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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in **Regal Hotels International Holdings Limited**, you should at once hand this circular to the purchaser(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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MAJOR TRANSACTION
DISPOSAL OF SUBSIDIARIES OWNING REGAL ORIENTAL HOTEL

Capitalised terms used in the lower portion of this cover page shall have the respective meanings as those defined in the section headed “DEFINITIONS” in this circular.

A letter from the board of directors of Regal is set out on pages 1 to 18 of this circular.

The Transaction has been approved by written shareholders’ approval pursuant to Rule 14.44 of the Listing Rules in lieu of a general meeting of Regal. This circular is despatched to the Regal Shareholders for information purpose only.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following words and expressions have the following meanings:

“Agreed Discount”	HK\$129,000,000, being the difference between the Appraised Value as at 31 December 2025 and the Agreed Property Value
“Agreed Property Value”	HK\$1,518,000,000, being the value which the Vendor and the Purchaser agreed to be attributed to Regal Oriental Hotel in determining the Total Consideration
“Appraised Value”	HK\$1,647,000,000, being the value of Regal Oriental Hotel as at 31 December 2025 as appraised by the Independent Valuer
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audited Completion Accounts”	the consolidated financial statements of the Target Group presenting the financial position of the Target Group as at Completion (but, for the avoidance of doubt, before repayment of the Rich Day Loan) as prepared, audited by the Auditors in accordance with the Preliminary SP Agreement
“Auditors”	Ernst & Young
“Bank Consent”	the consent of the Existing Lender Agent and other lenders under the Existing Facilities for the Transaction to proceed
“Business Days”	a day other than a Saturday, Sunday or public holiday on which banks generally are open in Hong Kong for the transaction of general banking business
“BVI”	the British Virgin Islands
“Centaline”	Centaline Strategic Investments Limited
“Century City”	Century City International Holdings Limited, a company incorporated in Bermuda, the issued ordinary shares of which are listed on the main board of the Stock Exchange (Stock Code: 355)
“Completion”	completion of the Transaction
“Completion Accounts”	the audited consolidated financial statements of the Target Group presenting the financial position of the Target Group as at Completion (but, for the avoidance of doubt, before repayment of the Rich Day Loan), as prepared, audited and determined or agreed in accordance with the Preliminary SP Agreement

DEFINITIONS

“Completion Date”	30 April 2026, being the date on which Completion took place
“Completion Payment”	an amount equal to the balance of the Total Consideration (before adjustment for the True-up Amount) after deducting the Deposit, payable by the Purchaser to the Existing Lender Agent and/or the Vendor or the Vendor’s solicitors at Completion
“Conditions”	the conditions precedent to the Completion pursuant to the Preliminary SP Agreement, as further described in the Letter from the Board of Directors of Regal under the section headed “PRELIMINARY SP AGREEMENT — Conditions Precedent” in this circular
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Cosmopolitan”	Cosmopolitan International Holdings Limited, a company incorporated in the Cayman Islands, the issued ordinary shares of which are listed on the main board of the Stock Exchange (Stock Code: 120)
“Deposit”	the total deposit in the sum of HK\$151,800,000 paid by the Purchaser to the Vendor’s solicitors pursuant to the Preliminary SP Agreement
“Deposited Property”	all the assets of Regal REIT
“Excluded Property”	the property which is described as all those 41 equal and undivided 180th parts or shares of and in all that piece or parcel of ground registered in the Land Registry as NEW KOWLOON INLAND LOT NO. 4917 and of and in the messuages erections and buildings erected thereon known as PO SING COURT (comprising Shops Nos. 3 to 11 on the Ground Floor and the whole of the First Floor)
“Existing Facilities”	certain general banking facilities granted by the Existing Lender Agent and other lenders to Bauhinia Hotels Limited (a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Regal REIT) and Rich Day from time to time
“Existing Lender Agent”	the bank that acts as agent and security trustee for the lenders under the Existing Facilities
“Existing Lessee”	Favour Link International Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Regal

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“Formal Agreement”	the formal sale and purchase agreement between, inter alia, the Vendor and the Purchaser in respect of the Transaction
“Guarantor”	DB Trustees (Hong Kong) Limited, in its capacity as trustee for and on behalf of Regal REIT
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hotel Licence”	the hotel licence no. H/5278 in respect of Regal Oriental Hotel granted by the Hotel and Guesthouse Accommodation Authority in favour of the Target Subsidiary dated 13 July 2024
“Independent Valuer”	Knight Frank Petty Limited, an independent property valuer and the principal valuer of Regal REIT
“Initial Deposit”	an initial deposit in the sum of HK\$50,000,000 paid by the Purchaser to the Vendor’s solicitors pursuant to the Preliminary SP Agreement
“Internal Reorganisation”	the transfer and assignment of the Excluded Property by the Target Subsidiary to another subsidiary or fellow subsidiary of the Vendor at consideration no less than the market value of the Excluded Property on or before the Completion Date, as further described in the Letter from the Board of Directors of Regal under the section headed “PRELIMINARY SP AGREEMENT — Excluded Property” in this circular
“Latest Practicable Date”	29 May 2026, being the latest practicable date for ascertaining certain information in this circular before the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Assignment”	the assignment of the benefit of the Sale Loan from the Vendor to the Purchaser at the Sale Loan Consideration pursuant to the Preliminary SP Agreement
“New Purchaser”	Goldenridge Worldwide Limited, a company incorporated in the BVI
“Novation Date”	23 April 2026, the date on which the novation under the Novation Deed took effect

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“Novation Deed”	the novation deed relating to the Preliminary SP Agreement dated 24 April 2026 and entered into between the Vendor, Rich Day, the Purchaser, the New Purchaser and the Guarantor (in its capacity as trustee of Regal REIT)
“P&R”	P&R Holdings Limited, a company owned as to 50% by a wholly-owned subsidiary of Paliburg and 50% by a wholly-owned subsidiary of Regal
“Paliburg”	Paliburg Holdings Limited, a company incorporated in Bermuda, the issued ordinary shares of which are listed on the main board of the Stock Exchange (Stock Code: 617)
“percentage ratios”	the percentage ratios calculated based on the requirements under Rule 14.07 of the Listing Rules
“Preliminary SP Agreement”	the preliminary agreement relating to the Transaction dated 20 March 2026 and entered into between the Vendor, Rich Day, the Purchaser and the Guarantor (in its capacity as trustee of Regal REIT)
“Pro Forma Completion Accounts”	the pro forma consolidated financial statements of the Target Group presenting the financial position of the Target Group as at Completion (but, for the avoidance of doubt, before repayment of the Rich Day Loan) as prepared and agreed in accordance with the Preliminary SP Agreement
“Purchaser”	Blue Sky Properties Limited, a company incorporated under the laws of Hong Kong with limited liability
“Regal”	Regal Hotels International Holdings Limited, a company incorporated in Bermuda, the issued ordinary shares of which are listed on the main board of the Stock Exchange (Stock Code: 78)
“Regal Directors”	directors of Regal
“Regal Group”	Regal and its subsidiaries
“Regal Oriental Hotel”	the property which is described as all that piece or parcel of ground registered in the Land Registry as NEW KOWLOON INLAND LOT NO.5754 together with the messuages erections and buildings thereon now known as REGAL ORIENTAL HOTEL and together with all subsisting rights and rights of way
“Regal Share(s)”	ordinary share(s) of par value of HK\$0.1 each in the capital of Regal
“Regal Shareholder(s)”	holder(s) of Regal Share(s)

DEFINITIONS

“Regal REIT”	Regal Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO (Stock Code: 1881)
“Regal REIT Group”	Regal REIT and its subsidiaries
“REIT Manager”	Regal Portfolio Management Limited, in its capacity as the manager of Regal REIT, an indirect wholly-owned subsidiary of Regal
“Rich Day”	Rich Day Investments Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Regal REIT
“Rich Day Loan”	the loan owing from the Target Subsidiary to Rich Day as at Completion
“ROFR Interests”	all or part of the issued shares of the Target Company or the Target Subsidiary, or Regal Oriental Hotel in respect of which the Purchaser has granted to the Vendor a right of first refusal
“Sale Loan”	the loan owing from the Target Subsidiary to the Vendor as at Completion
“Sale Loan Consideration”	the consideration payable for the Loan Assignment, which shall equal to the total amount of Sale Loan as at Completion to be assigned by the Vendor to the Purchaser on a dollar-for-dollar basis
“Sale Share”	one (1) issued ordinary share in the capital of the Target Company, being the only issued share of the Target Company
“Sale Share Consideration”	the consideration payable for the Sale Share, which shall equal to (a) the Target Group Fair Value minus (b) the Agreed Discount
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented and/or otherwise modified from time to time
“Share Sale”	the sale of the Sale Share by the Vendor to the Purchaser at the Sale Share Consideration pursuant to the Preliminary SP Agreement
“sq. m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Target Company”	Chasehill Limited, a company incorporated in the BVI
“Target Group”	collectively, the Target Company and the Target Subsidiary
“Target Group Fair Value”	<p>an amount equal to:</p> <p>(a) the total consolidated assets of the Target Group which (apart from the value of Regal Oriental Hotel) are readily convertible into cash or cash equivalents, including: (i) deposits and/or prepayments for utilities, Government rent, rates and other outgoings (if any) in respect of Regal Oriental Hotel; (ii) cash; (iii) the value of Regal Oriental Hotel being the Appraised Value; and (iv) any unamortised payment of insurance premium (unless the Vendor is notified that the Purchaser will take out its own insurance policy);</p> <p><u>minus</u></p> <p>(b) the total consolidated liabilities including provisions of the Target Group, including any and all the liabilities in respect of the Sale Loan, the Rich Day Loan and all accounts payable, other payables and accruals,</p> <p>with adjustments to:</p> <p>(A) exclude the value of the Excluded Property (being HK\$120 million) and any and all assets and liabilities in relation thereto;</p> <p>(B) exclude gross deferred tax assets (if any) and gross deferred tax liabilities (if any) of the Target Group;</p> <p>(C) exclude any costs and expenses incurred by the Target Group relating to the conversion of Regal Oriental Hotel for operation as a student hostel (details of which are set out in the Letter from the Board of Directors of Regal under the section headed “PRELIMINARY SP AGREEMENT — Student hostel conversion” in this circular),</p> <p>as at Completion as determined by reference to Pro Forma Completion Accounts and subject to adjustment for the True-up Amount</p>
“Target Subsidiary”	Gala Hotels Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Target Company
“Total Consideration”	the aggregate of the Sale Share Consideration and the Sale Loan Consideration

