Hong Kong, has been progressing well. We have reached a key structural milestone, with the superstructural work now completed and installation of the curtain walls progressing at pace. The name of the development has also been unveiled as “Central Residence by the Park”, and its completion is scheduled for the first half of 2026.

Hotel operations, recreation and leisure operations in Japan

Hotel operations in Japan

Park Hyatt Niseko, Hanazono, our hotel operations in Hokkaido, delivered a robust performance in 2025, as the boom in Japan’s tourism sector continued throughout the year, again with record-breaking tourist arrivals. The average occupancy rate of Park Hyatt Niseko increased by 4 percentage points. For the year ended December 31, 2025, the Group’s revenue from its hotel operations in Japan amounted to HK\$402 million, compared to HK\$349 million in 2024.

Recreation and leisure operations in Japan

The Group’s all-season recreational operation is located in Niseko, Hokkaido, Japan, which is one of the premium ski destinations in the world. There are various facilities and recreational activities operated by the Group, including “Hanazono EDGE” (a restaurant and entertainment centre), ski lifts, ski equipment rental, a ski school, snowmobile tours, snowshoe tours and snow tubing in winter, “Hanazono Zipflight”, rafting tours, tree-trekking, e-bikes and golfing in the summer.

Our Japan operations benefited consistently from the sustained strength of inbound tourism in Japan in all four quarters of 2025. During the winter season of 2024/2025, total ski-lift and gondola rides increased 9% year-on-year. The travel surge continued to drive robust demand for our recreational business in Niseko well beyond the cold months. Revenue from this segment climbed to HK\$254 million for the year ended December 31, 2025, compared with HK\$206 million for the year ended December 31, 2024.

Throughout the year, we rolled out numerous marketing and promotional initiatives to enhance the guest experience and reinforce Niseko's premium appeal. A highlight was the collaboration between Hanazono EDGE and Veuve Clicquot, the renowned champagne house. The initiative featured Veuve Clicquot-branded décor, a dedicated champagne-focused menu and upgraded lighting during après-ski hours. It created a more refined and festive ambience for affluent and sophisticated international guests while reinforcing Niseko's position as a leading luxury all-season resort.

Property and facilities management

Hong Kong

The Group provides property management and facilities management services in Hong Kong, and generated a revenue of HK\$30 million for the year ended December 31, 2025, compared to HK\$31 million in 2024.

Japan

The Group provides property management in Japan, and generated a revenue of HK\$106 million for the year ended December 31, 2025, compared to HK\$87 million in 2024.

Other businesses

Other businesses of the Group mainly include property investment in Hong Kong. The revenue from these other businesses amounted to HK\$14 million for the year ended December 31, 2025, compared to HK\$12 million in 2024.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

HK\$ million	Notes	For the year ended December 31,	
		2025	2024
Revenue	2	1,046	695
Cost of sales		<u>(308)</u>	<u>(274)</u>
Gross profit		738	421
General and administrative expenses		(640)	(568)
Other income		2	2
Other loss		(2)	—
Reversal of impairment loss of property, plant and equipment	3	—	126
Interest income		4	5
Finance costs	4	<u>(296)</u>	<u>(238)</u>
Loss before taxation	5	(194)	(252)
Income tax	6	<u>13</u>	<u>9</u>
Loss from continuing operations		<u>(181)</u>	<u>(243)</u>
Discontinued operation			
Profit from discontinued operation	13a	<u>112</u>	<u>13</u>
Loss for the year		<u>(69)</u>	<u>(230)</u>
Other comprehensive income/(loss):			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Currency translation differences:			
Exchange differences on translating foreign operations			
— from continuing operations		126	(202)
— from discontinued operation		(87)	(184)
		<u>39</u>	<u>(386)</u>
Total comprehensive loss			
— from continuing operations		(55)	(445)
— from discontinued operation		25	(171)
		<u>(30)</u>	<u>(616)</u>
Basic and diluted loss per share for loss from continuing operations			
(expressed in Hong Kong cents per share)	8	<u>(8.88) cents</u>	<u>(11.92) cents</u>
Basic and diluted loss per share			
(expressed in Hong Kong cents per share)		<u>(3.38) cents</u>	<u>(11.29) cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HK\$ million	Notes	As at December 31, 2025	As at December 31, 2024
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	9	56	3,277
Property, plant and equipment		2,056	2,187
Right-of-use assets		40	41
Properties under development	10a	—	176
Properties held for development	10b	566	454
Goodwill		3	3
Financial assets at fair value through profit or loss		1	1
Prepayments and other receivables		20	157
Deferred income tax assets		83	34
		<u>2,825</u>	<u>6,330</u>
Current assets			
Properties under development/held for sale	10a	4,224	3,549
Inventories		19	23
Sales proceeds held in stakeholders' accounts		8	8
Restricted cash		34	71
Trade receivables, net	11	121	96
Prepayments, deposits and other current assets		57	127
Amounts due from related companies		2	4
Cash and cash equivalents		691	659
		<u>5,156</u>	<u>4,537</u>
Assets of disposal group held for sale	13c	<u>3,368</u>	<u>—</u>
		<u>8,524</u>	<u>4,537</u>
Total assets		<u>11,349</u>	<u>10,867</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – CONTINUED

