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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 year ended 31st December, 2023, it is expected that the Group will incur a net loss of approximately HK\$1,792 million for the year ended 31st December, 2023, as compared to the loss of HK\$358.3 million recorded for the preceding year.

Although the Group expects to attain a gross profit from operations of approximately HK\$652 million for the year under review, the anticipated increased loss was mainly due to the substantial increase in finance costs on account of the rapid hike in the interest rates in Hong Kong, especially in the second half of 2023, the fair value losses on financial assets as well as the depreciation charges on the Group’s hotel properties.

Most of the fair value losses on financial assets incurred for the year was related to the Group’s investments in Cosmopolitan International Holdings Limited (“**Cosmopolitan**”), a listed fellow subsidiary of the Company that primarily engages in real estate development businesses in China. The Group has held significant investments in Cosmopolitan since 2015 as part of its core strategic asset portfolio. The related holdings in the shares of Cosmopolitan have all along been held as financial assets at fair value through profit or loss and the fluctuations in their fair value reflected in the Group’s consolidated statements of profit or loss in prior years. Due to the decline in the market price of the Cosmopolitan shares as at 31st December, 2023, as compared to that prevailing as of the preceding year end date, a fair

value loss on the Group's investment holdings (comprising ordinary shares and bonus convertible notes) in Cosmopolitan in the amount of approximately HK\$771 million would be included in the results of the Group for the year under review. This fair value loss merely reflected the effects of the downward fluctuation in the market price of the Cosmopolitan shares as at the last balance sheet date and has no actual impact on the Group's cash flow.

As mentioned before, as the Group's hotel properties in Hong Kong are all owned and self-operated by subsidiaries of the Company and are, therefore, required to be 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 year under review amounted to approximately HK\$594 million, including an amount of approximately HK\$123 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.

The estimated net loss is based only on the unaudited consolidated management accounts of the Group for the year ended 31st December, 2023. The audited consolidated financial statements of the Group for the year ended 31st December, 2023 are still being finalised. The final results announcement of the Group for the year ended 31st December, 2023 will be published on 27th March, 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, 20th March, 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)*

Ms. Belinda YEUNG Bik Yiu, JP

*(Chief Operating Officer)*

Mr. Kelvin LEUNG So Po

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