DEFINITIONS

“Transaction”	the Share Sale and the Loan Assignment pursuant to the Preliminary SP Agreement
“True-up Amount”	an amount representing the difference between the Target Group Fair Value (as determined by reference to the Completion Accounts) and the Target Group Fair Value (as determined by reference to the Pro Forma Completion Accounts)
“Trust Deed”	the trust deed constituting Regal REIT dated 11 December 2006 (as amended and restated by a second amending and restating deed dated 31 January 2024), entered into between the Guarantor and the REIT Manager, as amended, supplemented and/or otherwise modified from time to time
“Valuation”	the valuation of Regal Oriental Hotel based on the Valuation Report
“Valuation Report”	valuation report in respect of Regal Oriental Hotel issued by the Independent Valuer, the full text of which is set out in Appendix II to this circular
“Vendor”	R-REIT Asset Holdings (Oriental) Limited, a company incorporated in the BVI and a wholly-owned subsidiary of Regal REIT
“%”	per cent or percentage

LETTER FROM THE BOARD OF DIRECTORS OF REGAL



Executive Directors:

Mr. LO Yuk Sui

(Chairman and Chief Executive Officer)

Ms. LO Po Man

(Vice Chairman and Managing Director)

Mr. Kelvin LEUNG So Po

Mr. Jimmy LO Chun To

Mr. Kenneth NG Kwai Kai

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

Registered office:

Clarendon House

2 Church Street

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Bermuda

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20th Floor, 68 Yee Wo Street

Causeway Bay

Hong Kong

4 June 2026

To the Regal Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
DISPOSAL OF SUBSIDIARIES OWNING REGAL ORIENTAL HOTEL**

INTRODUCTION

Reference is made to the announcement dated 22 March 2026 jointly published by Century City, Paliburg and Regal in which it was announced that on 20 March 2026, the Vendor and Rich Day (wholly-owned subsidiaries of Regal REIT), the Guarantor (in its capacity as the trustee of Regal REIT) (as guarantor) and the Purchaser entered into the Preliminary SP Agreement, pursuant to which: (a) the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the sole issued share of the Target Company for the Sale Share Consideration; and (b) the Vendor has agreed to assign, and the Purchaser has agreed to take up the assignment of, the Sale Loan for the Sale Loan Consideration, based on the Agreed Property Value of Regal Oriental Hotel at HK\$1,518 million, subject to the Conditions being satisfied or waived.

LETTER FROM THE BOARD OF DIRECTORS OF REGAL

As disclosed in the announcement dated 24 April 2026 jointly published by Century City, Paliburg and Regal, pursuant to the Preliminary SP Agreement, on 24 April 2026, the Vendor, Rich Day, the Purchaser, the New Purchaser and the Guarantor (in its capacity as trustee of Regal REIT) entered into the Novation Deed, pursuant to which, with effect from and including the Novation Date, the Purchaser has transferred and assigned, and the New Purchaser has assumed, all rights, interests, benefits, obligations, liabilities and duties of the Purchaser under the Preliminary SP Agreement, and the Purchaser has been released and discharged from the Preliminary SP Agreement. The New Purchaser has undertaken to perform the Purchaser's obligations, liabilities and duties under the Preliminary SP Agreement and to be bound by the terms thereof as if it were an original party to the Preliminary SP Agreement in place of the Purchaser.

As disclosed in the announcement dated 30 April 2026 jointly published by Century City, Paliburg and Regal, Completion took place on 30 April 2026 following the satisfaction of all the Conditions under the Preliminary SP Agreement. Upon Completion, the Target Company and the Target Subsidiary ceased to be subsidiaries of Regal, and the financial results of the Target Group are no longer consolidated into the consolidated financial statements of Regal.

The purposes of this circular are to provide the Regal Shareholders with, among other things, (i) further information of the Preliminary SP Agreement, the Novation Deed and the Transaction and (ii) other information in accordance with the requirements of the Listing Rules, for information purpose only.

PRELIMINARY SP AGREEMENT

On 20 March 2026 (after trading hours), the Vendor and Rich Day (wholly-owned subsidiaries of Regal REIT), the Guarantor (in its capacity as the trustee of Regal REIT) (as guarantor) and the Purchaser entered into the Preliminary SP Agreement, pursuant to which: (a) the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the sole issued share of the Target Company for the Sale Share Consideration; and (b) the Vendor has agreed to assign, and the Purchaser has agreed to take up the assignment of, the Sale Loan for the Sale Loan Consideration, based on the Agreed Property Value of Regal Oriental Hotel at HK\$1,518 million, subject to the Conditions being satisfied or waived.

Immediately before the Completion which took place on 30 April 2026, the Target Company was an indirect wholly-owned subsidiary of Regal REIT held through the Vendor, and wholly owned the Target Subsidiary, which in turn was the sole registered legal and beneficial owner of Regal Oriental Hotel and certain floor areas of Po Sing Court (such areas being the Excluded Property) nearby Regal Oriental Hotel. Following Completion, Regal REIT ceased to have any interest in Regal Oriental Hotel, but retained its interest in the Excluded Property which has been transferred and assigned to another subsidiary of the Vendor before Completion and continue to be leased to the Existing Lessee under a new tenancy agreement.

LETTER FROM THE BOARD OF DIRECTORS OF REGAL

The principal terms of the Preliminary SP Agreement are set out below:

Date	20 March 2026
Parties	<ol style="list-style-type: none">(1) R-REIT Asset Holdings (Oriental) Limited (as vendor)(2) Rich Day Investments Limited(3) Blue Sky Properties Limited (as purchaser)(4) DB Trustees (Hong Kong) Limited (in its capacity as the trustee of Regal REIT) (as guarantor)
Subject matter	<p>The Transaction comprises (a) the sale of the Sale Share (representing the only issued share of the Target Company, which wholly owns the Target Subsidiary, which in turn is the sole registered legal and beneficial owner of Regal Oriental Hotel) by the Vendor to the Purchaser at the Sale Share Consideration; and (b) the assignment of the benefit of the Sale Loan from the Vendor to the Purchaser at the Sale Loan Consideration.</p> <p>For further information on the Target Group and Regal Oriental Hotel, please refer to the section headed “INFORMATION ON THE TARGET GROUP AND REGAL ORIENTAL HOTEL” below.</p>
Total Consideration	<p>The Total Consideration shall be the sum of: (a) the Sale Share Consideration and (b) the Sale Loan Consideration.</p> <p>Based on the Pro Forma Completion Accounts, the Total Consideration (before adjustment for the True-up Amount) was HK\$770,370,000, comprising the Sale Share Consideration (before adjustment for the True-up Amount) and the Sale Loan Consideration, each as detailed under “Sale Share Consideration” and “Sale Loan Consideration” below. The Total Consideration was determined after arm’s length negotiations between the Vendor and the Purchaser.</p>
Sale Share Consideration	<p>The Sale Share Consideration shall equal to (a) the Target Group Fair Value <u>minus</u> (b) the Agreed Discount.</p> <p>Based on the Pro Forma Completion Accounts, the Sale Share Consideration (before adjustment for the True-up Amount) was HK\$628,193,912, representing the balance of the Target Group Fair Value of HK\$757,193,912 after deducting the Agreed Discount of HK\$129,000,000.</p>

LETTER FROM THE BOARD OF DIRECTORS OF REGAL

The Agreed Discount (being HK\$129 million) represents the difference between: (i) the Appraised Value of Regal Oriental Hotel as at 31 December 2025 (being HK\$1,647 million); and (ii) the Agreed Property Value (being HK\$1,518 million), based on arm's length negotiations.

The Agreed Property Value of HK\$1,518 million was determined after arm's length negotiation among the Vendor and the Purchaser, with reference to, among other things, the Appraised Value of Regal Oriental Hotel of HK\$1,647 million as at 31 December 2025 as assessed by the Independent Valuer (being the principal valuer of Regal REIT).

Sale Loan Consideration

The Sale Loan Consideration shall equal to the total amount of Sale Loan as at Completion to be assigned by the Vendor to the Purchaser on a dollar-for-dollar basis.

Based on the Pro Forma Completion Accounts, the Sale Loan Consideration was HK\$142,176,088, being the total amount of the Sale Loan outstanding as at Completion.

Payment of Total Consideration

The Total Consideration shall be settled and paid in the following manner:

- (a) the Initial Deposit in the sum of HK\$50,000,000 was paid by the Purchaser to the Vendor's solicitors as stakeholders on the date of the Preliminary SP Agreement;
- (b) a further deposit in the sum of HK\$101,800,000 (which, together with the Initial Deposit, shall represent 10% of the Agreed Property Value) shall be paid by the Purchaser to the Vendor's solicitors as stakeholders on or before the earlier of (i) 2 April 2026 or (ii) upon execution of the Formal Agreement;
- (c) the Completion Payment, being an amount equal to the balance of the Total Consideration (before adjustment for the True-up Amount) after deducting the Deposit paid, shall be paid by the Purchaser to the Existing Lender Agent and/or the Vendor or the Vendor's solicitors at Completion; and

LETTER FROM THE BOARD OF DIRECTORS OF REGAL

(d) an amount representing the True-up Amount shall be paid by the Purchaser or repaid by the Vendor (as the case may be) within five Business Days after the agreement or determination of the Completion Accounts.

On 2 April 2026, the Purchaser paid to the Vendor's solicitors as stakeholders the further deposit in the sum of HK\$101,800,000.

On 30 April 2026 (being the Completion Date), the Completion Payment of HK\$618,570,000 was paid by the New Purchaser directly to the Existing Lender Agent.

Completion Accounts

The Pro Forma Completion Accounts shall be delivered no later than five Business Days before the Completion Date and agreed between the Purchaser and the Vendor at least three Business Days before the Completion Date.

Within 40 Business Days after the Completion Date, the Vendor shall procure that the Audited Completion Accounts be delivered to the Purchaser for review. If neither the Purchaser nor the Vendor notifies the Auditors of any issue with the Audited Completion Accounts, the Audited Completion Accounts shall constitute the Completion Accounts. Conversely, if any party disagrees with the Audited Completion Accounts, it may, within 10 Business Days of the delivery of such accounts, request the Auditors to review, and the Auditors shall within 15 Business Days thereafter determine the Completion Accounts.