HK\$ million	Notes	As at December 31, 2025	As at December 31, 2024
Current liabilities			
Borrowings		7,976	835
Trade payables	12	127	53
Accruals and other payables		154	303
Deferred income and contract liabilities		442	300
Lease liabilities		16	24
Current income tax liabilities		39	25
		<u>8,754</u>	<u>1,540</u>
Liabilities of disposal group held for sale	13c	<u>1,294</u>	—
		<u>10,048</u>	<u>1,540</u>
Net current (liabilities)/assets		<u>(1,524)</u>	<u>2,997</u>
Total assets less current liabilities		<u>1,301</u>	<u>9,327</u>
Non-current liabilities			
Borrowings		1,187	9,006
Other payables		10	183
Deferred income and contract liabilities		1	12
Lease liabilities		29	24
Deferred income tax liabilities		38	36
		<u>1,265</u>	<u>9,261</u>
Total liabilities		<u><u>11,313</u></u>	<u><u>10,801</u></u>
Net assets		<u><u>36</u></u>	<u><u>66</u></u>
CAPITAL AND RESERVES			
Issued equity		3,802	3,802
Reserves		<u>(3,899)</u>	<u>(3,869)</u>
Capital and reserves attributable to equity holders of the Company		<u>(97)</u>	<u>(67)</u>
Non-controlling interests		<u>133</u>	<u>133</u>
		<u><u>36</u></u>	<u><u>66</u></u>

Notes:

1. Basis of Preparation and Material Accounting Policies

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards, which is a collective term for all individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance (Cap. 622).

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

The consolidated financial statements for the year ended December 31, 2025 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost convention, except that the following assets are stated at fair value:

- investment properties;
- financial assets at fair value through profit or loss.

Going concern basis

During the year ended December 31, 2025, the Group incurred a loss attributable to equity holders of the Company of HK\$69 million (2024: HK\$230 million) and cash inflow from operating activities of HK\$132 million (2024: cash outflow from operating activities of HK\$75 million). As at December 31, 2025, the Group has net current liabilities of HK\$1,524 million, including Assets/Liabilities of disposal group held for sales (2024: net current assets of HK\$2,997 million). Included in the Group’s current liabilities was (i) guaranteed notes of USD800 million (approximately HK\$6,214 million) which would be due for repayment in June 2026; and (ii) interest-bearing bank borrowings of an aggregate of HK\$1,762 million which would be due for repayment in April and June 2026. The Group’s cash and bank balances amounted to HK\$691 million and restricted bank balances amounted to HK\$34 million.

In view of the abovementioned circumstances, in preparing the consolidated financial statements for the year ended December 31, 2025, the Directors of the Company have reviewed the Group’s cash flow projections, which cover a period of not less than twelve months from December 31, 2025, and have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern for at least 12 months from December 31, 2025, taking into account the following plans and measures:

- i.a. The Group is actively contemplating a plan to dispose the equity interest or assets in a subsidiary which holds the property investment business in Indonesia, which has net assets of HK\$2,074 million (including liability of HK\$1,294 million) as of December 31, 2025. Potential buyers for this investment has been identified and preliminary terms and conditions are being discussed actively;
- i.b. As at December 31, 2025, the Group was in active dialogue with several financial institutions regarding long-term notes issuance. Based on the latest indicative underwriting interests received from these financial institutions, that is sufficient to fully cover the issuance;

Based on the current status of these discussions and ongoing communication with the potential buyers and financial institutions, the Directors of the Company are confident that the disposal and the notes issuance will be completed on or before June 2026. The proceeds will be used to repay part of the USD800 million guaranteed notes maturing in June 2026;

- ii. The Group will continue to actively review its investment portfolio in order to identify potential buyers or seek other opportunities for the realisation of certain assets, including but not limited to property projects, to reduce its debt and finance costs;
- iii. The Directors of the Company, have made all necessary enquiries of the significant shareholders of the Company, who have confirmed their intention to provide the financial support for the continuing operations of the Company and its ability to meet its liabilities as they fall due and carry on its business without a significant curtailment of operations;
- iv. In November and December 2025, the lenders of the project development loan facility for residential properties in Hong Kong, amounting to HK\$1,382 million originally due in April 2026, has agreed to extend the maturity to April 2027, subject to finalisation of the formal documentation;

1. Basis of Preparation and Material Accounting Policies — Continued

- v. In December 2025, the Group secured a new loan facility of HK\$780 million, which will mature in June 2030. The loan facility would be drawdown in 2026;
- vi. In January 2026, the Group commenced pre-sales activities for residential properties in Hong Kong, which achieved gross contracted sales via tender of HK\$273 million during the month. The estimated material date for the residential properties is June 30, 2026. The Group will continue to arrange for sales and pre-sales activities for the remaining units to capture demand and achieve its budgeted sales targets in light of improving market environment. The proceeds will be firstly applied to repay the project development loan facility of HK\$1,382 million.

Notwithstanding the above, whether the Group is able to achieve its plans and measures as described above, which incorporate management's judgement, at a particular point in time, about inherent uncertain outcome of future events and conditions. The Directors of the Company, in making assessment and identifying whether there is any material uncertainty, have reviewed the Group's cash flow projections, which cover a period of not less than twelve months from December 31, 2025, and are of the opinion that, in the absence of unforeseeable circumstances, considering the successful implementation of the above-mentioned plans and measures as well as the reasonably possible downside changes to the cash flow assumptions in the cash flow projections, the Group will be able to meet its financial obligations as and when they fall due within twelve months from December 31, 2025. Accordingly, the Directors of the Company consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 14.

