



REGAL REIT
富豪產業信託

Regal Real Estate Investment Trust

(a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))
(Stock Code : 1881)



2026

INTERIM REPORT

Managed by



富豪資產管理有限公司
Regal Portfolio
Management Limited

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CORPORATE INFORMATION

MANAGER OF REGAL REIT

Regal Portfolio Management Limited (the “REIT Manager”)
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Causeway Bay,
Hong Kong.
Tel: 2805-6336
Fax: 2577-8686
Email: info@regalreit.com

BOARD OF DIRECTORS OF THE REIT MANAGER

Non-executive Directors

Lo Yuk Sui (Chairman)
Lo Po Man (Vice Chairman)
Jimmy Lo Chun To
Kenneth Ng Kwai Kai

Executive Directors

Johnny Chen Sing Hung
Simon Lam Man Lim

Independent Non-executive Directors

Kai Ole Ringenson
Bowen Joseph Leung Po Wing, GBS, JP
Frank Wong Chi Hong

AUDIT COMMITTEE OF THE REIT MANAGER

Kai Ole Ringenson (Chairman)
Bowen Joseph Leung Po Wing, GBS, JP
Frank Wong Chi Hong
Kenneth Ng Kwai Kai

DISCLOSURE COMMITTEE OF THE REIT MANAGER

Kai Ole Ringenson (Chairman)
Johnny Chen Sing Hung
Simon Lam Man Lim
Kenneth Ng Kwai Kai

NOMINATION COMMITTEE OF THE REIT MANAGER

Lo Yuk Sui (Chairman)
Lo Po Man
Kai Ole Ringenson
Bowen Joseph Leung Po Wing, GBS, JP
Frank Wong Chi Hong

RESPONSIBLE OFFICERS OF THE REIT MANAGER

Johnny Chen Sing Hung
Simon Lam Man Lim
Peony Choi Ka Ka

SECRETARY OF THE REIT MANAGER

Peony Choi Ka Ka

TRUSTEE OF REGAL REIT

DB Trustees (Hong Kong) Limited (the “Trustee”)

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor under the
Accounting and Financial Reporting Council Ordinance

PRINCIPAL VALUER

Knight Frank Petty Limited

PRINCIPAL BANKERS

Bank of Communication (Hong Kong) Limited
The Bank of East Asia, Limited
Cathay United Bank Company, Limited, Hong Kong Branch
China Construction Bank (Asia) Corporation Limited
Chong Hing Bank Limited
Hang Seng Bank Limited
Hua Xia Bank Co., Limited Hong Kong Branch
Industrial and Commercial Bank of China (Asia) Limited
Oversea-Chinese Banking Corporation Limited,
Hong Kong Branch
United Overseas Bank Limited

LEGAL ADVISER

Baker & McKenzie

UNIT REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor,
Hopewell Centre,
183 Queen’s Road East,
Wan Chai,
Hong Kong.

WEBSITE

www.RegalREIT.com

Dear Unitholders,

I am presenting herewith, on behalf of the Board of Directors of Regal Portfolio Management Limited as the REIT Manager, the 2026 Interim Report of Regal Real Estate Investment Trust.

FINANCIAL RESULTS

For the Interim Period ended 30th June, 2026, Regal REIT recorded a consolidated loss before distributions to Unitholders of HK\$186.2 million, as compared to the loss of HK\$508.1 million for the same period in 2025. In the Interim Period, there was a loss of HK\$114.4 million arising from the decrease in the fair value of Regal REIT's investment property portfolio, based on the market valuations appraised by the principal valuer as of 30th June, 2026, as compared to its last appraised value as of 31st December, 2025. While for the corresponding period last year, a fair value loss of HK\$517.1 million was recorded. If these fair value changes are excluded, Regal REIT would record for the Interim Period a core operating loss before distributions to Unitholders of HK\$71.8 million, as compared to a core operating profit of HK\$9.0 million for the same period in 2025.

Unitholders should however note that the consolidated loss recorded for the Interim Period has accounted for the loss of HK\$81.7 million and related expenses of HK\$22.0 million incurred on the transaction for the disposal of the Regal Oriental Hotel completed in April 2026, which were one-off in nature. If the extraordinary loss and related expenses associated with the disposal of the Regal Oriental Hotel are excluded, Regal REIT would have attained a core operating profit and a positive distributable income for the Interim Period.

Consequently, after adjusting for the various non-cash adjustments, Regal REIT recorded an adjusted loss of HK\$50.9 million for the Interim Period, while for the corresponding period in 2025, there was a total distributable income of HK\$15.6 million (equivalent to approximately HK\$0.0048 per Unit). The Directors of the REIT Manager have therefore decided not to declare an interim distribution for the six months ended 30th June, 2026 (2025 interim distribution – Nil).

HOTEL MARKET AND BUSINESS REVIEW

According to a recent report released by the World Bank Group, global growth is facing another major shock. The conflict in the Middle East has triggered sharp increases in energy prices, renewed inflationary pressures and fueled expectations of tighter monetary policy. Global growth is projected to slow down from 2.9% in 2025 to 2.5% in 2026, the lowest rate since the COVID-19 pandemic, amid weaker prospects for economies dependent on energy imports and those directly affected by hostilities.