As at the Latest Practicable Date, the Completion Accounts was yet to be agreed or determined and accordingly, the True-up Amount has not been ascertained.

Repayment of Rich Day Loan

As a Completion obligation, the Purchaser shall pay directly to the Existing Lender Agent a sum equal to the amount outstanding under the Rich Day Loan as at the Completion Date as full repayment of the Rich Day Loan by the Target Subsidiary to Rich Day. The repayment of Rich Day Loan by the Purchaser does not form part of the Total Consideration.

Based on the Pro Forma Completion Accounts, the amount outstanding under the Rich Day Loan as at the Completion Date was HK\$747,630,000.

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On 30 April 2026 (being the Completion Date), an amount of HK\$747,630,000 was paid by the New Purchaser directly to the Existing Lender Agent as full repayment of the Rich Day Loan by the Target Subsidiary to Rich Day.

Conditions precedent

Completion is conditional upon the following conditions being satisfied (or waived by the Purchaser, save for Condition (g) below which cannot be waived) on the Completion Date:

- (a) the Target Subsidiary being able to show and give good title to Regal Oriental Hotel in accordance with the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong);
- (b) the Purchaser having undertaken a due diligence review of each member of the Target Group and having not discovered any breach of warranties or indemnity claim(s) which may result in claim(s) amounting in aggregate of more than or equal to HK\$60,720,000;
- (c) the fundamental warranties remaining true, accurate and not misleading in all respects before and on the Completion Date, and all other warranties remaining true, accurate and not misleading in all material respects before and on the Completion Date such that there being no claim(s) amounting in aggregate of more than or equal to HK\$60,720,000;
- (d) the Hotel Licence remaining to be held by the Target Subsidiary and valid, effective and subsisting up to and on the Completion Date, and none of the Vendor or any member of the Target Group having received any notice suggesting its revocation;
- (e) the Excluded Property having been transferred and assigned by the Target Subsidiary to another subsidiary or fellow subsidiary of the Vendor with consideration at no less than its market value having been fully settled;

LETTER FROM THE BOARD OF DIRECTORS OF REGAL

- (f) no major part (representing 10% or more of the total gross floor area) of Regal Oriental Hotel having been destroyed by natural disaster, fire, explosion or other calamity or having been, for any reason, condemned, closed or declared dangerous by any government authority, damaged or subject to demolition order(s) or closure order(s) issued under the Buildings Ordinance (Cap.123 of the Laws of Hong Kong) or the Demolished Buildings (Re-development of Sites) Ordinance (Cap.337 of the Laws of Hong Kong); and
- (g) approval having been obtained for the Preliminary SP Agreement and the transaction contemplated thereunder from the shareholders of Century City and Regal in accordance with the Listing Rules.

The Vendor shall use all reasonable endeavours to procure the satisfaction of Conditions (a), (c) to (g), and obtain the Bank Consent, in each case, on or before the Completion Date.

All the Conditions were satisfied and Completion took place on 30 April 2026.

Completion

Completion will take place at the office of the Vendor's solicitors firm in Hong Kong (or at such other place as the Vendor and the Purchaser may agree in writing) on the Completion Date, which is expected to be 30 April 2026 (or such other date as the Vendor and the Purchaser may agree in writing).

Completion took place on 30 April 2026. At Completion, Regal Oriental Hotel was delivered to the New Purchaser on an "as is" basis with vacant possession.

Excluded Property

As soon as reasonably practicable following the execution of the Preliminary SP Agreement and before the Completion Date, the Vendor shall procure the completion of the Internal Reorganisation, i.e. the Excluded Property being transferred and assigned by the Target Subsidiary to another subsidiary or fellow subsidiary of the Vendor at consideration no less than the market value of the Excluded Property. The Vendor has undertaken to indemnify the Purchaser in respect of any and all losses which may be incurred arising out of or in connection with the Excluded Property, including any obligation or liability of the Target Company or Target Subsidiary relating thereto and the Internal Reorganisation.

LETTER FROM THE BOARD OF DIRECTORS OF REGAL

The Internal Reorganisation was completed immediately before the Completion on 30 April 2026.

Formal Agreement

The Vendor and the Purchaser shall negotiate in good faith and use all reasonable endeavours to agree and enter into the Formal Agreement on or before the Completion Date, which shall reflect the principal terms contained in the Preliminary SP Agreement and incorporate such other terms as may be agreed between the parties to the Preliminary SP Agreement which are customary to transactions similar to the one contemplated in the Preliminary SP Agreement.

In the event that the Vendor and the Purchaser fail to reach agreement on the terms of the Formal Agreement on or before the Completion Date or in the event it is mutually agreed that there is no need to enter into the Formal Agreement on or before the Completion Date, the Preliminary SP Agreement shall remain in full force and effect.

The Purchaser and the Vendor agreed that no Formal Agreement would be entered into on or before the Completion Date. Accordingly, the Preliminary SP Agreement shall remain in full force and effect (save to the extent amended and/or supplemented by the Novation Deed).

Right of first refusal

The Purchaser has granted to the Vendor a right of first refusal with respect to the ROFR Interests, being all or part of the issued shares of the Target Company or the Target Subsidiary, or Regal Oriental Hotel, for a period of two years following the Completion Date. If the Purchaser, the Target Company or the Target Subsidiary receives an offer from any third party purchaser to purchase the ROFR Interests, the Purchaser shall first offer the same to the Vendor at such price and on such terms as offered by the third party purchaser. The Vendor may elect, by notice in writing within ten Business Days, to purchase or enter into the definitive agreement to purchase all such ROFR Interests.

Regal will comply with the relevant requirements under Chapters 14 and/or 14A of the Listing Rules upon the exercise by the Vendor of the right of first refusal to purchase or enter into the definitive agreement to purchase such ROFR Interests.

LETTER FROM THE BOARD OF DIRECTORS OF REGAL

Representations, warranties, undertakings, covenant and indemnities	The Preliminary SP Agreement contains certain customary representations, warranties and undertakings in respect of, among other things, the Vendor, the Target Company, the Sale Share, the Sale Loan and Regal Oriental Hotel, as well as customary indemnities (including tax indemnity) and tax covenant, all of which are given by the Vendor and are customary terms for transactions of this nature and scale.
Guarantee by the Guarantor	The Guarantor has agreed to guarantee, in its capacity as trustee of Regal REIT, the performance of the Vendor's and Rich Day's obligations, and to pay, on demand, any sum which the Vendor and/or Rich Day fail(s) to pay to the Purchaser, in accordance with the Preliminary SP Agreement, the Formal Agreement and such other documents referred to therein, subject to recourse in respect of any claim against the Guarantor being limited to and be satisfied out of the Deposited Property.
Limitation of liabilities	<p>The maximum aggregate liability of the Vendor, Rich Day and the Guarantor in respect of all claims made by the Purchaser pursuant to the Preliminary SP Agreement shall not exceed an amount equal to the Agreed Property Value. In addition, the Vendor, Rich Day and the Guarantor shall only be liable in respect of any individual claim under the warranties if the amount finally adjudicated or agreed as payable in respect of such claim exceeds HK\$100,000, in which case the Vendor, Rich Day and the Guarantor shall be liable for the whole amount.</p> <p>No claim shall be brought by the Purchaser under the warranties unless the relevant notice of the claim is given not later than: (i) the seventh anniversary of the Completion Date, in respect of any claim arising from a matter relating to taxation; or (ii) the last day of the period of 30 months following the Completion Date, in respect of any claim relating to a matter other than taxation.</p> <p>Neither the Vendor nor the Guarantor shall be under any liability under the tax indemnity to the extent that specific provision has been made for such taxation in the Completion Accounts, or that such claim arises as a result of any retrospective change in the law or practice coming into force after the Completion Date.</p> <p>The liability caps and limitation periods were agreed between the Vendor and the Purchaser through arm's length negotiation.</p>

LETTER FROM THE BOARD OF DIRECTORS OF REGAL

Student hostel conversion

As soon as reasonably practicable following the execution of the Preliminary SP Agreement, the Target Subsidiary shall authorise the Purchaser (in the name and on behalf of the Target Subsidiary) to take actions to prepare and submit applications to relevant government authorities in connection with the proposed conversion of Regal Oriental Hotel for operation as a student hostel. All costs and expenses for such applications and assistance shall be solely borne by the Purchaser, and the Purchaser shall indemnify the Vendor against all losses in connection with the provision of such assistance.

Termination

The Preliminary SP Agreement may be terminated if:

- (a) any of the Conditions has not been satisfied or waived on or before the Completion Date (or such other date as postponed in accordance with the Preliminary SP Agreement);
- (b) the Bank Consent is not obtained on or before the Completion Date (or such other date as postponed in accordance with the Preliminary SP Agreement);
- (c) the sale contemplated under the Preliminary SP Agreement is annulled by the Vendor in accordance with the terms of the Preliminary SP Agreement;
- (d) either the Vendor or the Purchaser fails to comply with the Completion obligations on the Completion Date (or such other date as postponed in accordance with the Preliminary SP Agreement); or
- (e) the Purchaser has identified any warranty to be untrue, inaccurate, incomplete or misleading, or any claims against the indemnities under the Preliminary SP Agreement, which may result in claims amounting in aggregate of more than or equal to HK\$60,720,000.

LETTER FROM THE BOARD OF DIRECTORS OF REGAL

If the Preliminary SP Agreement is terminated, then the Vendor shall immediately upon demand by the Purchaser return the Deposit without any interest, compensation or cost, unless where any party breaches any of the Completion obligations in which case: (a) (if the Vendor is the breaching party) the Purchaser is entitled to demand the return of the Deposit and claim against the Vendor for all loss, damages, costs and expenses incurred by the Purchaser as a result; or (b) (if the Purchaser is the breaching party) the Vendor is entitled to forfeit the Deposit as liquidated damages and claim against the Purchaser for all loss, damages, costs and expenses incurred by the Vendor as a result.

As Completion took place on 30 April 2026, this termination clause under the Preliminary SP Agreement is no longer applicable.

NOVATION DEED

Pursuant to the Preliminary SP Agreement, the Purchaser designated the New Purchaser to, among others, acquire the Sale Share and take the assignment of the benefit of the Sale Loan in place of the Purchaser, and on 24 April 2026, the Vendor, Rich Day, the Purchaser, the New Purchaser and the Guarantor (in its capacity as trustee of Regal REIT) entered into the Novation Deed in relation to the Preliminary SP Agreement.