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are adopted for the current accounting period of the Group. The following sets out the changes in accounting policies for the current accounting period reflected in these consolidated financial statements.

i. Adoption of new/revised accounting standards

Amendments effective for the annual period beginning on January 1, 2025 adopted by the Group but have no significant impact on the Group's consolidated financial statement:

HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability
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The Group has not early adopted any other new or amended HKFRSs and HKASs that not yet effective for the current accounting period.

ii. New standards, amendments to standards and interpretations which are not yet effective

The following new standards, amendments and interpretation have been issued but are not yet effective for the year ended December 31, 2025 and which the Group has not early adopted:

HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments ¹
Annual Improvements	Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature dependent Electricity (amendments) ²
HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²

Notes:

1 Effective for annual period beginning on or after January 1, 2026

2 Effective for annual period beginning on or after January 1, 2027

The Group is in the process of making an assessment of what the impacts of these new or amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements, except for following new HKFRS Accounting Standards or amendments to HKFRS Accounting Standards.

1. Basis of Preparation and Material Accounting Policies — Continued

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 will replace HKAS 1 “Presentation of Financial Statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The Group is currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

2. Revenue and Segment Information

An analysis of revenue and information regarding the Group's reportable segments as provided to the Group's senior executive management for the purposes of resources allocation and assessment of segment performance for the year ended December 31 is set out below:

a. Business segments

	Continuing operations							Total	
	All-season recreational activities in Japan	Property development in Japan	Hotel operations in Japan	Property management in Japan	Property development and golf operation in Thailand	Property and facilities management in Hong Kong	Property development in Hong Kong		Others
For the year ended									
December 31, 2025									
Total revenues	254	216	402	106	24	30	—	14	1,046
Inter-segment	—	—	—	—	—	—	—	—	—
Revenues – external	254	216	402	106	24	30	—	14	1,046
Segment results	74	100	(17)	32	47	5	(46)	1	196
Other loss	—	—	—	—	—	—	—	(2)	(2)
	74	100	(17)	32	47	5	(46)	(1)	194
Unallocated items									
Corporate expenses									(96)
Interest income									4
Finance costs									(296)
Loss before taxation									(194)
Taxation									13
Loss after taxation									(181)
Additions to non-current assets	7	—	2	—	12	—	5	1	27
Depreciation and amortization	(37)	(7)	(75)	—	(11)	—	(37)	(20)	(187)

2. Revenue and Segment Information – Continued

a. Business segments – Continued

	Continuing operations							Total	
	All-season recreational activities in Japan	Property development in Japan	Hotel operations in Japan	Property management in Japan	Property development and golf operation in Thailand	Property and facilities management in Hong Kong	Property development in Hong Kong		Others
For the year ended									
December 31, 2024									
Total revenues	206	—	349	87	10	31	—	14	697
Inter-segment	—	—	—	—	—	—	—	(2)	(2)
Revenues – external	206	—	349	87	10	31	—	12	695
Segment results	51	(15)	(44)	24	(37)	6	(24)	2	(37)
Reversal of impairment loss	—	—	126	—	—	—	—	—	126
	51	(15)	82	24	(37)	6	(24)	2	89
Unallocated items									
Corporate expenses									(108)
Interest income									5
Finance costs									(238)
Loss before taxation									(252)
Taxation									9
Loss after taxation									(243)
Additions to non-current assets	27	49	7	—	28	—	17	9	137
Depreciation and amortization	(38)	(6)	(78)	—	(8)	—	(19)	(19)	(168)

2. Revenue and Segment Information – Continued

a. Business segments – Continued

HK\$ million	<u>Assets</u>		<u>Liabilities</u>	
As at December 31,	2025	2024	2025	2024
From continuing operations				
All-season recreational activities in Japan	530	550	57	92
Property development in Japan	1,215	795	970	49
Hotel operations in Japan	1,436	1,465	205	665
Property management in Japan	215	188	165	158
Property development and golf operation in Thailand	1,152	959	64	42
Property and facilities management in Hong Kong	18	20	2	2
Property development in Hong Kong	3,221	2,963	1,194	1,043
Other businesses (note ii)	57	57	9	9
	<u>7,844</u>	<u>6,997</u>	<u>2,666</u>	<u>2,060</u>
Total of reported segments	7,844	6,997	2,666	2,060
Unallocated	137	251	7,353	7,235
	<u>7,981</u>	<u>7,248</u>	<u>10,019</u>	<u>9,295</u>
Total of continuing operating segments	<u>7,981</u>	<u>7,248</u>	<u>10,019</u>	<u>9,295</u>

(i) For the years ended December 31, 2025 and 2024, the timing of revenue recognition is as follow:

HK\$ million	2025	2024
From continuing operations		
External revenue from contracts with customers:		
Timing of revenue recognition		
– At a point in time	401	149
– Over time	643	544
External revenue from other sources:		
– Rental income	2	2
	<u>1,046</u>	<u>695</u>

(ii) Revenue from segment below the quantitative thresholds under HKFRS 8 “Operating Segments” is mainly attributable to property investment in Hong Kong. This segment has not met any of the quantitative thresholds for determining reportable segments.

