

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint 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 joint announcement.



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) 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 six months ended 30th June, 2023 (the “**2023 Interim Period**”), it is expected that the Group will incur a net loss of approximately HK\$763 million for the 2023 Interim Period, while for the comparable six months in 2022, an attributable profit of HK\$138.3 million was attained.

The loss recorded for the 2023 Interim Period was mainly attributable to the substantial increase in the finance costs due to the rapid hike in the interest rates in Hong Kong, the fair value losses incurred on the Group’s financial assets as well as the depreciation charges on the Group’s hotel properties.

Although the business operations of the Group’s hotels in Hong Kong have been steadily improving after the full reopening of the borders with Mainland China and the lifting of all anti-pandemic measures early this year, the overall revenues generated from the Group’s hotel operations for the 2023 Interim Period were still much lower than the level attained in the comparative period in 2022, primarily due to the different revenue structure when six of the Group’s hotels were then operating as quarantine hotels or facilities under the quarantine schemes of the Hong Kong Government. This has also attributed to the relatively unsatisfactory results recorded for the half year under review, as compared to those in the preceding interim period.

Moreover, as the Group's hotel properties in Hong Kong are all owned and self-operated by subsidiaries of the Company, they are subject to depreciation charges to conform to the applicable accounting standards. Total depreciation charges on the Group's hotel portfolio in Hong Kong for the 2023 Interim Period amounted to approximately HK\$299 million which, although not affecting cash flow, have nonetheless adversely impacted the interim results.

As supplementary information on the results of the Group based on its core business operations, on the basis that the fair value changes related to investment properties and financial assets and the depreciation charges, all being non-cash items, are excluded, the Group would have stated a net loss of approximately HK\$234 million for the 2023 Interim Period.

The expected interim net loss is only based on the unaudited consolidated management accounts of the Group for the 2023 Interim Period. The unaudited condensed consolidated financial statements of the Group for the 2023 Interim Period are still being finalised. The interim results announcement of the Group for the 2023 Interim Period will be published on 25th August, 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, 18th August, 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