Pursuant to the Novation Deed and with effect from and including the Novation Date, the Purchaser has transferred and assigned, and the New Purchaser has assumed, all rights, interests, benefits, obligations, liabilities and duties of the Purchaser under the Preliminary SP Agreement, and the Purchaser has been released and discharged from the Preliminary SP Agreement. The New Purchaser has undertaken to perform the Purchaser's obligations, liabilities and duties under the Preliminary SP Agreement and to be bound by the terms thereof as if it were an original party to the Preliminary SP Agreement in place of the Purchaser.

The Novation Deed does not affect or prejudice any rights, liabilities, claims or demands of any party arising out of or in connection with the Preliminary SP Agreement in respect of matters occurring prior to the Novation Date.

Save as disclosed above, the Preliminary SP Agreement remains in full force and effect, and all other principal terms of the Transaction as set out above remain unchanged.

LETTER FROM THE BOARD OF DIRECTORS OF REGAL

AGREED PROPERTY VALUE

The Agreed Property Value of HK\$1,518 million was determined after arm's length negotiation among the Vendor and the Purchaser, with reference to, among other things, the Appraised Value of Regal Oriental Hotel of HK\$1,647 million as at 31 December 2025 as assessed by the Independent Valuer (being the principal valuer of Regal REIT).

The Agreed Property Value represented a discount of HK\$129 million to the Appraised Value. In assessing and agreeing to the Agreed Property Value, the Vendor has also taken into account the commercial rationale for the Transaction and the expected benefits as set out under the section headed "REASONS FOR AND BENEFITS OF THE TRANSACTION", including (i) the realisation of the value of Regal Oriental Hotel through the Transaction and (ii) the enhancement of financial resilience and mitigation of refinancing risk of Regal REIT.

Taking into the consideration of (i) the Agreed Property Value as determined by the Purchaser and the Vendor with reference to, among other things, the Appraised Value of Regal Oriental Hotel as at 31 December 2025; and (ii) the reasons for and benefits of the Transaction as stated under the section headed "REASONS FOR AND BENEFITS OF THE TRANSACTION" below, the Regal Directors consider that the Agreed Property Value is fair and reasonable and in the interests of Regal and Regal Shareholders as a whole.

VALUATION REPORT

Based on the Valuation Report, the value of Regal Oriental Hotel as at 31 March 2026 was HK\$1,647 million. For details of the Valuation, please refer to the Valuation Report in Appendix II to this circular.

INFORMATION ON THE TARGET GROUP AND REGAL ORIENTAL HOTEL

The Target Company (Chasehill Limited) is a company incorporated in the BVI and, immediately before the Completion which took place on 30 April 2026, was an indirect wholly-owned subsidiary of Regal REIT. It is principally engaged in investment holding and directly holds the Target Subsidiary (Gala Hotels Limited), which is the sole registered legal and beneficial owner of Regal Oriental Hotel and holds the Hotel Licence. The Target Subsidiary is also the sole registered legal and beneficial owner of the Excluded Property, which is not subject to the Transaction and has been carved out from the Target Subsidiary prior to Completion and continue to be leased to the Existing Lessee under a new tenancy agreement. At Completion, the Target Group did not hold any other assets apart from Regal Oriental Hotel.

Regal Oriental Hotel (富豪東方酒店) comprises a 17-storey hotel (including two basement floors) located at 30-38 Sa Po Road in Kowloon City, Hong Kong, which, before the Completion which took place on 30 April 2026, was leased to and operated by the Existing Lessee.

The Appraised Value of Regal Oriental Hotel as assessed by the Independent Valuer (being the principal valuer of Regal REIT) as at 31 December 2025 was HK\$1,647 million.

LETTER FROM THE BOARD OF DIRECTORS OF REGAL

The table below sets out certain key particulars of Regal Oriental Hotel as at 31 December 2025:

Address	30-38 Sa Po Road, Kowloon City, Kowloon, Hong Kong
Description	A 17-storey High Tariff B hotel (including two basement floors) completed in 1982. Regal Oriental Hotel had 494 guestrooms and suites (room sizes ranging from 12 sq. m. to 105 sq. m).
Site Area	1,797 sq.m.
Gross Floor Area	Approximately 21,281 sq.m.
Government lease expiry	30 June 2047
Hotel lease	Regal Oriental Hotel was subject to a lease agreement dated 16 March 2007 entered into between the Target Subsidiary as lessor and the Existing Lessee as lessee (as supplemented and/or amended from time to time) for a term expiring on 31 December 2030, which may be early terminated by the lessor without liability, compensation, interest or costs at any time by giving six months' prior written notice to the lessee. Such lease agreement was terminated without fault prior to the Completion.

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is the unaudited consolidated financial information of the Target Group (including the Excluded Property) for the two financial years ended 31 December 2024 and 31 December 2025:

	For the year ended 31 December 2024	For the year ended 31 December 2025
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Total revenue ^{Note 1}	37,000	37,000
Loss before taxation ^{Note 2}	(16,465)	(57,213)
Loss after taxation ^{Note 2}	(13,985)	(56,681)

Based on the unaudited consolidated financial information of the Target Group (including the Excluded Property) for the financial year ended 31 December 2025, the net asset value of the Target Group as at 31 December 2025 was HK\$709,535,572.

The above financial information of the Target Group is based on the announcement of Regal REIT dated 22 March 2026 in respect of, inter alia, the Transaction, and before consolidation adjustments at the Regal Group level.

LETTER FROM THE BOARD OF DIRECTORS OF REGAL

Notes:

1. The total revenue represented the rental paid by the Existing Lessee as lessee to the Target Subsidiary as lessor for leasing of both Regal Oriental Hotel and the Excluded Property under the lease agreement dated 16 March 2007 entered into between the Existing Lessee and the Target Subsidiary (as supplemented and/or amended from time to time).
2. Unaudited consolidated financial information of the Target Group (excluding the Excluded Property) is not separately available, as the relevant revenue and expenses of the Target Group are earned and incurred but are not directly identifiable to Regal Oriental Hotel and the Excluded Property on a standalone basis. For illustrative purposes only, assuming an allocation based on the respective appraised values of Regal Oriental Hotel (being HK\$1,647 million) and the Excluded Property (being HK\$120 million), both as at 31 December 2025, approximately 93.2% of the loss before taxation and loss after taxation of the Target Group would be attributable to Regal Oriental Hotel.

Set out below is the unaudited financial information relating to the hotel operation of Regal Oriental Hotel for the two financial years ended 31 December 2024 and 31 December 2025:

	For the year ended 31 December 2024 <i>(HK\$'million)</i>	For the year ended 31 December 2025 <i>(HK\$'million)</i>
Total hotel revenue	83.4	93.8
Net property income before taxation ^{Note 3}	23.5	32.7

Based on the financial information of the Regal Group for the financial year ended 31 December 2025, the carrying value of Regal Oriental Hotel at the Regal Group level as at 31 December 2025 was approximately HK\$725.7 million.

Note:

3. Net property income after taxation relating to the hotel operation of Regal Oriental Hotel is not separately available, as the relevant operating entity also conducts hotel operation of other hotels and the taxation charge is determined on a combined basis of hotel operation of all hotels at the operating entity level and is not directly identifiable to Regal Oriental Hotel on a standalone basis.

LETTER FROM THE BOARD OF DIRECTORS OF REGAL

USE OF PROCEEDS FROM THE TRANSACTION

The Regal REIT Group received gross proceeds (before expenses) of approximately HK\$1,518 million and net proceeds (after expenses which are estimated at approximately HK\$22 million, out of which approximately HK\$7.59 million is divestment fee payable to the REIT Manager pursuant to the Trust Deed) of approximately HK\$1,496 million from the Transaction (i.e. the Share Sale and the Loan Assignment) and the repayment of the Rich Day Loan, out of which HK\$1,047.2 million has been used towards partial repayment of the Existing Facilities. The Regal REIT Group will use the remainder to finance asset enhancement initiatives and for general working capital purposes of the Regal REIT Group.

FINANCIAL EFFECT OF THE TRANSACTION

Following Completion, the Target Company and the Target Subsidiary ceased to be subsidiaries of Regal and the financial results of the Target Group are no longer consolidated into the consolidated financial statements of Regal.

It is estimated that the Regal Group would record an accounting gain before tax and non-controlling interests of approximately HK\$853.6 million from the Transaction upon Completion, which was calculated based on (i) the Agreed Property Value and (ii) the carrying value of Regal Oriental Hotel (which was the only asset of the Target Group at Completion) of approximately HK\$712.4 million and the relevant deferred tax liabilities of approximately HK\$48.0 million at the Regal Group level as at the Completion Date. The actual gain on disposal is subject to audit and, accordingly, may be different from the abovementioned amount.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The terms of the Preliminary SP Agreement were determined after a competitive process and arm's length negotiations and are on normal commercial terms. The Regal Directors consider that the terms of the Transaction are on normal commercial terms and fair and reasonable and in the interests of Regal and Regal Shareholders as a whole.

The Regal Directors concur with the following views of the directors of the REIT Manager:

Unlocking the book value of Regal Oriental Hotel

The Transaction represents a compelling and valuable opportunity for Regal REIT to unlock and realise value from a mature property. It aligns with the REIT Manager's strategic objective of delivering long-term and stable returns through disciplined capital management, assets recycling and selective reinvestment. Although the price which the Transaction parties have agreed to attribute to Regal Oriental Hotel (being the Agreed Property Value) reflects a single-digit discount to the Appraised Value, the value realised through the Transaction is expected to be significantly higher compared to Regal REIT's recent price-to-book ratio.

LETTER FROM THE BOARD OF DIRECTORS OF REGAL

Strengthening of balance sheet, liquidity and financial flexibility

The Transaction will generate significant net proceeds for Regal REIT the majority of which will be applied towards reducing existing indebtedness, with the rest to be utilised, subject to lenders' approval, for supporting asset enhancement initiatives and replenishing working capital of Regal REIT. Upon Completion, Regal REIT's gearing ratio is expected to improve from approximately 42.8% to approximately 40.7%, thereby enhancing its financial resilience and mitigating refinancing risk in the current interest rate environment.

INFORMATION ON THE PARTIES TO THE TRANSACTION

The Regal Group is principally engaged in hotel ownership business undertaken through Regal REIT, hotel operation and management businesses, asset management of Regal REIT, property development and investment, aircraft ownership and leasing, and other investments including financial assets investments.