2. Revenue and Segment Information – Continued

b. Geographical information

The following table sets out the information about geographical location of (i) the Group’s revenue from external customers and (ii) the Group’s investment properties, property, plant and equipment, right-of-use assets, properties under development, properties held for development and goodwill (“specified non-current assets”). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of investment properties, property, plant and equipment, right-of-use assets, properties under development and properties held for development, and the location of the operation to which they are allocated, in case of goodwill.

HK\$ million	Revenue from external customers		Specified non-current assets	
	2025	2024	2025	2024
From continuing operations				
Japan	990	652	1,734	1,978
Hong Kong (place of domicile)	32	33	84	124
Thailand	24	10	903	742
	<u>1,046</u>	<u>695</u>	<u>2,721</u>	<u>2,844</u>
Total of continuing operating segments				

3. Reversal of Impairment Loss of property, plant and equipment

HK\$ million	For the year ended December 31,	
	2025	2024
From continuing operations		
Reversal of impairment loss of property, plant and equipment	<u>—</u>	<u>126</u>

During the year ended December 31, 2020, the Group’s hotel operations incurred losses due to global economic slowdown arising from travel restrictions resulting from the COVID-19 pandemic, the Group recognised impairment losses of HK\$229 million.

During the year ended December 31, 2024, management considered that the indicators giving rise to the impairment provision made in prior year may no longer exist, as management observed that Park Hyatt Niseko, Hanazono has achieved continuous improvement on its financial performance as a result of the post-pandemic tourism upswing in Japan since the relaxation of travel restrictions in 2023. Management believes this solid result to be plausible and sustainable in the longer term and revisited the estimation for the recoverable amount of the hotel property as at December 31, 2024 by taking into consideration the latest business performance and positive market outlook in the Hokkaido tourism industry with reference to external market research reports. Based on the assessment, a reversal of impairment of HK\$126 million was recognised for the year ended December 31, 2024.

4. Finance Costs

HK\$ million	For the year ended December 31,	
	2025	2024
From continuing operations		
Interest expenses:		
– Bank borrowings	134	114
– Guaranteed notes	331	331
– Lease liabilities	1	1
– Exchange (gain)/loss on guaranteed notes	8	(36)
	<u>474</u>	<u>410</u>
Less:		
– Interest capitalised into properties under development/held for development	<u>(178)</u>	<u>(172)</u>
	<u>296</u>	<u>238</u>

Borrowing costs have been capitalised at the weighted average rate of the Group’s borrowings at 4.8 per cent per annum in 2025 (2024: 5.2 per cent).

5. Loss Before Taxation

Loss before taxation is stated after charging/(crediting) the following:

HK\$ million	For the year ended December 31,	
	2025	2024
From continuing operations		
Cost of properties sold	92	—
Cost of inventories sold	40	36
Reversal of impairment of properties held for development	89	—
Depreciation of property, plant and equipment	160	141
Depreciation of right-of-use assets		
– properties	26	26
– equipment and others	1	1
(Loss)/gain on disposal of properties, plant and equipment	2	(1)
Staff costs, included in:		
– cost of sales	82	82
– general and administrative expenses	200	158
Contributions to defined contribution retirement schemes, included in:		
– cost of sales	1	1
– general and administrative expenses	6	4
Auditor’s remuneration		
– audit services	5	5
Net foreign exchange loss	9	2
Variable lease payment expenses	51	44
Short-term lease expenses	2	3
	<u>2</u>	<u>3</u>

6. Income Tax

Hong Kong profits tax has been provided at the rate of 16.5 per cent (2024: 16.5 per cent) on the estimated assessable profits for the year.

Taxation for subsidiaries outside Hong Kong which mainly in Japan, Indonesia and Thailand has been calculated on the estimated assessable profits for the year at the rates prevailing in the respective jurisdictions.

HK\$ million	For the year ended December 31,	
	2025	2024
From continuing operations		
Hong Kong profits tax		
– Provision for current year	1	1
Income tax outside Hong Kong		
– Provision for current year	28	21
Deferred income tax	(42)	(31)
	<u>(13)</u>	<u>(9)</u>

7. Dividend

The Board did not recommend the payment of a final dividend for the year ended December 31, 2025 (2024: Nil).

8. Loss Per Share

The calculations of basic and diluted loss per share based on the share capital of the Company are as follows:

Loss from continuing operations (HK\$ million)	For the year ended December 31,	
	2025	2024
Loss for the purpose of calculating the basic and diluted loss per share	<u>(181)</u>	<u>(243)</u>
Number of shares (million)		
Weighted average number of ordinary shares for the purpose of calculating the basic and diluted loss per share	<u>2,038</u>	<u>2,038</u>

Pursuant to the terms of the applicable deed poll, the bonus convertible notes confer upon the holders the same economic interests attached to the bonus shares.

