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RH International Finance Limited
(Incorporated in the British Virgin Islands with limited liability)
(Stock Code: 5425)

PROFIT WARNING

This announcement is made by Regal Hotels International Holdings Limited (“**Regal**”, and together with its subsidiaries, the “**Group**”) and RH International Finance Limited (“**RH International**”) pursuant to Rule 13.09(2)(a) and Rule 37.47B(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong).

The board of directors of each of Regal and RH International wishes to inform the holders of the securities of Regal and RH International and potential investors that, based on the preliminary review by management of Regal of the unaudited consolidated management accounts of the Group for the six months ended 30th June, 2024 (the “**2024 Interim Period**”), it is expected that the Group will incur a net loss of approximately HK\$1,600 million for the 2024 Interim Period, as compared to the loss of HK\$762.6 million recorded for the comparable six months in 2023.

During the period under review, the Group’s hotel business in Hong Kong continued to operate steadily, with the profit contribution from the hotel business segment (before depreciation) expected to grow by more than 60% over the corresponding period in 2023. Overall gross profit from operations during this 6-month period is expected to amount to approximately HK\$311 million. However, due to the substantial outlay in finance costs on account of the relatively high level of interest rates still sustaining during the period, and the fair value loss on the Group’s investment holdings in Cosmopolitan International Holdings Limited (“**Cosmopolitan**”), a listed fellow subsidiary of Regal, as well as the depreciation charges on the Group’s hotel properties, the Group is expected to record an increased loss in the 2024 Interim Period, as compared with the preceding comparative period.

As mentioned before, the Group has held significant investments in Cosmopolitan since 2015 as part of its core strategic asset portfolio. These investment holdings in Cosmopolitan have all along been held as financial assets at fair value through profit or loss and, hence, the changes in their fair values were reflected in the Group's statements of profit or loss. Due to the decline in the market price of the Cosmopolitan shares, as compared to that prevailing as at 31st December, 2023, a fair value loss of approximately HK\$874 million in respect of the Group's investment holdings in Cosmopolitan would be included in the results under review.

Moreover, as the Group's hotel properties in Hong Kong are all owned and operated by subsidiaries of Regal, they are required to be subject to depreciation to conform to the applicable accounting standards. For the 2024 Interim Period, total depreciation charges on the Group's hotel portfolio in Hong Kong would amount to approximately HK\$291 million.

Although the fair value loss on the Group's investment holdings in Cosmopolitan as well as the depreciation charges on the Group's hotel properties have no immediate impact on the Group's cash flow, they have nevertheless adversely impacted the Group's financial results.

The expected interim net loss is based only on the unaudited consolidated management accounts of the Group for the 2024 Interim Period. The unaudited condensed consolidated financial statements of the Group for the 2024 Interim Period are still being finalised. The interim results announcement of the Group for the 2024 Interim Period will be published on 28th August, 2024.

Holders of the securities of Regal and RH International and potential investors are advised to exercise caution when dealing in the securities of Regal and RH International.

By order of the board of directors of
Regal Hotels International Holdings Limited
Eliza Lam Sau Fun
Secretary

By order of the board of directors of
RH International Finance Limited
Kenneth Ng Kwai Kai
Director

Hong Kong, 19th August, 2024

As at the date of this joint announcement, the board of directors of Regal comprises the following members:

Executive Directors:

Mr. LO Yuk Sui

(Chairman and Chief Executive Officer)

Miss LO Po Man

(Vice Chairman and Managing Director)

Mr. Kelvin LEUNG So Po

Mr. Jimmy LO Chun To

Mr. Kenneth NG Kwai Kai

Mr. Allen WAN Tze Wai

Non-Executive Directors:

Dr. Francis CHOI Chee Ming, GBS, JP

(Vice Chairman)

Ms. Belinda YEUNG Bik Yiu, JP

Independent Non-Executive Directors:

Ms. Alice KAN Lai Kuen

Professor Japhet Sebastian LAW

Ms. Winnie NG, JP

Mr. WONG Chi Keung

As at the date of this joint announcement, the board of directors of RH International comprises the following members:

Directors:

Mr. LO Yuk Sui

Mr. Jimmy LO Chun To

Miss LO Po Man

Mr. Kenneth NG Kwai Kai

Mr. Allen WAN Tze Wai