For China, production and supply grew fast and employment was generally stable, while foreign trade showed good momentum of growth. The gross domestic product (GDP) of China in the first half of 2026 was up by 4.7% year-on-year at constant prices, demonstrating strong resilience.

Hong Kong's economy continued to expand robustly in the second quarter of 2026, underpinned by buoyant external trade and resilient domestic demand. For the first half of 2026, real GDP grew by 5.1% over a year earlier, the strongest half-yearly performance in nearly five years.

Hong Kong received about 26.7 million visitors during the first half of 2026, a 13.0% increase over the same period last year, with visitors from the Chinese Mainland accounting for 76.9% of the total count. Among all visitor arrivals, 43.1% were overnight visitors, representing a growth of 2.0% year-on-year, with an average length of stay of 3.1 nights. During this period, the performance of the long haul and short haul markets has shown diverse trends. While the number of visitors from the long haul markets continued to expand steadily, visitor arrivals from the traditional short haul markets in Asia have declined, mainly impacted by the reduced flight capacities due to the increased fuel price and the strength of Hong Kong dollars against their currencies.

According to the information published by the Hong Kong Tourism Board (HKTB), the average hotel room occupancy for all the surveyed hotels under different categories in Hong Kong for the half year ended 30th June was up from 85% in 2025 to 86% in 2026, while the average achieved room rate improved by 7.6%, resulting in an increment in the average Revenue per Available Room (RevPAR) of 8.9% year-on-year.

After the sale of the Regal Oriental Hotel in April 2026, Regal REIT now owns four Initial Hotels operating as full-service hotels under the Regal brand, which continue to be under lease to a wholly-owned subsidiary of Regal Hotels International Holdings Limited ("RHIHL"), the immediate listed holding company of Regal REIT. These four hotels performed steadily during the Interim Period, with their combined average RevPAR and aggregate net property income both having improved satisfactorily year-on-year.

Apart from the Initial Hotels, Regal REIT also owns four select-service hotel properties in Hong Kong, all under the "iclub" brand name. The iclub Wan Chai Hotel was the first iclub hotel in Hong Kong and has been self-operated by Regal REIT since 2011. The other three iclub hotels, namely, the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel and the iclub To Kwa Wan Hotel are also under lease to the same RHIHL lessee. During the Interim Period, these iclub Hotels have all achieved increase in their net property income.

With the continuing influx of international and Chinese Mainland students to Hong Kong, there is a strong demand for student accommodation. As an initial phase, certain hotels within Regal REIT's portfolio, including the Regal Riverside Hotel and the three iclub Hotels under lease to the RHIHL lessee, have allocated part of their room inventories to participate in the "Aspire House" student accommodation project promoted by the Hotel Manager. While they are generating stable long staying revenues for those hotels, the project itself has received many positive social responses.

Following the partial loan prepayment with the disposal proceeds of the Regal Oriental Hotel, Regal REIT has recently concluded in early August a new refinancing facility of HK\$3,900.0 million with the syndicate of existing bank lenders. This new facility has a term of four years and is presently secured on three of the Initial Hotels, namely, the Regal Airport Hotel, the Regal Hongkong Hotel, the Regal Riverside Hotel and certain commercial floor areas at Po Sing Court in Kowloon City.

Further details on the hotel properties owned by Regal REIT, including their detailed lease terms, their operating data and their rental income for the first half of 2026, are contained in the section "Management Discussion and Analysis" in this Interim Report.

BUSINESS OUTLOOK

Hong Kong is investing additional resources to reinforce its tourism competitiveness and to diversify its visitor source markets, with a view to driving a long-term sustainable development of its tourism industry. In the meanwhile, Hong Kong is also strengthening its status as an Asian international metropolis and deepening its role as a super-connector for the international travellers with the Greater Bay Area.

Although the overall business outlook for Hong Kong remains very challenging due to the prolonged geopolitical tensions in Ukraine and the Middle East, the local tourism industry is nevertheless expected to continue its recovering trend.

After the sale of the Regal Oriental Hotel, the finance costs of Regal REIT have been further alleviated, while the overall interest rate environment is gradually stabilising. Accordingly, the Directors of the REIT Manager anticipate that, barring any unforeseen circumstances, Regal REIT will be able to achieve core operating profit in the second half of 2026.

The Board of Directors would like to take this opportunity to express its thankfulness and gratitude to Mr. Abraham Shek Lai Him who had served as an Independent Non-executive Director since 2006 and retired at the annual general meeting held on 19th May, 2026. We would also like to welcome Mr. Frank Wong Chi Hong who has been appointed as an Independent Non-executive Director on that same date, and we look forward to his contributions with his professional expertise and experience.