As at December 31, 2025, bonus convertible notes in an aggregated amount of HK\$592,552,133.20 (2024: HK\$592,552,133.20) have been converted into 1,185,104,266 shares of the Company (2024: 1,185,104,266 shares). The outstanding bonus convertible notes in an aggregated amount of HK\$20,021.20 (2024: HK\$20,021.20) at the conversion price of HK\$0.5 per share convertible into 40,042 (2024: 40,042) have been included in the weighted average number of ordinary shares for calculating the basic loss per share for the years ended December 31, 2025 and December 31, 2024, respectively.

9. Investment Properties

The movements of investment properties during the year are stated as below:

HK\$ million	2025	2024
At January 1,	3,277	3,435
Additions	—	3
Transfer from property, plant and equipment	5	8
Change in fair value	(74)	5
Exchange differences	(85)	(174)
Transfer to assets held for sales	(3,067)	—
At December 31,	<u>56</u>	<u>3,277</u>

10. Properties under development/held for sale/held for development

a. Properties under development/held for sale

HK\$ million	2025	2024
At January 1,	3,725	3,463
Additions	559	316
Properties sold	(80)	—
Exchange differences	20	(54)
	<u>4,224</u>	<u>3,725</u>
At December 31,	4,224	3,725
Less: Properties under development classified as non-current assets	—	(176)
	<u>4,224</u>	<u>3,549</u>
Properties under development/held for sale classified as current assets	<u>4,224</u>	<u>3,549</u>

- (i) As at December 31, 2024, properties under development classified as non-current assets consists of the freehold land under development in Japan which is held by an indirect wholly-owned subsidiary amounted to HK\$176 million.
- (ii) Properties under development/held for sale classified as current assets as at December 31, 2025 consists of HK\$812 million (December 31, 2024: HK\$457 million) for the branded residences held for sale and other properties under development in Hokkaido, Japan and HK\$221 million (December 31, 2024: HK\$195 million) for the first phase development project under construction in Thailand and a property under development in Hong Kong amount to HK\$3,191 million (December 31, 2024: HK\$2,897 million).

b. Properties held for development

HK\$ million	2025	2024
At January 1,	454	427
Additions	1	25
Transfer to Property, plant and equipment	(22)	—
Reversal of impairment	89	—
Exchange differences	44	2
	<u>566</u>	<u>454</u>
At December 31,	566	454

Properties held for development as at December 31, 2025 represent the freehold land in Thailand which the Group intends to hold for future development projects.

During the year ended December 31, 2014, the property interest was written down to the net realisable value with reference to a valuation performed by an independent profession valuer and the Group recognised a provision for impairment of HK\$84 million.

During the year ended December 31, 2025, management considered that the indicators giving rise to the impairment provision made in prior year may no longer exist, with the announcement of a new strategic alliance formed to bring a Four Seasons Resort and Branded Residences to the location and a valuation performed by an independent professional valuer using direct comparison approach which involves the use of various market comparables, estimates and assumptions. Based on the assessment, a reversal of impairment of HK\$89 million was recognised for the current year.

11. Trade Receivables, Net

An aging analysis of trade receivables, based on invoice date and before provision for receivable impairment, is set out below:

HK\$ million	As at December 31, 2025	As at December 31, 2024
1–30 days	<u>121</u>	<u>96</u>

Trade receivables have a normal credit period which ranges up to 30 days from the date of the invoice unless there is separate mutual agreement on extension of the credit period.

12. Trade Payables

An aging analysis of trade payables, based on invoice date, is set out below:

HK\$ million	As at December 31, 2025	As at December 31, 2024
1–30 days	<u>127</u>	<u>53</u>

13. Discontinued Operation

On December 31, 2025, the Group is contemplating or plan to dispose the property investment business in Indonesia. The associated assets and liabilities were consequently presented as held for sale in the 2025 financial statements.

The group of subsidiaries are reported in the current period as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

a) Results and total comprehensive income from discontinued operation

HK\$ million	2025	2024
Revenue	208	206
Cost of sales	<u>(7)</u>	<u>(7)</u>
Gross profit	201	199
General and administrative expenses	(102)	(86)
Other income	1	1
Other gain	105	5
Interest income	—	2
Finance costs	(56)	(75)
Profit before taxation	149	46
Income tax	(37)	(33)
Profit from discontinued operation	112	13
Other comprehensive loss:		
Item that may be reclassified subsequently to profit or loss		
Currency translation differences:		
Exchange differences on translating foreign operation	<u>(87)</u>	<u>(184)</u>
Total comprehensive profit/(loss) from discontinued operation	25	(171)
Basic and diluted earning per share from discontinued operation (expressed in Hong Kong cents per shares)	5.50 cents	0.63 cents

13. Discontinued Operation – Continued

b) Cash flows from discontinued operation

HK\$ million	2025	2024
Net cash inflow from operating activities	29	68
Net cash outflow from investing activities	(6)	(10)
Net cash outflow from financing activities	(68)	(80)
	<u>(68)</u>	<u>(80)</u>
Net decrease in cash generated by the discontinued operation	<u>(45)</u>	<u>(22)</u>

c) Assets and liabilities of disposal group classified as held for sale

HK\$ million	2025
Non-current assets	
Investment properties	3,067
Property, plant and equipment	68
Prepayments and other receivables	122
	<u>3,257</u>
Current assets	
Inventories	3
Restricted cash	15
Trade receivables, net	3
Prepayments, deposits and other current assets	46
Amounts due from related companies	2
Cash and cash equivalents	42
	<u>111</u>
Current liabilities	
Borrowings	1,165
Trade payables	2
Accruals and other payables	71
Deferred income and contract liabilities	53
	<u>1,291</u>
Net current liabilities	<u>(1,180)</u>
Total assets less current liabilities	<u>2,077</u>
Non-current liabilities	
Other payables	3
	<u>3</u>
Net assets	<u>2,074</u>

14. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom be equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Estimated valuation of investment properties

The best evidence of fair value is the current prices in an active market for similar properties. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its estimates, the Group considers both (i) information from the valuations of investment properties performed by external professional valuers on a market value basis and (ii) other principal assumptions, including the current and expected capitalisation rate, market price and market rent in view of the current usage and condition of the investment properties to determine the fair value of the investment properties. Had the Group used different capitalisation rates, market prices, market rents or other assumptions, the fair value of the investment properties would be different and thus caused impact to the consolidated statement of comprehensive income. As at December 31, 2025, the fair value of the investment properties was HK\$56 million.

(ii) Deferred income tax

While deferred income tax liabilities are provided in full on all taxable temporary differences, deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. In assessing the amount of deferred income tax assets that need to be recognised, the Group considers future taxable income and ongoing prudent and appropriate tax planning strategies. In the event that the Group's estimates of projected future taxable income and benefits from available tax strategies are changed, or changes in current tax regulations are enacted that would impact the timing or extent of the Group's ability to utilise the tax benefits of net operating loss carry-forwards in the future, adjustments to the recorded amount of net deferred income tax assets and income tax would be made. As at December 31, 2025, no deferred income tax assets were netted off against the deferred income tax liabilities recognised in the consolidated statement of financial position.

(iii) Impairment of non-financial assets

At the end of each reporting period, the Group reviews internal and external sources of information to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- right-of-use assets; and
- goodwill;

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

The sources used to identify indications of impairment or reversal of impairment are often subjective in nature and the Group is required to use judgement in applying such information to its business. The Group's interpretation of this information has a direct impact on whether an assessment is performed as at the end of any given reporting period. If an indication of impairment or reversal of impairment is identified, such information is further subject to an exercise that requires the Group to estimate the recoverable value.

The recoverable value of property, plant and equipment, right-of-use assets, goodwill and investment in a subsidiary represents the greater of the asset's fair value less cost to sell or its value in use. Depending on the Group's assessment of the overall materiality of the asset under review and complexity of deriving reasonable estimates of the recoverable value, the Group may perform such assessments utilising internal resources or the Group may engage external advisors to counsel the Group. Regardless of the resources utilised, the Group is required to make many assumptions to make these assessments, including the utilisation of such asset, the cash flows to be generated, appropriate market discount rates and the projected market and regulatory conditions. Changes in any of these assumptions could result in a material change to future estimates of the recoverable value of any asset.

(iv) Impairment for properties under development/held for sale/held for development.

The recoverable values of properties under development/held for sale/held for development refers to the net realisable value. Management performed assessments of the net realisable value of the development projects included in properties under development/held for sale/held for development. The assessments involved the use of significant estimates and assumptions such as selling prices, construction costs (if applicable) and etc. Changes in the assumptions adopted in the assessments may result in a change in future estimate of the net realisable values of the development project.

FINANCIAL REVIEW

Review of results

The consolidated revenue of the Group from continuing operations was HK\$1,046 million for the year ended December 31, 2025, representing an increase of 51 per cent from HK\$695 million in 2024. The increase was mainly due to the increase in operating revenue from hotel operations and all-season recreational operations in Niseko, Hokkaido, Japan.

The consolidated gross profit of the Group from continuing operations for the year ended December 31, 2025 was HK\$738 million, representing an increase of 75 per cent from HK\$421 million in 2024. For the year ended December 31, 2025, the gross profit margin was 71% compared to 61% in 2024.

The general and administrative expenses were HK\$640 million for the year ended December 31, 2025, representing an increase of 13 per cent from HK\$568 million in 2024. The increase was mainly due to publicity and promotion on new project and depreciation of sales gallery.

The Group recorded higher finance costs of HK\$296 million for the year ended December 31, 2025 compared to HK\$238 million for 2024. The increase was mainly due to exchange loss on guaranteed notes. The consolidated net loss after taxation was HK\$69 million for the year ended December 31, 2025, as compared to HK\$230 million in 2024. Such decrease was mainly due to the improved performance in properties development, hotel business and all-season recreational operations in Niseko, Hokkaido, Japan. Basic loss per share from continuing operations during the year under review was 8.88 Hong Kong cents compared to basic loss per share of 11.92 Hong Kong cents in 2024.

Current assets and liabilities

As at December 31, 2025, the Group held current assets of HK\$5,156 million (December 31, 2024: HK\$4,537 million), mainly comprising properties under development/held for sale, cash and cash equivalent, prepayments, deposits and other current assets, and trade receivables, net. The increase in current assets is mainly attributable to addition in properties under development. Sales proceeds held in stakeholders' accounts amounted to HK\$8 million as at December 31, 2025 (December 31, 2024: HK\$8 million). The level of restricted cash decreased to HK\$34 million as at December 31, 2025 (December 31, 2024: HK\$71 million).

