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

UPDATE ON FINANCIAL INFORMATION

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 on the unaudited consolidated management accounts of the Group for the year ended 31st December, 2022, it is expected that the Group will incur a net loss of approximately HK\$358 million for the year ended 31st December, 2022, as compared to the loss of HK\$494.4 million recorded for the preceding year.

The Group reported an unaudited consolidated profit of HK\$138.3 million in the six months ended 30th June, 2022, which was mainly attributable to the increased income derived from hotel operations, particularly from those six hotels within the Group’s hotel portfolio, including the new Regala Skycity Hotel that was opened for business in December 2021, which were operating as quarantine hotels or facilities during that period.

However, due to the rapid hike in the Hong Kong Interbank Offered Rates (HIBOR), the financial expenses incurred by the Group in the second half of 2022 had substantially increased. Moreover, because of the time required by the Group’s hotels to resume normal hotel operations after the formal closure of the quarantine scheme in late September 2022, the overall income of the Group’s hotels has also been affected. Consequently, the Group has reported a loss for the whole year of 2022 but the quantum has reduced as compared with 2021.

Operating profit before depreciation, finance costs and tax of the Group for the year under review amounted to approximately HK\$636 million. Total depreciation charges on the Group's hotel properties in Hong Kong for the year amounted to approximately HK\$598 million, including an amount of approximately HK\$121 million on the new Regala Skycity Hotel. Although these depreciation charges do not have any immediate impact on the Group's cash flow, they have nevertheless adversely affected the Group's financial results. If the Group's hotel properties were instead to be stated in the Group's consolidated financial statements at their fair values, with no depreciation charges required, the Group would have reported a profit for the year under review.

The estimated net loss is only based on the unaudited consolidated management accounts of the Group for the year ended 31st December, 2022. The audited consolidated financial statements of the Group for the year ended 31st December, 2022 are still being finalised. The final results announcement of the Group for the year ended 31st December, 2022 will be published on 27th March, 2023.

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, 20th March, 2023

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)

Ms. Belinda YEUNG Bik Yiu, JP

(Chief Operating Officer)

Mr. Jimmy LO Chun To

Mr. Kenneth NG Kwai Kai

Mr. Allen WAN Tze Wai

Non-Executive Director:

Dr. Francis CHOI Chee Ming, GBS, JP

(Vice Chairman)

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

Ms. Belinda YEUNG Bik Yiu, JP