Lo Yuk Sui

Chairman

Regal Portfolio Management Limited

(as the REIT Manager of Regal REIT)

Hong Kong, 26th August, 2026

MANAGEMENT DISCUSSION AND ANALYSIS

The Directors of the REIT Manager herein report the unaudited interim results of Regal Real Estate Investment Trust ("Regal REIT") and its subsidiaries (collectively, the "Group") for the six-month period from 1st January, 2026 to 30th June, 2026 (the "Interim Period").

LONG-TERM OBJECTIVES AND VISION OF REGAL REIT

The primary objectives of Regal REIT and the REIT Manager are to provide long-term stable, growing distributions and capital growth for the unitholders of Regal REIT (the "Unitholders") through active ownership of hotels and strategic investments in hotels, serviced apartments and/or commercial properties (including office and retail properties).

The vision of Regal REIT and the REIT Manager is to build up the existing portfolio of hotel and other properties in Hong Kong and to be a pre-eminent owner of quality international hotels and other properties with a primary focus in Hong Kong as well as to reinforce Regal REIT's status as a growing attractive option for investors. After the disposal of the Regal Oriental Hotel to an independent third party on 30th April, 2026, Regal REIT's current property portfolio is comprised of: (a) the Regal Airport Hotel, the Regal Hongkong Hotel, the Regal Kowloon Hotel and the Regal Riverside Hotel; (b) the iclub Wan Chai Hotel, the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel and the iclub To Kwa Wan Hotel (collectively, the "iclub Hotels"); and (c) certain commercial floor areas at Po Sing Court in Kowloon City (which is a building located adjacent to Regal Oriental Hotel and previously used as back of house areas for Regal Oriental Hotel) (the "PSC Premises").

THE REIT MANAGER AND THE TRUSTEE

The REIT Manager is licenced by the Securities and Futures Commission in Hong Kong (the "SFC") to undertake the regulated activities of asset management. The REIT Manager does not manage all properties held by Regal REIT directly.

The Trustee is DB Trustees (Hong Kong) Limited, a wholly-owned subsidiary of Deutsche Bank AG. The Trustee is qualified to act as a trustee for collective investment schemes authorised under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). In this role, the Trustee holds the assets of Regal REIT in trust for the benefit of the Unitholders as a whole and oversees the activities of the REIT Manager for compliance with the trust deed constituting Regal REIT (the "Trust Deed") and all regulatory requirements.

THE RHIHL LESSEE AND THE HOTEL MANAGER

Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Oriental Hotel (including the PSC Premises) and Regal Riverside Hotel (collectively, the "Initial Hotels") are leased to Favour Link International Limited (the "RHIHL Lessee"), a wholly-owned subsidiary of Regal Hotels International Holdings Limited ("RHIHL", together with its relevant subsidiaries, collectively, the "RHIHL Group"), with lease terms expiring on 27th December, 2028 (for Regal Airport Hotel) and 31st December, 2030 (for each of the Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Oriental Hotel (including the PSC Premises) and Regal Riverside Hotel) under the relevant lease agreements and supplemental lease agreements (together, the "Initial Hotels Lease Agreements"). The market rental packages for each of the Initial Hotels will be determined annually by a jointly appointed independent professional property valuer.

Regal Hotels International Limited, a wholly-owned subsidiary of RHIHL, was appointed as the hotel manager (the "Hotel Manager") under long-term hotel management agreements to operate the Initial Hotels (the "Initial Hotels Management Agreements") for a term of twenty years from 16th March, 2007.

Upon the completion of the disposal of the wholly-owned subsidiaries holding the Regal Oriental Hotel on 30th April, 2026, the PSC Premises (comprised of a portion of ground floor and the whole first floor at Po Sing Court) is carved-out from the Regal Oriental Hotel and retained by Regal REIT (via its newly established wholly-owned subsidiary). Both the Initial Hotels Lease Agreement and the Initial Hotels Management Agreement for Regal Oriental Hotel (including the PSC Premises) were consequently terminated with effect from 30th April, 2026. Subsequently, a separate new lease for the PSC Premises was entered into with the RHIHL Lessee for office and commercial use for a term of three years commencing on 1st May, 2026.

The iclub Wan Chai Hotel is self-operated and not lease out by Regal REIT. On 20th December, 2019, Regal REIT entered into a hotel management agreement with the Hotel Manager for the operation of hotel portion of the iclub Wan Chai Hotel for a term of ten years from 1st January, 2021 to 31st December, 2030 (the "Wan Chai Hotel Management Agreement").

The iclub Sheung Wan Hotel is leased to the RHIHL Lessee with the lease term expiring on 31st December, 2034 under a lease agreement and supplemental lease agreement (together, the "SW Lease Agreement"). The Hotel Manager was appointed as the hotel manager of the iclub Sheung Wan Hotel under a hotel management agreement and supplemental deed (the "SW Hotel Management Agreement") commencing on 10th February, 2014 to 31st December, 2034. The market rental packages for the iclub Sheung Wan Hotel will be determined annually by a jointly appointed independent professional property valuer.