As at December 31, 2025, the Group's total current liabilities amounted to HK\$8,754 million, as compared to HK\$1,540 million as at December 31, 2024. The increase was mainly due to the increase in borrowings due within one year. As at December 31, 2025, the current ratio was 0.59 (December 31, 2024: 2.95).

Capital structure, liquidity and financial resources

As at December 31, 2025, the Group's borrowings amounted to HK\$9,163 million (December 31, 2024: HK\$9,841 million). The balance as at December 31, 2025 represented the amortised cost of financial liabilities in respect of the 5.125% guaranteed notes of US\$800 million issued (equivalent to HK\$6,214 million), Japanese Yen ("JPY") 14,500 million (equivalent to HK\$690 million) under JPY loan facility, together with HK\$2,259 million under the Hong Kong dollar loan facilities.

On June 18, 2021, PCPD Capital Limited ("PCPD Capital"), an indirect wholly-owned subsidiary of the Company, issued in an aggregate principal amount of US\$800 million 5.125 per cent guaranteed notes due 2026 ("Notes"), which are listed on the Singapore Exchange Securities Trading Limited. The estimated fair value of the option of the early redemption and repurchase rights are recognised as financial assets at fair value through profit or loss. The Notes are irrevocably and unconditionally guaranteed by the Company. The Notes rank pari passu among themselves and with all other present and future unsecured and unsubordinated obligations of PCPD Capital and the Company.

On April 13, 2021, a project development loan facility agreement was entered into by an indirect wholly-owned subsidiary of the Company under which the lenders agreed to make available a term loan facility up to an aggregate amount of HK\$1,382 million with a maturity of April 2026 or twelve months after occupation permit of the development project in Hong Kong being issued by the building authority, whichever is earlier. Such facility is secured by certain land and property, bank accounts, shares and other assets of the indirect non-wholly owned subsidiaries of the Company and subject to certain financial ratios covenants. As of December 31, 2025, none of the covenants were breached and the carrying value of the borrowing represents the loan drawdown of HK\$1,191 million (December 31, 2024: HK\$1,031 million) offset by the deferred loan arrangement costs of HK\$2 million (December 31, 2024: HK\$3 million).

On December 24, 2024, an indirect wholly-owned subsidiary of the Company entered into the term loan facility agreement under which the lender agreed to make available a term loan facility up to an aggregate amount of HK\$500 million. The maturity of the term loan facility is in June, 2028. Such facility is secured by corporate guarantee of the Company and subject to certain financial ratios covenants. As of December 31, 2025, none of the covenants were breached and the carrying value of the borrowing represents the loan drawdown of HK\$500 million (December 31, 2024: HK\$150 million) offset by the deferred loan arrangement costs of HK\$3 million (December 31, 2024: HK\$4 million).

On July 23, 2025, an indirect wholly-owned subsidiary of the Company entered into the term loan facility agreement under which the lender agreed to make available a term loan facility up to an aggregate amount of JPY23,500 million (equivalent to HK\$1,271 million) with a maturity in July, 2030. Such facility is secured by certain lands and properties, bank accounts, shares and other assets of certain indirect wholly-owned subsidiary of the Company and subject to certain financial ratios covenants. As of December 31, 2025, none of the covenants were breached and the carrying value of the borrowing represents the outstanding principal amount of JPY14,500 million (equivalent to HK\$724 million) (December 31, 2024: nil) offset by the deferred loan arrangement costs of JPY681 million (equivalent to HK\$34 million) (December 31, 2024: nil).

On December 24, 2025, an indirect wholly-owned subsidiary of the Company entered into the term loan facility agreement under which the lender agreed to make available a term loan facility up to an aggregate amount of HK\$780 million. The maturity of the term loan facility is in June, 2030. Such facility is secured by corporate guarantee of the Company and subject to certain financial ratios covenants. As of December 31, 2025, none of the covenants were breached and no drawdown were made.

On December 29, 2025, an indirect wholly-owned subsidiary of the Company entered into an amendment agreement to the term loan facility agreement up to an aggregate amount of HK\$780 million. The facility was renewed with the maturity date in June 2026 at the latest outstanding amount of HK\$575 million. Such facility is secured by corporate guarantee of the Company, certain indirect wholly-owned subsidiaries of the Company and PCCW Limited (“PCCW”) up to its percentage of interest of the issued share capital of the Company and subject to certain financial ratios covenants. As of December 31, 2025, none of the covenants were breached and the carrying value of the borrowing represents the loan drawdown of HK\$575 million (December 31, 2024: HK\$780 million) offset by the deferred loan arrangement costs of HK\$1 million (December 31, 2024: HK\$2 million). Subsequent to December 31, 2025, full amount is repaid on January 30, 2026.

As at December 31, 2025, the net debt-to-equity ratio was 23,533 per cent (as at December 31, 2024: 13,912 per cent). The net debt is calculated from the aggregated amounts of borrowings of HK\$9,163 million less the aggregate of cash and cash equivalents of HK\$691 million.