Regal REIT is a collective investment scheme authorised by the SFC and listed on the main board of the Stock Exchange. Regal REIT is a real estate investment trust with DB Trustees (Hong Kong) Limited as its trustee. It invests primarily in real estate that wholly or primarily comprises hotels, other hospitality related properties or commercial properties and uses the income arising from such properties to provide stable returns to the unitholders of Regal REIT. As at the Latest Practicable Date, Regal REIT owns a total of eight properties which are located across different districts in Hong Kong.

The Vendor (R-REIT Asset Holdings (Oriental) Limited) is a company incorporated in the BVI and a wholly-owned subsidiary of Regal REIT. It is principally engaged in investment holding.

Rich Day (Rich Day Investments Limited) is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Regal REIT. It is principally engaged in providing financing service to the Regal REIT Group.

The Guarantor is DB Trustees (Hong Kong) Limited in its capacity as the trustee for and on behalf of Regal REIT (with recourse limited to the Deposited Property). DB Trustees (Hong Kong) Limited is a company incorporated in Hong Kong with limited liability and registered as a trust company under section 77 of the Trustee Ordinance (Cap. 29 of the Laws of Hong Kong). It is licensed by the SFC to conduct type 13 (providing depositary services for relevant collective investment schemes) regulated activity under the SFO. It has the fiduciary duty to hold assets of Regal REIT in trust for the benefits of the unitholders of Regal REIT, and to oversee the activities of the REIT Manager for compliance with the relevant constitutive documents of, and relevant regulatory requirements applicable to, Regal REIT. The Guarantor is a wholly-owned subsidiary of Deutsche Bank AG.

LETTER FROM THE BOARD OF DIRECTORS OF REGAL

The Purchaser (Blue Sky Properties Limited) is a company incorporated in Hong Kong with limited liability. To the best of the knowledge, information, and belief of the Regal Directors, having made all reasonable enquiries, as at the date of the Preliminary SP Agreement: (a) the Purchaser is principally engaged in property investment and strategic acquisitions, and is an indirect subsidiary of Centaline (Centaline Strategic Investments Limited); and (b) the Purchaser and Centaline are third parties fully independent of Regal and its connected persons.

The New Purchaser (Goldenridge Worldwide Limited) is a company incorporated in the BVI with limited liability. Based on information provided by the New Purchaser and to the best of the knowledge, information, and belief of the Regal Directors, as at the date of the Novation Deed: (i) the New Purchaser is principally engaged in investment holding, (ii) the New Purchaser is a joint venture of (a) Centaline, of which the single largest and ultimate beneficial owner is Mr. Wong Man Yin, and (b) a company unrelated to Centaline, of which the ultimate beneficial owner is Ms. Liu De Ye, Ching, and both of Centaline and Ms. Liu De Ye, Ching are the controlling shareholders of the New Purchaser, and (iii) the New Purchaser and its ultimate beneficial owners are third parties fully independent of Regal and its connected persons.

LISTING RULES IMPLICATIONS

Regal has applied for, and the Stock Exchange has agreed to exercise its discretion under Rule 14.20 of the Listing Rules to adopt, an alternative size test for the consideration ratio in respect of the Transaction.

After adopting the aforesaid alternative size test, as the highest applicable percentage ratio for Regal exceeds 25% and all applicable percentage ratios are less than 75%, the Transaction constitutes a major transaction for Regal under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval may be obtained by written shareholders' approval in lieu of convening a general meeting if (a) no shareholder is required to abstain from voting if Regal were to convene a general meeting for the approval of the Preliminary SP Agreement and the Transaction; and (b) the written approval has been obtained from a closely allied group of Regal Shareholders who together hold more than 50% of the issued share capital of Regal having the right to attend and vote at the general meeting to approve the Preliminary SP Agreement and the Transaction.

To the best of the Regal Directors' knowledge, information and belief, having made all reasonable enquiries, no Regal Shareholder or its/his/her associate(s) has a material interest in the Preliminary SP Agreement and the Transaction. Accordingly, no Regal Shareholder is required to abstain from voting if Regal were to convene a general meeting for approving the Preliminary SP Agreement and the Transaction.

LETTER FROM THE BOARD OF DIRECTORS OF REGAL

A closely allied group of the Regal Shareholders in aggregate holding approximately 53.7 % of the issued share capital of Regal as at the Latest Practicable Date have provided written shareholders' approval to approve the Preliminary SP Agreement and the Transaction pursuant to Rule 14.44 of the Listing Rules. The closely allied group of the Regal Shareholders (which are all wholly-owned subsidiaries of Paliburg) comprises (i) Guo Yui Investments Limited, which owns approximately 30.2% of the issued share capital of Regal; (ii) Taylor Investments Ltd., which owns approximately 17.1% of the issued share capital of Regal; and (iii) Glaser Holdings Limited, which owns approximately 6.4% of the issued share capital of Regal. Accordingly, no general meeting will be convened by Regal to approve the Preliminary SP Agreement and the Transaction.

RECOMMENDATION

For the reasons set out above, the Regal Directors consider that the terms of the Preliminary SP Agreement are fair and reasonable and in the interests of Regal and Regal Shareholders as a whole. Accordingly, the Regal Directors would recommend the Regal Shareholders to vote in favour of the relevant resolution if Regal were to convene a general meeting to approve the Preliminary SP Agreement and the Transaction.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the board of
Regal Hotels International Holdings Limited
LO Yuk Sui
Chairman

1. FINANCIAL INFORMATION OF THE REGAL GROUP

Financial information of the Regal Group for each of the three years ended 31 December 2023, 2024 and 2025 were set out in the relevant annual reports of Regal published on the Stock Exchange's website (<http://www.hkexnews.hk>) and the Regal's website (www.regal.com.hk). Please also see below links to the relevant annual reports:

- Annual report of Regal for the year ended 31 December 2025 (pages 72 to 186):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0428/2026042803495.pdf>
- Annual report of Regal for the year ended 31 December 2024 (pages 75 to 190):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0428/2025042803567.pdf>
- Annual report of Regal for the year ended 31 December 2023 (pages 74 to 182):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042603885.pdf>

Each of the aforesaid consolidated financial statements of the Regal Group are incorporated by reference to this circular and forms part of this circular.

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 March 2026, being the latest practicable date for the purpose of this statement of indebtedness, the Regal Group had outstanding borrowings of approximately HK\$14,623.6 million which represented (i) bank loans of HK\$14,435.0 million secured by the Regal Group's properties under development and certain of the Regal Group's property, plant and equipment, investment properties, right-of-use assets, time deposits and bank balances; (ii) other borrowing of HK\$25.0 million secured by certain of the Regal Group's financial assets at fair value through profit or loss and equity interests in the relevant holding companies of certain property interests and financial assets at fair value through profit or loss; and (iii) lease liabilities of HK\$163.6 million.

All of the above outstanding borrowings except lease liabilities of the Regal Group were guaranteed by Regal or certain of its subsidiaries.

As at the close of business on 31 March 2026, the Regal Group had contingent liabilities relating to the corporate guarantees provided in respect of attributable share of banking facilities granted to certain subsidiaries of a joint venture of approximately HK\$1,591.1 million which were utilised to the extent of HK\$1,366.5 million, and an associate of a joint venture of approximately HK\$169.8 million which were fully utilised.

In addition, a corporate guarantee has been given to a bank by the Regal Group for a letter of guarantee issued by the bank in connection with an appeal against a notice of stamp duty assessment in the amount of HK\$93.0 million issued by the Inland Revenue Department of Hong Kong in relation to the sub-lease agreement entered into between the Airport Authority Hong Kong and the Regal Group.

Furthermore, the Regal Group had contingent liabilities relating to a claim lodged by a contractor regarding certain outstanding construction costs of a hotel amounting to approximately HK\$38.0 million.

Save as disclosed above and apart from intra-group liabilities, the Regal Group did not, as at the close of business on 31 March 2026, have any material outstanding (i) debt securities, whether issued and outstanding, authorised or otherwise created but unissued, or term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Regal Group or by third parties) or unsecured; (ii) other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured; (iii) mortgage or charges; or (iv) guarantees or other contingent liabilities.

3. WORKING CAPITAL

The Regal Directors are of the opinion that, after taking into account (i) the internal resources of the Regal Group; (ii) the Regal Group's presently available banking facilities and other borrowings; (iii) the expected financing and refinancing of certain bank loans; and (iv) the Completion of the Transaction, the Regal Group has sufficient working capital for its requirements for at least 12 months from the date of this circular.

Regal has obtained the relevant confirmation in respect of the sufficiency of working capital of the Regal Group from its auditor as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

The Regal Directors confirm that there has been no material adverse change in the financial or trading position of the Regal Group since 31 December 2025, the date to which the latest published audited consolidated accounts of the Regal Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE REGAL GROUP

Global growth is forecast to edge down to 2.6% in 2026, driven by a notable slowdown in demand for traded goods and softening domestic demand in many major economies. Under the uncertainty of the United States trade policies and the heightened geopolitical tensions, particularly now in the Middle East region which is impacting the global energy ecosystem, there is still a high level of uncertainties in the global economic outlook. However, Hong Kong had registered a robust Gross Domestic Product growth of 3.5% in 2025 and it is anticipated that it will be able to maintain a steady growth trend in 2026.

To ensure the continuing success in the holding of mega events, the Hong Kong Tourism Board has been actively collaborating with different organisers and sponsors to stage a line-up of world-class mega events, festivities, international conferences and exhibitions year-round. This is expected to generate substantial economic benefits to different market sectors of the tourist industry in Hong Kong, including hotel, meeting and exhibition venues, retail as well as food and beverage and catering businesses.

2026 marks the first year of China's 15th Five-Year Plan and the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) will enter a period of full acceleration. With the support of the Central Government, the economy of Hong Kong should be able to further expand through its deepened integration with the GBA and the development of its new growth drivers in the innovation and technology sectors.

The 1-month Hong Kong Interbank Offered rates (HIBOR) has further softened to the range of 2.0% to 2.5% per annum recently. If HIBOR continues to hover around this relatively lower level in the remaining part of this year, the directors of the REIT Manager expect the distributable income of Regal REIT to further increase in 2026, due to the anticipated reduction in its financial expenses.

The REIT Manager will continue to watch out for appropriate assets repositioning and enhancement opportunities, with a view to securing for the unitholders a stable return in the long term.