The iclub Fortress Hill Hotel is leased to the RHIHL Lessee with the lease term expiring on 31st December, 2034 under a lease agreement and supplemental lease agreement (together, the "FH Lease Agreement"). The Hotel Manager was also appointed as the hotel manager of the iclub Fortress Hill Hotel under a hotel management agreement and supplemental deed (the "FH Hotel Management Agreement") commencing on 28th July, 2014 to 31st December, 2034. The market rental packages for the iclub Fortress Hill Hotel will be determined annually by a jointly appointed independent professional property valuer.

The iclub To Kwa Wan Hotel is leased to the RHIHL Lessee with the lease term expiring on 31st December, 2027 under a lease agreement (the "TKW Lease Agreement"). The Hotel Manager was appointed as the hotel manager of the iclub To Kwa Wan Hotel under a 10-year hotel management agreement (the "TKW Hotel Management Agreement") commencing on 4th September, 2017.

HOTEL PORTFOLIO

After the disposal of the Regal Oriental Hotel on 30th April, 2026, the number of hotel properties of Regal REIT reduced to eight. These hotel properties are strategically located in different districts in Hong Kong, enabling hotel guests to have easy and convenient access to the mass transit network and other public transportation networks. The Regal REIT's hotel portfolio is comprised of two hotel types, namely, full-service hotels, which offer a wide range of services including food and beverage outlets and other facilities, and select-service hotels, which offer contemporary design and are equipped with tech-savvy facilities.

Hotel Types	District Location	No. of Rooms	Operations Mode
<i>Full-service hotels:</i>			
Regal Airport Hotel	Chek Lap Kok	1,171	Under Lease
Regal Hongkong Hotel	Causeway Bay	481	Under Lease
Regal Kowloon Hotel	Tsim Sha Tsui	600	Under Lease
Regal Riverside Hotel	Shatin	1,147	Under Lease
		3,399	
<i>Select-service hotels:</i>			
iclub Wan Chai Hotel	Wan Chai	99	Self-operated
iclub Sheung Wan Hotel	Sheung Wan	248	Under Lease
iclub Fortress Hill Hotel	Fortress Hill	338	Under Lease
iclub To Kwa Wan Hotel	To Kwa Wan	340	Under Lease
		1,025	
Total		4,424	

Extension of the Sub-Lease for Regal Airport Hotel

As disclosed in the offering circular of Regal REIT dated 19th March, 2007 issued in connection with the listing of the Units (the "Offering Circular"), the Airport Authority Hong Kong (an independent third party of Regal REIT) (as lessor) and Bauhinia Hotels Limited (being the direct holding company of Regal Airport Hotel and a wholly-owned subsidiary of Regal REIT) (the "RAH - Property Company") (as lessee) had entered into "The Hong Kong Airport at Chek Lap Kok – Sub-Lease of Hotel" on 12th August, 2004 (the "Sub-Lease") (as amended by the supplemental lease dated 8th November, 2006) whereby the Hong Kong Airport Authority let to the RAH - Property Company the Regal Airport Hotel located at 9 Cheong Tat Road, Chek Lap Kok, Lantau Island, New Territories, Hong Kong for the period from 31st December, 2003 to 30th December, 2028.

In December 2025, Regal REIT, through RAH - Property Company, entered into a binding letter of intent and, subsequently in March 2026, a second supplemental lease agreement to the Sub-Lease with the Airport Authority Hong Kong, pursuant to which the Sub-Lease for the Regal Airport Hotel has been formally extended for a further term of three years from 31st December, 2028 to 30th December, 2031. Reference can be made to the related announcement dated 12th December, 2025 as published by the REIT Manager for further details.

Disposal of the Subsidiaries owning Regal Oriental Hotel

Regal REIT entered into a legally binding preliminary agreement on 20th March, 2026 with an independent third party of Regal REIT for the sale of its entire equity interests in an intermediate holding company of the entity that directly holds the Regal Oriental Hotel in Kowloon City, based on an agreed property value of HK\$1,518.0 million for the hotel property. Following the completion of this transaction which took place on 30th April, 2026, Regal REIT ceased to hold any interests in Regal Oriental Hotel. The effective total consideration for the disposal of the related subsidiaries holding the Regal Oriental Hotel is HK\$1,518,092,185, after a true-up adjustment of HK\$92,185 settled by the purchaser. References can be made to the related announcements dated 22nd March, 2026, 24th April, 2026, 30th April, 2026 and 15th July, 2026, as published by the REIT Manager for full details of this transaction. Consequently, the transaction for the disposal of the Regal Oriental Hotel completed in April 2026 has attributed to a loss of HK\$81.7 million and related associated expenses of HK\$22.0 million for the Interim Period, which were one-off in nature.

As disclosed in the above announcements, the PSC Premises (which is located adjacent to Regal Oriental Hotel) was used as back of house areas for Regal Oriental Hotel. The interests in PSC Premises is carved-out from Regal Oriental Hotel and retained by Regal REIT (via its newly established wholly-owned subsidiary, namely, PSC Holdings Limited (the “PSC - Property Company”)) after the disposal of Regal Oriental Hotel on 30th April, 2026. Subsequently, the PSC – Property Company (as landlord) and the RHIHL Lessee (as tenant) entered into a new lease for the PSC Premises for a term of three years commencing on 1st May, 2026.