The Group’s borrowings were denominated in US dollars, Hong Kong dollars and Japanese Yen while the cash and bank deposits were held mainly in US dollars and Hong Kong dollars. The Group has foreign operations, and certain of its net assets are exposed to the risk of foreign currency exchange rate fluctuations. As at December 31, 2025, the assets of the Group in Indonesia, Thailand and Japan represented 30 per cent, 10 per cent and 30 per cent of the Group’s total assets respectively. The Group’s currency exposure with respect to these operations is subject to fluctuations in the exchange rates of Indonesian Rupiah, Thai Baht and Japanese Yen.

Cash generated from operating activities for the year ended December 31, 2025 was HK\$132 million compared to cash used in operating activities of HK\$75 million in 2024.

Income tax

The Group’s income tax credit for the year ended December 31, 2025 was HK\$13 million, as compared to HK\$9 million in 2024.

Security on assets

As at December 31, 2025, certain assets of the Group with an aggregated carrying value of HK\$4,669 million were mortgaged and pledged to the banks as security for the loan facilities (December 31, 2024: HK\$7,765 million). Certain assets of disposal group held for sale with an aggregated carrying value of HK\$3,188 million were mortgaged and pledged to a bank as security for loan facilities included in the liabilities of disposal group held for sale.

Contingent liabilities

There was no contingent liabilities during the year ended December 31, 2025.

EMPLOYEES AND REMUNERATION POLICIES

As at December 31, 2025, the Group employed a total number of 1,466 staff in Hong Kong and overseas (inclusive of property management staff borne by owners' account and seasonal staff employed overseas) (2024: 1,403 staff). The remuneration policies of the Group are in line with prevailing industry practices. Bonuses are paid on a discretionary basis taking into account factors such as performance of individual employees and the Group's performance as a whole. The Group provides comprehensive employee benefits, including medical insurance, a choice of provident fund or mandatory provident fund and training programmes. The Group is also a participating member of the PCCW employee share incentive award schemes.

The Company operates a share option scheme which was adopted by its shareholders at the Company's annual general meeting held on May 14, 2025 ("2025 Scheme"). Under the 2025 Scheme, the Board shall be entitled to offer to grant share options to any eligible participant (including employee of the Group) whom the Board may, at its absolute discretion, select.

DIVIDENDS AND DISTRIBUTION

The Board did not recommend the payment of a final dividend to shareholders nor a final distribution to bonus convertible noteholders for the year ended December 31, 2025 (2024: Nil).

The Board did not declare an interim dividend to shareholders nor an interim distribution to bonus convertible noteholders for the year ended December 31, 2025 (2024: Nil).

CLOSURE OF REGISTER OF MEMBERS AND CLOSURE OF REGISTER OF NOTEHOLDERS

The register of members and the register of noteholders of bonus convertible notes of the Company will be closed from May 15, 2026 to May 20, 2026, both days inclusive, during which period no transfer of shares and bonus convertible notes of the Company will be effected.

- (a) In the case of shares of the Company, in order to be entitled to attend and vote at the forthcoming annual general meeting of the Company, all transfers, accompanied by the relevant share certificates, should be lodged with the Company's branch 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 p.m. on May 14, 2026; and
- (b) In the case of bonus convertible notes of the Company, in order to be entitled to attend and vote at the forthcoming annual general meeting of the Company, the notice of conversion accompanied by the relevant note certificate and payment of the necessary amount should be surrendered to and deposited with the Company's registrar in respect of the bonus convertible notes, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for conversion into shares of the Company no later than 4:30 p.m. on March 27, 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended December 31, 2025, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the listed securities of the Company.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the Group's audited consolidated financial statements for the year ended December 31, 2025 and held two meetings during the year.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance, the principles of which serve to uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business and to ensure that its affairs are conducted in accordance with applicable laws and regulations.

The Company has applied the principles and complied with all applicable code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the year ended December 31, 2025.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Company (www.pcpd.com) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The 2025 annual report will be despatched to shareholders of the Company and available on the above websites in due course.

OUTLOOK

The global economic environment is likely to stay complex and unpredictable in the months to come, possibly shaped by trade headwinds, ongoing conflicts and fluctuating interest-rate cycles. That said, Asia Pacific is expected to remain a bright spot and continue its strong upward trajectory.

PCPD will focus on sharpening the performance and long-term value creation of our Japan and Thailand operations, ensuring they remain among the key drivers of our growth. Across all our markets, we will execute focused sales and marketing programmes to strengthen partnerships and attract high-quality tenants, travellers and buyers. We will also actively explore new projects with sustainable growth potential.

In the long run, we remain cautiously optimistic about the long-term outlook for property sectors in Hong Kong, Japan, Thailand and Indonesia. With PCPD's disciplined execution and proactive risk management, we have confidence in our ability to drive continued growth and deliver sustained value to shareholders and stakeholders in 2026 and beyond.

By Order of the Board
Pacific Century Premium Developments Limited
Cheung Kwok Kuen Alan
General Counsel and Company Secretary

Hong Kong, February 9, 2026

As at the date of this announcement, the directors of the Company are as follows:

Executive Directors:

Li Tzar Kai, Richard; and Benjamin Lam Yu Yee (Deputy Chairman and Group Managing Director)

Non-Executive Director:

Dr Allan Zeman, GBM, GBS, JP

Independent Non-Executive Directors:

Prof Wong Yue Chim, Richard, SBS, JP (Independent Non-Executive Chairman); Chiang Yun; and Dr Vince Feng

* *For identification only*