Over the past year, the Regal Group has successfully implemented the planned disposal of some of its assets, with a view to reducing its indebtedness level and to generating capital to rejuvenate and enhance its assets portfolio.

Although the external economic environment remains volatile, the Regal Directors believe in the resilience of the Hong Kong economy and are optimistic that, as the operating environment in Hong Kong further improves, the Regal Group will be able to gradually restore its financial strength and to regain profitability.

The following is the text of a valuation report prepared for the purpose of incorporation in this circular received from Knight Frank Petty Limited, an independent professional property valuer, in connection with their valuation as at 31 March 2026 of Regal Oriental Hotel located in Hong Kong

4 June 2026



Regal Hotels International Holdings Limited
20th Floor,
68 Yee Wo Street,
Causeway Bay, Hong Kong

Knight Frank Petty Limited
4/F, Shui On Centre
6-8 Harbour Road
Wanchai, Hong Kong

Dear Sirs or Madams

Valuation of Regal Oriental Hotel, Nos. 30-38 Sa Po Road, Kowloon City, Kowloon, Hong Kong (the “Property”)

1.0 Instructions

We received an instruction from Regal Hotels International Holdings Limited (the “Company”) to value the captioned property (the “Property”) in which the Company and its subsidiaries (hereinafter together referred to as the “Group”) had interests in. We confirm that we have carried out inspections, made relevant enquiries and carried out searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property in existing state as at 31 March 2026 (the “Valuation Date”) for public disclosure purposes.

We confirm that we do not have any material connection or involvement giving rise to a conflict of interest and are providing an objective and unbiased valuation. Our valuation is based on 100% of the leasehold interest of the Property.

2.0 Basis of Valuation

In arriving at our opinion of market value, we followed the current edition of “The HKIS Valuation Standards” issued by The Hong Kong Institute of Surveyors (“HKIS”) and “The RICS Valuation — Global Standards” issued by The Royal Institution of Chartered Surveyors (“RICS”), which incorporate the International Valuation Standards (the “IVS”). Under the said standards, market value is defined as:-

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

Market value is also understood as the estimated exchange price of an asset without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as typical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

Our valuation complies with the requirements set out in the current edition of “The HKIS Valuation Standards” issued by HKIS, “RICS Valuation — Global Standards” issued by RICS and Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

3.0 Valuation Methodology

Our valuation has been undertaken by using appropriate valuation methodology and our professional judgement. In our valuation of the Property, we have adopted market approach (“Market Approach”). In undertaking our valuation of the Property in existing state by Market Approach, we have made reference to the recent market sales evidence which is available in the market. Appropriate adjustments have been made in our valuation to reflect the differences in the characteristics between the Property and the comparable properties such as location, building age, and time in arriving at our opinion of the market value.

4.0 Expertise

The valuer, on behalf of Knight Frank Petty Limited (“Knight Frank”), with the responsibility for this report is Ms Stella Ho MHKIS MRICS MCIREA RICS Registered Valuer R.P.S.(GP). We confirm that the valuer meets the requirements of HKIS Valuation Standards and the RICS Valuation — Global Standards, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently. Our valuation is prepared in unbiased and professional manner.

5.0 Valuation Assumptions and Conditions

Our valuation is subject to the following assumptions and conditions.

Title Documents and Encumbrances

We have obtained land search records from the Land Registry. We have not, however, examined the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies handed to us. We have relied on the information given by the Group regarding legal matters relating to the Property. We have also assumed in our valuation that the Property was free from encumbrances, restrictions, title defects and outgoings of an onerous nature that could affect its value, unless stated otherwise as at the Valuation Date.

Disposal Costs and Liabilities

No allowance has been made in our report for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale.

Source of Information

We have relied to a very considerable extent on information given by the Group such as floor areas, occupancy, leasing information and all other relevant matters. We have not verified the correctness of any information, whether in writing or verbally by the Company, the Company's representatives or by their legal or professional advisers or by any (or any apparent) occupier of the Property or contained on the register of title. We assume that this information is complete and correct.

Inspection

We have carried out external inspection of the Property on 27 February 2026. Inspection of the Property was undertaken by Ms Stella Ho MHKIS MRICS MCIREA RICS Registered Valuer R.P.S.(GP), who has over 25 years of experience in valuing properties in Hong Kong. We have assumed in our valuation that the Property was in reasonable exterior and interior decorative order without any unauthorised extension or structural alterations as at the Valuation Date, unless otherwise stated.

Identity of the Property to be valued

We have exercised reasonable care and skill (but will not have an absolute obligation to the Company) to ensure that the Property, identified by the property address in your instructions, is the property inspected by us and contained within our valuation report. If there is ambiguity as to the property address, or the extent of the property to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

Property Insurance

We have valued the Property on the assumption that, in all respects, it is insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.

Areas and Age

As instructed, we have relied upon areas as available from a quoted source. The floor areas quoted throughout the report are based on the information provided by the Group. Otherwise, dimensions and areas would be measured from plans and calculated in accordance with, where appropriate, the current HKIS Code of Measuring Practice and area quoted to a reasonable approximation, with reference to their source. We have also assumed that the site areas, floor areas, measurements and dimensions shown on the documents handed to us are correct and in approximations only. Where the age of the building is estimated, this is for guidance only.

Structural and Services Condition

We have carried out visual inspection only without any structural investigation or building survey. During our limited inspection, we did not inspect any inaccessible areas. We are unable to confirm whether the Property is free from urgent or significant defects or items of disrepair or any deleterious materials have been used in the construction of the Property. Our valuation has therefore been undertaken on the basis that the Property was in satisfactory repair and condition, contains no deleterious materials and it is sound order and free from structural faults, rot, infestation or other defects, and that the services are in a satisfactory condition.

Ground Condition

We have assumed there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the site of the Property is sufficient to support the building constructed or to be constructed thereon; and that the services are suitable for any existing or future development. Our valuation is therefore prepared on the basis that no extraordinary expenses or delays will be incurred in this respect.

Environmental Issues

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Property is unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

Tenancies

We are provided with the tenancy information and have assumed the information is true and correct. We have also assumed that the tenants will continue to occupy the premises and comply with the conditions of the tenancies until the expiry of the existing tenancy terms.

Compliance with Relevant Ordinances and Regulations

We have assumed the Property was constructed, occupied, and used in full compliance with, and without contravention of any ordinance, statutory requirement and notices except only where otherwise stated. In our valuation, we have disregarded the notices currently registered against the Property, if any, and the effects of the defects on the value and safety of the Property. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, consents, approvals and authorization have been obtained, except only where otherwise stated.

Remarks

We have prepared the valuation based on the information and data available to us as at the Valuation Date. While the current market is influenced by various policies and regulations, increased global conflicts could add further fluctuations in real estate market. It must be recognised that enactment of emergency measures, changes in mortgage requirements or international tensions could be immediate and have sweeping impact on the real estate market apart from typical market variations. It should therefore be noted that any market violation, policy, geopolitical and social changes or other unexpected incidents after the Valuation Date may affect the value of the Property.

Currency

Unless otherwise stated, all money amounts stated in this report are in Hong Kong Dollars (HK\$).

We enclose herewith our valuation certificate.

Yours faithfully
For and on behalf of
Knight Frank Petty Limited
Stella Ho

MHKIS MRICS MCIREA RICS Registered Valuer R.P.S.(GP)
Executive Director, Valuation & Advisory

Note:

Ms Stella Ho is a qualified valuer who has over 25 years of extensive experiences in the valuation of properties of this magnitude and nature in the subject region.

6.0 Valuation Certificate

Property interests held for sale in Hong Kong.

Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2026
1. Regal Oriental Hotel, Nos. 30-38 Sa Po Road, Kowloon City, Kowloon, Hong Kong New Kowloon Inland Lot No. 5754	<p>The Property is a 17-storey hotel (including two basement floors) located at Nos. 30-38 Sa Po Road in Kowloon City, Kowloon, Hong Kong.</p> <p>The area is characterised by a blend of traditional low-rise tenements, local eateries, and community facilities within Kowloon City, along with new commercial and residential developments in Kai Tak. The Property is also in close proximity to Kai Tak Sports Park and enjoys convenient accessibility via MTR Sung Wong Toi Station.</p> <p>The Property was completed in 1982. After the asset enhancement programme in 2007 and the conversion projects in 2013, it comprises 494 rooms and suites.</p> <p>As per the approved building plans, the total gross floor area of the Property is approximately 229,074 sq ft (or 21,281.447 sq m).</p> <p>The Property is held under Conditions of Sale No. 11240 for a term of 99 years less the last three days thereof commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.</p>	<p>As per the information provided by the Group, the Property was subject to a lease agreement dated 16 March 2007 entered into between the Gala Hotels Limited as the lessor and Favour Link International Limited as the lessee (as supplemented and/or amended from time to time) for a term expiring on 31 December 2030, pursuant to which, among others, the rent of the Property was determined on a yearly basis by a jointly appointed independent professional property valuer since 2011. The lease agreement was terminated on 30 April 2026.</p> <p>The gross rental for the year ended 31 December 2025 was HK\$37,000,000 (including the Excluded Property as defined in the circular of the Company dated 4 June 2026).</p> <p>It was operated as a hotel under the trade name "Regal Oriental Hotel".</p>	<p>HK\$1,647,000,000 (Hong Kong Dollars One Billion Six Hundred and Forty-Seven Million)</p>

Notes:

- (1) According to the land register records obtained from the Land Registry, the registered owner of the Property was Gala Hotels Limited as at the Valuation Date.
- (2) The Property is situated within an area zoned as "Commercial" under the Draft Ma Tau Kok Outline Zoning Plan No. S/K10/31 gazetted on 24 December 2025.
- (3) The Property was subject to the following encumbrances: -
 - (i) Deed of Grant of Easement with Plan vide memorial no. UB2111189 dated 23 June 1981.