RENTAL AND REVENUE STRUCTURE

Initial Hotels - Rental Structure and Market Rental Packages

Pursuant to the Initial Hotels Lease Agreements, for the years 2011 to 2028 (for the Regal Airport Hotel) and 2030 (for the other four Initial Hotels), respectively, the rental packages in respect of the Initial Hotels are determined on a yearly basis by a jointly appointed independent professional property valuer. The determinations comprise the amount of market rents (inclusive of the amount of base rent for each Initial Hotel, the variable rent sharing percentage and the RHIHL Lessee’s contributions to the furniture, fixtures and equipment (the “FF&E”) reserve calculated as a percentage of total hotel revenue) to be applied for each of the Initial Hotels for the relevant respective years from 2011 to 2028 (for the Regal Airport Hotel) and 2030 (for the other four Initial Hotels), respectively, together with the amount of the security deposit required (collectively, the “IH Market Rental Package”).

IH Market Rental Package for 2026

An independent professional property valuer, Ms. Stella Ho, was jointly appointed by the lessors and the RHIHL Lessee in June 2025 to conduct rent reviews for the Initial Hotels for 2026. According to the determination of the IH Market Rental Package for 2026, the aggregate amount payable by the RHIHL Lessee as annual base rent was determined to be HK\$553.0 million, with variable rent continuing to be based on sharing 50% of the excess of the aggregate net property income (“NPI”) from the operations of the Initial Hotels over the aggregate annual base rent thereof in 2026. No FF&E reserve is required to be contributed by the RHIHL Lessee and the obligation for such contribution rests with the lessors.

Upon the disposal of the Regal Oriental Hotel on 30th April, 2026, Regal REIT ceased to receive base rent for the Regal Oriental Hotel as the relevant Initial Hotels Lease Agreement was terminated.

The RHIHL Lessee has provided third party guarantees as security deposits for an aggregate amount of HK\$138.25 million, which is equivalent to three months’ aggregate base rent of the Initial Hotels for 2026. Details of the IH Market Rental Package for 2026 can be referred to in an announcement published by the REIT Manager on 26th September, 2025.

IH Market Rental Package for 2027

The market rental review for the four Initial Hotels (namely, Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel and Regal Riverside Hotel) for 2027 is to be conducted by Ms. Stella Ho, who determined the IH Market Rental Package for 2026, and the IH Market Rental Package for 2027 will be determined and reported before the end of September 2026.

PSC Premises - Rental Structure

The PSC Premises which is carved-out from Regal Oriental Hotel is leased to the RHIHL Lessee for generating monthly rental income.

iclub Wan Chai Hotel - Revenue Structure

The iclub Wan Chai Hotel is comprised of hotel portion and non-hotel portions.

Hotel Portion

The hotel portion of the iclub Wan Chai Hotel, which is under an owner-operate mode, is managed by the Hotel Manager under the Wan Chai Hotel Management Agreement. Gross hotel revenue and the associated operating costs and expenses are accounted for directly by Regal REIT.

Non-hotel Portions

iclub Wan Chai Hotel - non-hotel portions, comprised of a portion of the ground floor and the 27th to 29th floors of the premises, are let out for generating monthly rental income.

iclub Sheung Wan Hotel - Rental Structure and Market Rental Package

Pursuant to the SW Lease Agreement, the RHIHL Lessee is obligated to pay rentals in respect of the iclub Sheung Wan Hotel to Regal REIT for the period from 10th February, 2014 to 31st December, 2034, with fixed rentals for the first three years of the lease term.

After the lapse of the three initial lease years, market rental reviews by a jointly appointed independent professional property valuer take place annually for each of the remaining periods of the lease term to determine the market rental components (comprising the base rent, variable rent and lessee's contribution to the FF&E reserve) together with the amount of the security deposit required (collectively, the "SW Market Rental Package").

SW Market Rental Package for 2026

Ms. Stella Ho, was jointly appointed by the lessor and the RHIHL Lessee in June 2025 to conduct a rent review for the iclub Sheung Wan Hotel for 2026. According to the determination of the SW Market Rental Package for 2026, the annual base rent payable by the RHIHL Lessee is HK\$44.0 million, with variable rent to be based on 50% of the excess of the NPI over the annual base rent. No FF&E reserve is required to be contributed by the RHIHL Lessee and the obligation for such contribution rests with the lessor.

The RHIHL Lessee has provided a third party guarantee as a security deposit for an amount of HK\$11.1 million, which is equivalent to three months' base rent together with rates and Government rent of the iclub Sheung Wan Hotel for 2026. Details of the SW Market Rental Package for 2026 can be referred to in an announcement published by the REIT Manager on 26th September, 2025.

SW Market Rental Package for 2027

The market rental review for the iclub Sheung Wan Hotel for 2027 is to be conducted by Ms. Stella Ho, who determined the SW Market Rental Package for 2026, and the SW Market Rental Package for 2027 will be determined and reported before the end of September 2026.

iclub Fortress Hill Hotel - Rental Structure and Market Rental Package

Pursuant to the FH Lease Agreement, the RHIHL Lessee is obligated to pay rentals in respect of the iclub Fortress Hill Hotel to Regal REIT for the period from 28th July, 2014 to 31st December, 2034, with fixed rentals for the first three years of the lease term.