- (ii) Modification Letter vide memorial no. UB2144106 dated 26 August 1981.
- (iii) Letter of Compliance from District Lands Office Kowloon West to Paliburg Project Management Limited vide memorial no. UB3990406 dated 27 July 1982.
- (iv) Statutory Declaration as to Loss of Title Deeds vide memorial no. UB8033164 dated 21 March 2000.
- (v) Lease Agreement (No. 4 for Regal Oriental Hotel) in favour of Favour Link International Limited vide memorial no. 07041300910095 dated 16 March 2007 (Remarks: For the period commencing from 30 March 2007 to 31 December 2015)
- (vi) First Supplemental Agreement amending Lease Agreement No. 4 for Regal Oriental Hotel in favour of Favour Link International Limited vide memorial no. 10052602510111 dated 12 February 2010.
- (vii) Second Supplemental Deed amending Lease Agreement No. 4 for Regal Oriental Hotel in favour of Favour Link International Limited vide memorial no. 15042302380254 dated 12 March 2015.
- (viii) Third Supplemental Deed amending Lease Agreement No. 4 for Regal Oriental Hotel in favour of Favour Link International Limited vide memorial no. 20041601820121 dated 20 December 2019.
- (ix) Gala Debenture in favour of Hang Seng Bank Limited vide memorial no. 21092902710383 dated 10 September 2021.
- (4) In the course of our valuation of the Property by Market Approach, we have referred to sale transactions of hotels in the market, which are considered relevant to the Property in terms of property type, location, transaction date and other property characteristics. Appropriate adjustments have been considered to reflect the differences between the comparable transactions and the Property, in arriving at the adopted price of the Property.
- (5) The comparables were collected on an exhaustive basis and reviewed based on applicable criteria including property type, location and transaction timing. In particular, enbloc hotel development transactions located within the tourist districts of Tsim Sha Tsui and Mong Kok, with transaction dates from 2025 onward, were analysed. Three comparables which are considered relevant to the Property in terms of property type, location, timing of transaction and other property characteristics were selected. The unit rates of comparable transactions range from about HK\$7,166 to HK\$8,838 per sq ft on gross floor area basis.

	Comparable 1	Comparable 2	Comparable 3
Development	Habyt Austin Avenue	The Bauhinia Hotel	MK Stay
Address	2 Austin Avenue	5, 7 and 9 Observatory Court	11 Changsha Road
District	Tsim Sha Tsui	Tsim Sha Tsui	Mong Kok
Year Built	1995	1993 & 2000	2000
Gross Floor Area (sq ft) (approx.)	23,302	47,170	26,053
Transaction Date	29 December 2025	28 October 2025	21 February 2025
Transacted Price (HK\$)	205,950,000	338,000,000	188,000,000
Gross Unit Rate (HK\$/sq ft)	8,838	7,166	7,216
Total Adjustments	-13.0%	-13.8%	6.7%
Adjusted Gross Unit Rate (HK\$/sq ft)	7,689	6,177	7,700

We have considered the different attributes between the Property and the hotel comparables in terms of transaction time, location, building age and quality, scale, amenities and facilities and have made appropriate adjustments accordingly. In applying adjustments to the hotel comparables, where a hotel comparable is considered superior to the Property in respect of the abovementioned attributes, a downward adjustment will be made to its unit rate, and vice versa where it is considered inferior. After due adjustments in terms of the aforesaid aspects, the adjusted gross unit rates of the adopted comparables range from HK\$6,177 to HK\$7,700 per sq ft. The adopted gross unit rate of the Property is about HK\$7,190 per sq ft.

1. RESPONSIBILITY STATEMENT

This circular, for which the Regal Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to Regal. The Regal Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests and short positions in shares, underlying shares and debentures of Regal and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Regal Directors and chief executive of Regal in the shares, underlying shares and debentures of Regal or any associated corporation (within the meaning of Part XV of the SFO) of Regal, which (a) are required to be notified to Regal and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of SFO); (b) are as recorded in the register required to be kept under section 352 of the SFO; or (c) are as otherwise notified to Regal and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules, were as follows:

(i) Interest in Regal — Long Positions

Name of Directors	Class of shares held	Number of shares held			Total (Approximate percentage of total number of the issued shares of Regal)
		Beneficial owner	Nature of interest		
			Interest of corporation controlled	Interest of spouse	
Mr. LO Yuk Sui	Ordinary (issued)	24,200	622,855,261 <i>(Note c)</i>	260,700	623,140,161 (69.33%)
Ms. LO Po Man	Ordinary (issued)	569,169	—	—	569,169 (0.06%)
Mr. Kelvin LEUNG So Po	Ordinary (issued)	200	—	—	200 (0.000%)

(ii) Interest in associated corporations of Regal — Long Positions

(A) Century City

Name of Directors	Class of shares held	Number of shares held			Total (Approximate percentage of total number of the issued shares of Century City)
		Beneficial owner	Nature of interest		
			Interest of corporation controlled	Interest of spouse	
Mr. LO Yuk Sui	Ordinary (issued)	111,815,396	2,032,315,326 (Note a)	380,683	2,144,511,405 (69.34%)
Ms. LO Po Man	Ordinary (issued)	112,298	—	—	112,298 (0.004%)
Mr. Kelvin LEUNG So Po	Ordinary (issued)	4,000	—	—	4,000 (0.000%)
Mr. Jimmy LO Chun To	Ordinary (issued)	251,735	—	—	251,735 (0.008%)
Ms. Belinda YEUNG Bik Yiu	Ordinary (issued)	200	—	—	200 (0.000%)

(B) Paliburg

Name of Directors	Class of shares held	Number of shares held			Total (Approximate percentage of total number of the issued shares of Paliburg)
		Beneficial owner	Nature of interest		
			Interest of corporation controlled	Interest of spouse	
Mr. LO Yuk Sui	Ordinary (issued)	90,078,014	740,860,803 (Note b)	15,000	830,953,817 (74.55%)
Ms. LO Po Man	Ordinary (issued)	1,116,000	—	—	1,116,000 (0.10%)
Mr. Kelvin LEUNG So Po	Ordinary (issued)	50,185	—	—	50,185 (0.005%)
Mr. Jimmy LO Chun To	Ordinary (issued)	2,274,600	—	—	2,274,600 (0.20%)
Mr. Kenneth NG Kwai Kai	Ordinary (issued)	176,200	—	—	176,200 (0.02%)

(C) Cosmopolitan

Name of Directors	Class of shares held	Number of shares held			Total (Approximate percentage of total number of the issued shares of Cosmopolitan)
		Beneficial owner	Nature of interest		
			Interest of corporation controlled	Interest of spouse	
Mr. LO Yuk Sui	Ordinary (i) (issued)	—	1,171,504,279 <i>(Note d)</i>	—	1,171,504,279
	(ii) (unissued)	—	1,291,775,147 <i>(Note e)</i>	—	1,291,775,147
				Total:	2,463,279,426 (150.23%)
	Preference (issued)	—	229,548,733 <i>(Note e)</i>	—	229,548,733 (99.99%)
Ms. LO Po Man	Ordinary (issued)	414,000	—	—	414,000 (0.03%)
Mr. Jimmy LO Chun To	Ordinary (issued)	680,730	—	—	680,730 (0.04%)

(D) Regal REIT

Name of Directors	Class of shares held	Number of shares held			Total (Approximate percentage of total number of the issued shares of Regal REIT)
		Beneficial owner	Nature of interest		
			Interest of corporation controlled	Interest of spouse	
Mr. LO Yuk Sui	Units (issued)	—	2,443,033,102 <i>(Note f)</i>	—	2,443,033,102 (74.99%)

(E) 8D International (BVI) Limited

Name of Directors	Class of shares held	Beneficial owner	Number of shares held		Total (Approximate percentage of total number of the issued shares of 8D International (BVI) Limited)
			Nature of interest Interest of corporation controlled	Interest of spouse	
Mr. LO Yuk Sui	Ordinary (issued)	—	1,000 (Note g)	—	1,000 (100%)

Notes:

- (a) (i) The interests in 1,973,420,928 issued ordinary shares of Century City were held through companies wholly owned by Mr. LO Yuk Sui (“**Mr. Lo**”).
- (ii) The interests in the other 58,894,398 issued ordinary shares of Century City were derivative interests held by YSL International Holdings Limited (“**YSL Int’l**”), a company wholly owned by Mr. Lo, under the right of first refusal to purchase such shares granted by the Dalton Group (comprising Dalton Investments LLC and its two affiliates).
- (b) The interests in 694,124,547 issued ordinary shares of Paliburg were held through companies wholly owned by Century City, in which Mr. Lo held 67.43% shareholding interests.

The interests in 16,271,685 issued ordinary shares of Paliburg were held through corporations controlled by Mr. Lo as detailed below:

Name of corporation	Controlled by	% of control
Wealth Master International Limited	Mr. Lo	90.00
Select Wise Holdings Limited	Wealth Master International Limited	100.00

The interests in 30,464,571 issued ordinary shares of Paliburg were held through corporations controlled by Mr. Lo as detailed below:

Name of corporation	Controlled by	% of control
Wealth Master International Limited	Mr. Lo	90.00
Select Wise Holdings Limited	Wealth Master International Limited	100.00
Splendid All Holdings Limited	Select Wise Holdings Limited	100.00

- (c) The interests in 421,400 issued ordinary shares of Regal were held through companies wholly owned by Century City, in which Mr. Lo held 67.43% shareholding interests. The interests in 622,433,861 issued ordinary shares of Regal were held through companies wholly owned by Paliburg, in which Century City held through its wholly owned subsidiaries 62.28% shareholding interests. Paliburg held through its wholly owned subsidiaries 69.25% shareholding interests in Regal.

- (d) The interests in 1,006,851,215 issued ordinary shares of Cosmopolitan were held through wholly owned subsidiaries of P&R, which is owned as to 50% each by Paliburg and Regal through their respective wholly owned subsidiaries. The interests in the other 111,319,732 issued ordinary shares of Cosmopolitan were held through wholly owned subsidiaries of Regal. The interests in the other 53,333,332 issued ordinary shares of Cosmopolitan were held through wholly owned subsidiaries of Paliburg. Paliburg, in which Century City held through its wholly owned subsidiaries 62.28% shareholding interests, held through its wholly owned subsidiaries 69.25% shareholding interests in Regal. Mr. Lo held 67.43% shareholding interests in Century City.
- (e) The interests in 972,070,219 unissued ordinary shares of Cosmopolitan were held through wholly owned subsidiaries of P&R, which is owned as to 50% each by Paliburg and Regal through their respective wholly owned subsidiaries. The interests in the other 213,038,264 unissued ordinary shares of Cosmopolitan were held through wholly owned subsidiaries of Regal. The interests in the other 106,666,664 unissued ordinary shares of Cosmopolitan were held through wholly owned subsidiaries of Paliburg. Paliburg, in which Century City held through its wholly owned subsidiaries 62.28% shareholding interests, held through its wholly owned subsidiaries 69.25% shareholding interests in Regal. Mr. Lo held 67.43% shareholding interests in Century City.