After the lapse of the three initial lease years, market rental reviews by a jointly appointed independent professional property valuer take place annually for each of the remaining periods of the lease term to determine the market rental components (comprising the base rent, variable rent and lessee's contribution to the FF&E reserve) together with the amount of the security deposit required (collectively, the "FH Market Rental Package").

FH Market Rental Package for 2026

Ms. Stella Ho, was jointly appointed by the lessor and the RHIHL Lessee in June 2025 to conduct a rent review for the iclub Fortress Hill Hotel for 2026. According to the determination of the FH Market Rental Package for 2026, the annual base rent payable by the RHIHL Lessee is HK\$42.0 million, with variable rent to be based on 50% of the excess of the NPI over the annual base rent. No FF&E reserve is required to be contributed by the RHIHL Lessee and the obligation for such contribution rests with the lessor.

The RHIHL Lessee has provided a third party guarantee as a security deposit for an amount of HK\$10.8 million, which is equivalent to three months' base rent together with rates and Government rent of the iclub Fortress Hill Hotel for 2026. Details of the FH Market Rental Package for 2026 can be referred to in an announcement published by the REIT Manager on 26th September, 2025.

FH Market Rental Package for 2027

The market rental review for the iclub Fortress Hill Hotel for 2027 is to be conducted by Ms. Stella Ho, who determined the FH Market Rental Package for 2026, and the FH Market Rental Package for 2027 will be determined and reported before the end of September 2026.

iclub To Kwa Wan Hotel - Rental Structure and Market Rental Package

Pursuant to the TKW Lease Agreement and its supplemental deed, the RHIHL Lessee is obligated to pay rentals in respect of the iclub To Kwa Wan Hotel to Regal REIT for the period from 4th September, 2017 to 31st December, 2027, with fixed rentals for the first five years of the lease term.

After the lapse of the five initial lease years, market rent reviews by a jointly appointed independent professional property valuer take place annually for each of the remaining periods of the lease term to determine the market rental components (comprising the base rent, variable rent and the lessee's contribution to the FF&E reserve) together with the amounts of security deposits required (collectively, the "TKW Market Rental Package").

TKW Market Rental Package for 2026

Ms. Stella Ho, was jointly appointed by the lessor and the RHIHL Lessee in June 2025 to conduct a rent review for the iclub To Kwa Wan Hotel for 2026. According to the determination of the TKW Market Rental Package for 2026, the annual base rent payable by the RHIHL Lessee is HK\$40.0 million, with variable rent to be based on 50% of the excess of the NPI over the annual base rent. No FF&E reserve is required to be contributed by the RHIHL Lessee and the obligation for such contribution rests with the lessor.

The RHIHL Lessee has provided a third party guarantee as a security deposit for an amount of HK\$10.0 million, which is equivalent to three months' base rent of the iclub To Kwa Wan Hotel for 2026. Details of the TKW Market Rental Package for 2026 can be referred to in an announcement published by the REIT Manager on 26th September, 2025.

TKW Market Rental Package for 2027

The market rental review for the iclub To Kwa Wan Hotel for 2027 is to be conducted by Ms. Stella Ho, who determined the TKW Market Rental Package for 2026, and the TKW Market Rental Package for 2027 will be determined and reported before the end of September 2026.

Furniture, Fixtures & Equipment Reserve

Regal REIT is obligated under the respective Initial Hotels Lease Agreements, the Wan Chai Hotel Management Agreement, the SW Lease Agreement, the FH Lease Agreement and the TKW Lease Agreement and its supplemental deed to maintain a reserve to fund expenditures for replacements of FF&E in the respective hotels during the Interim Period.

During the Interim Period, Regal REIT contributed amounts equal to 2% of the total hotel revenue (i.e., the total of room revenue, food and beverage revenue and/or other income of the hotel properties) for each month and, as a result, HK\$14.3 million was contributed to the FF&E reserve with corresponding expenditures of HK\$8.7 million being recorded for the purposes intended.

Capital Additions Projects

As an ongoing initiative, Regal REIT invests in capital addition projects for continuous upgrade on the quality and standards of the rooms and facilities for its hotel properties. Regal REIT undertakes, in addition to the FF&E reserve, the funding of capital addition projects with the objective of improving portfolio competitiveness and product offerings to enhance income generating capabilities, profitability of the hotel property portfolio and enable special utilisations. Other enhancement projects may also be conducted to comply with updated licensing and building requirements or to conform to legislation enactments and standards from time to time.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

The results of the Group for the Interim Period are set out in the condensed consolidated financial statements.