The interests in 229,548,733 unissued ordinary shares of Cosmopolitan are derivative interests held through interests in 229,548,733 convertible preference shares of Cosmopolitan, convertible into new ordinary shares of Cosmopolitan on a one to one basis (subject to adjustments in accordance with the terms of the convertible preference shares).

The interests in 1,062,226,414 unissued ordinary shares of Cosmopolitan are derivative interests held through interests in 2 per cent. convertible notes due 2053 in a principal amount of HK\$106,222,641.4 issued by Cosmopolitan. The convertible notes are convertible into new ordinary shares of Cosmopolitan at a conversion price of HK\$0.10 per ordinary share (subject to adjustments in accordance with the terms of the convertible notes).

- (f) The interests in 2,439,613,739 issued units of Regal REIT were held through wholly owned subsidiaries of Regal. The interests in 732,363 issued units of Regal REIT were held through wholly owned subsidiaries of Paliburg. The interests in 2,687,000 issued units of Regal REIT were held through wholly owned subsidiaries of Century City. Paliburg, in which Century City held through its wholly owned subsidiaries 62.28% shareholding interests, held through its wholly owned subsidiaries 69.25% shareholding interests in Regal. Mr. Lo held 67.43% shareholding interests in Century City.
- (g) 400 shares were held through companies controlled by Century City, in which Mr. Lo held 67.43% shareholding interests, and 600 shares were held through a company controlled by Mr. Lo.

Save as disclosed above, as at the Latest Practicable Date, none of the Regal Directors and chief executive of Regal had any interests or short positions in the shares, underlying shares or debentures of Regal or any of its associated corporation (within the meaning of Part XV of the SFO) which were required (i) to be notified to Regal and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code, to be notified to Regal and the Stock Exchange.

(b) Substantial shareholders' interests

As at the Latest Practicable Date, so far as is known to the Regal Directors and the chief executive of Regal, the following substantial shareholders (not being a Regal Director or chief executive of Regal) had an interest or short position in the shares and underlying shares of Regal as recorded in the register required to be kept under section 336 of the SFO or notified to Regal pursuant to the SFO:

Name of substantial shareholder	Number of issued ordinary shares held	Number of underlying ordinary shares held	Total number of ordinary shares (issued and underlying (unissued)) held	Approximate percentage of issued ordinary shares as at the Latest Practicable Date
YSL Int'l (<i>Note i</i>)	622,855,261	—	622,855,261	69.30%
Grand Modern Investments Limited (“Grand Modern”) (<i>Note ii</i>)	622,855,261	—	622,855,261	69.30%
Century City (<i>Note iii</i>)	622,855,261	—	622,855,261	69.30%
Century City BVI Holdings Limited (“CCBVI”) (<i>Note iv</i>)	622,855,261	—	622,855,261	69.30%
Paliburg (<i>Note v</i>)	622,433,861	—	622,433,861	69.25%
Paliburg Development BVI Holdings Limited (<i>Note vi</i>)	622,433,861	—	622,433,861	69.25%
Guo Yui Investments Limited (<i>Note vi</i>)	271,140,466	—	271,140,466	30.17%
Paliburg BVI Holdings Limited (<i>Note vi</i>)	230,870,324	—	230,870,324	25.69%
Taylor Investments Ltd. (<i>Note vi</i>)	154,232,305	—	154,232,305	17.16%
Glaser Holdings Limited (<i>Note vi</i>)	58,682,832	—	58,682,832	6.53%
H.P. Nominees Limited (<i>Note vi</i>)	55,480,885	—	55,480,885	6.17%
Mr. Karson CHOI Ka Tsan	50,240,000	—	50,240,000	5.59%

Notes:

- (i) The interests in the ordinary shares of Regal held by YSL Int'l were included in the corporate interests of Mr. Lo in the ordinary shares of Regal as disclosed under the section headed “Directors’ interests and short positions in shares, underlying shares and debentures of Regal and its associated corporations” above.

- (ii) Grand Modern is a wholly-owned subsidiary of YSL Int'l and its interests in the ordinary shares of Regal were included in the interests held by YSL Int'l.
- (iii) Century City is owned as to 52.72% by Grand Modern and its interests in the ordinary shares of Regal were included in the interests held by Grand Modern.
- (iv) CCBVI is a wholly owned subsidiary of Century City and its interests in the ordinary shares of Regal were included in the interests held by Century City.
- (v) Paliburg is a listed subsidiary of Century City, which held 62.28% shareholding interests in Paliburg, and Paliburg's interests in the ordinary shares of Regal were included in the interests held by Century City.
- (vi) These companies are wholly owned subsidiaries of Paliburg and their interests in the ordinary shares of the Company were included in the interests held by Paliburg.

Save as disclosed herein, the Regal Directors and the chief executive of Regal are not aware that there is any person (not being a director or chief executive of Regal) who, as at the Latest Practicable Date, had an interest or short position in the shares and underlying shares of Regal which are recorded in the register required to be kept under section 336 of the SFO or notified to the Company pursuant to the SFO.

Details of directorships of the Regal Directors in each of those companies which has an interest in the shares and underlying shares of Regal as disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO are set out as follows:

- (1) Mr. Lo is a director of YSL Int'l.
- (2) Mr. Lo, Ms. LO Po Man and Mr. Jimmy LO Chun To are directors of Grand Modern.
- (3) Mr. Lo, Ms. LO Po Man, Mr. Kelvin LEUNG So Po, Mr. Jimmy LO Chun To, Mr. Kenneth NG Kwai Kai, Ms. Winnie NG and Mr. WONG Chi Keung are directors of Century City and Paliburg.
- (4) Mr. Lo, Ms. LO Po Man, Mr. Jimmy LO Chun To and Mr. Kenneth NG Kwai Kai are directors of all the abovementioned wholly owned subsidiaries of Century City and Paliburg.

3. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, none of the Regal Directors and his/her respective associates was considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Regal Group other than those businesses to which the Regal Directors and his/her associates were appointed to represent the interests of Regal and/or the Regal Group.

4. DIRECTOR'S SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Regal Directors had entered into, or proposed to enter into, any service contract with any member of the Regal Group which would not expire or would not be determinable by the Regal Group within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' OTHER INTEREST

As at the Latest Practicable Date, none of the Regal Directors had any direct or indirect interest in any assets which have, since 31 December 2025, being the date to which the latest published audited financial statements of the Regal Group were made up, been acquired or disposed of by or leased to any member of the Regal Group or were proposed to be acquired or disposed of by or leased to, any member of the Regal Group.

Save as disclosed above, none of the Regal Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Regal Group.

6. LITIGATION

As at the Latest Practicable Date:

- (i) The owner of Regala Skycity Hotel, a wholly-owned subsidiary of Regal, is in the process of appealing a notice of stamp duty assessment in the amount of HK\$93.0 million issued by the Inland Revenue Department of Hong Kong in relation to the sub-lease agreement entered into between the Airport Authority Hong Kong and the Regal Group. Based on the legal opinion obtained, the Regal Directors consider there is a reasonable chance of success in the appeal.
- (ii) The aforesaid subsidiary is also a defendant of a claim lodged by a contractor in relation to certain outstanding construction costs of Regala Skycity Hotel amounting to approximately HK\$38.0 million. The Regal Group has submitted the defence and a counterclaim at an amount well in excess of the amount being claimed by the plaintiff. Based on the legal advice obtained, the Regal Directors consider there is an arguable case with reasonable ground for such defence.

Save as disclosed above, as at the Latest Practicable Date, none of the members of the Regal Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Regal Directors to be pending or threatened against any member of the Regal Group.

7. MATERIAL CONTRACT

The following contract (not being contract entered into in the ordinary course of business) has been entered into by the Regal Group within the two years immediately preceding the Latest Practicable Date which is or may be material:

- (a) the second supplemental agreement dated 3 September 2024 entered into among Long Profits Investments Limited (a wholly-owned subsidiary of Regal) as lender, Cosmopolitan as guarantor and Bizwise Investments Limited (a wholly-owned subsidiary of Cosmopolitan) as borrower in relation to the amendments of certain terms of the facilities

agreement dated 4 August 2016 entered into among Long Profits Investments Limited, Cosmopolitan and Bizwise Investments Limited (as amended and supplemented from time to time) in relation to the provision of the reduced loan facilities of an aggregate amount of HK\$857 million.

8. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given, or agreed to the inclusion of, its opinion or advice in this circular:

Name	Qualification
Knight Frank Petty Limited	Independent professional property valuer

The expert had given and had not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which they appear.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Regal Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Regal Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any assets which have since 31 December 2025 (being the date to which the latest published audited consolidated accounts of the Regal Group were made up) been acquired or disposed of by or leased to any member of the Regal Group or are proposed to be acquired or disposed of by or leased to any member of the Regal Group.

9. GENERAL

- (a) The registered office of Regal is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The head office and principal place of business of Regal in Hong Kong is at 20th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong.
- (c) Ms. Eliza Lam Sau Fan (“**Ms. Lam**”) is the company secretary of Regal. Ms. Lam is an associate of The Chartered Governance Institute and The Hong Kong Chartered Governance Institute.
- (d) The Bermuda principal share registrar office of Regal is Conyers Corporate Services (Bermuda) Limited, at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (e) The Hong Kong branch share registrar and transfer office of Regal is Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.

- (f) The circular is prepared in both English and Chinese. In the event of inconsistency, English text shall prevail over its Chinese text unless otherwise specified.

10. DOCUMENTS ON DISPLAY

Copies of the following documents are published on the website of the Stock Exchange (www.hkexnews.hk) and the website of Regal (www.regal.com.hk) from the date of this circular for a period of 14 days:

- (a) the memorandum of association and bye-laws of Regal;
- (b) the annual reports of Regal for the three years ended 31 December 2023, 2024 and 2025;
- (c) the material contract referred in section headed “MATERIAL CONTRACT” above;
- (d) the Preliminary SP Agreement;
- (e) the Novation Deed;
- (f) the Valuation Report, the text of which is set out in Appendix II to this circular;
- (g) the written consent referred to the paragraph headed “QUALIFICATION AND CONSENT OF EXPERT” in this Appendix; and
- (h) this circular.