Hotel Industry Conditions in Hong Kong

Visitor Arrivals to Hong Kong, 1H 2026 versus 1H 2025¹

Visitors to Hong Kong by Geographical Regions	1H 2026 (% of total visitors)	1H 2026 (No. of visitors)	1H 2025 (No. of visitors)	Variance (No. of visitors)	Variance (%)
Chinese Mainland	76.9%	20,555,086	17,793,754	2,761,332	15.5%
South & Southeast Asia	6.9%	1,848,125	1,885,346	(37,221)	(2.0%)
North Asia	3.0%	798,770	874,770	(76,000)	(8.7%)
Taiwan	3.0%	798,763	743,320	55,443	7.5%
Europe, Africa & the Middle East	3.6%	971,698	772,358	199,340	25.8%
The Americas	3.3%	872,142	747,214	124,928	16.7%
Australia, New Zealand & South Pacific	1.2%	320,257	270,070	50,187	18.6%
Macau SAR/Not identified	2.1%	547,647	549,268	(1,621)	(0.3%)
Totals	100%	26,712,488	23,636,100	3,076,388	13.0%
Overnight visitors included in above	43.1%	11,513,643	11,284,306	229,337	2.0%

During the first half of 2026, the visitor arrival numbers reported an increase of about 3.1 million, mainly due to the continuous recovery of the local tourism market, representing an increase of 13.0% year-on-year.

Visitors from the Chinese Mainland increased by 15.5%, reaching 20.6 million and accounting for 76.9% of the total arrivals to Hong Kong during the period.

Arrivals from short haul markets comprising other Asian regions (including North Asia, South & Southeast Asia, Taiwan and Macau SAR), recorded a decrease of 1.5%, aggregating to 4.0 million and representing 14.9% of the total visitor arrivals to Hong Kong.

On the other hand, visitors from long haul markets recorded growth of 20.9%, with total arrivals aggregating to 2.2 million. Visitors from the Americas recorded an increase of 16.7% to about 0.9 million, and, thereby, taking up 3.3% of total visitors. Arrivals from the Europe, Africa and the Middle East markets also recorded an increase of 25.8%, with the visitor numbers reaching approximately 1.0 million or 3.6% of total arrivals.

During the period, overnight staying visitors accounted to about 11.5 million, representing 43.1% of total arrivals, with an increase of 2.0% as compared to the same period last year.

¹ Source: Research, Hong Kong Tourism Board, "Visitor Arrival Statistics – Jun 2026", July 2026; "Visitor Arrival Statistics – Jun 2025", July 2025; the REIT Manager.

Review of Hotel Rooms Supply in Hong Kong

During the first quarter of 2026, the hotel room supply in Hong Kong reported a decrease of 16 units as compared to 2025 year-end, reflecting a mild adjustment of 0.02% from 93,472 to 93,456 rooms. During the period, no new hotel was opened. The number of hotel properties maintained at 333. By the end of 2026, it is estimated that the number of hotel properties will be maintained at the same level.²

Industry Performance

Room Occupancy Rates, Average Room Rates and RevPAR (Revenue per available room) of the different categories of hotels are summarized below.

Category	Hong Kong Hotel Market Performance (1H 2026 versus 1H 2025) ³					
	Room Occupancy Rates		Average Room Rates		RevPAR	
	1H 2026	1H 2025	1H 2026	1H 2025	1H 2026	1H 2025
	%	%	HK\$	HK\$	HK\$	HK\$
High Tariff A	81	77	2,320	2,111	1,879	1,625
High Tariff B	87	87	1,022	974	889	847
Medium Tariff	90	90	596	573	536	516
All Hotels	86	85	1,313	1,220	1,129	1,037

During the first half of 2026, the number of visitor arrivals continued to improve. The overall hotel occupancy rate improved to 86.0%, which was up by 1.0 percentage points year-on-year, the industry-wide average room rate has increased by 7.6% to HK\$1,313 per night. Both factors attributed to an increase of the hotel industry's RevPAR by about HK\$92.0 or increased by 8.9% year-on-year.

Performance Highlights of Regal REIT

After the disposal of Regal Oriental Hotel on 30th April, 2026, Regal REIT currently has an aggregate of 4,424 guestrooms and suites in eight hotel properties, with a total gross floor area of approximately 214,162 square meters, that are strategically located in Hong Kong.

The financial performance of Regal REIT with regard to operating results and net asset value rely on the underlying performance of the respective hotel businesses operated by the RHIHL Lessee and the self-operated iclub Wan Chai Hotel, all under the management of the Hotel Manager. The lease rentals provide stable income protection from the base rents determined under the respective market rental packages while Regal REIT will still be eligible to earn variable rent for the four Initial Hotels, the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel and the iclub To Kwa Wan Hotel from sharing of the respective excess NPIs over the base rents.

² Source: Research, Hong Kong Tourism Board, "Hotel Supply Situation – as at Mar 2026", June 2026; the REIT Manager.

³ Source: Research, Hong Kong Tourism Board, "Hotel Room Occupancy Report – June 2026", July 2026; the REIT Manager.

During the period under review, the Initial Hotels performed steadily, with their combined RevPAR and aggregate NPI both having improved satisfactorily on a year-on-year basis. These were partly attributable to the improvement of results from the Regal Airport Hotel which captured a growth of long haul visitors taking the aviation route, as well as improvements in all other Initial Hotels, notably with Regal Oriental Hotel only contributed four months of results up to its cessation of business on 30th April, 2026.

The three iclub hotels, namely, the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel and the iclub To Kwa Wan Hotel, operating under leases, have all achieved increase in their NPI. The self-operated iclub Wan Chai Hotel together with the non-hotel portions, generated an increase in NPI of 33.8% as compared to the same period last year.

More details on the hotel performances will be discussed in the following section.

Performance of the Initial Hotels

Total hotel revenue, gross operating profit and NPI and statistics for the combined Initial Hotels for 1H 2026 versus 1H 2025 are set out below.

	1H 2026 HK\$'million	1H 2025 HK\$'million	Variance HK\$'million	Variance %
Operating Results				
Room revenue	462.5	432.7	29.8	6.9%
Food and beverage revenue	135.9	133.4	2.5	1.9%
Other income	10.8	9.0	1.8	20.0%
Total hotel revenue	609.2	575.1	34.1	5.9%
Operating expenses	(379.6)	(396.5)	16.9	4.3%
Gross operating profit	229.6	178.6	51.0	28.6%
Other expenses	(20.1)	(23.1)	3.0	13.0%
Net rental income	16.9	16.9	—	—
Net property income	226.4	172.4	54.0	31.3%
Statistics				
Average room rate	HK\$922.89	HK\$894.32	HK\$28.57	3.2%
Occupancy rate	74.3%	68.7%	5.6%	8.2%
RevPAR	HK\$685.75	HK\$614.08	HK\$71.67	11.7%
Total available rooms nights	674,499	704,633	(30,134)	(4.3%)
Occupied room nights	501,181	483,831	17,350	3.6%

Total hotel revenue for the Initial Hotels recorded a combined result of HK\$609.2 million, as compared to the HK\$575.1 million for the same period last year, posting an increase of HK\$34.1 million or 5.9%. Gross operating profit was HK\$229.6 million as compared to HK\$178.6 million for the same period last year. As a result, the NPI was HK\$226.4 million, representing an increase of HK\$54.0 million or an increase of 31.3% year-on-year.

For the period under review, the combined average occupancy rate of the Initial Hotels was 74.3% (1H2025: 68.7%). Their combined average room rate recorded an increase of 3.2% to HK\$922.89 (1H2025: HK\$894.32). As a result, their combined average RevPAR has risen to HK\$685.75 (1H2025: HK\$614.08) or an increase of 11.7% year-on-year.

It is worth to note that the above set of combined performance data for the Initial Hotels has been slightly affected as a result of the disposal of the Regal Oriental Hotel on 30th April, 2026 on which its individual performance data ended.

Base Rent

According to the IH Market Rental Package for 2026, the prevailing aggregate base rent for 2026 was HK\$526.3 million after adjustment for the cessation of rental income from the Regal Oriental Hotel since its disposal in April 2026. Regal REIT received base rent in the form of cash for each Initial Hotel on a monthly basis. During the Interim Period, Regal REIT received aggregate base rent of HK\$269.8 million.

Variable Rent

Regal REIT is entitled to receive variable rent through the sharing of the excess of the aggregate NPI from the Initial Hotels' operations over the base rent. For the period under review, included the first four months' contribution from the Regal Oriental Hotel, the aggregate NPI of HK\$226.4 million from hotel operations of the five Initial Hotels was below the pro-rated base rent of HK\$269.8 million, therefore, no variable rent was earned.

Rental Income from the PSC Premises

A new lease for the PSC Premises was entered into with the RHIHL Lessee after the disposal of Regal Oriental Hotel on 30th April, 2026. Rental income of HK\$0.5 million was generated for the period from 1st May, 2026 to 30th June, 2026 under this new lease.

Performance of iclub Wan Chai Hotel

During the Interim Period, the average occupancy rate of the hotel portion of the iclub Wan Chai Hotel was 85.0% (1H2025: 95.6%). Its average room rate recorded an increase of 10.8% to HK\$962.84 (1H2025: HK\$869.24). As a result, its average RevPAR has decreased by 1.5% year-on-year to HK\$818.57 (1H2025: HK\$831.16). Meanwhile, the non-hotel portions of the iclub Wan Chai Hotel comprised the portion of the ground floor and 27th to 29th floors, of which the portion of the ground floor was leased to a third-party tenant.

For the six months ended 30th June, 2026, iclub Wan Chai Hotel - hotel portion contributed gross hotel revenue of HK\$15.0 million and incurred operating costs and expenses amounting to HK\$8.3 million. For the non-hotel portions comprising retail and commercial premises, rental income of HK\$2.3 million was generated under the leases for the period under review.

Performance of iclub Sheung Wan Hotel

During the Interim Period, the iclub Sheung Wan Hotel achieved an overall average occupancy rate of 84.0% (1H2025: 83.9%). As its average room rate of HK\$850.83 (1H2025: HK\$843.39) increased by 0.9% over the same period last year, its average RevPAR has increased by 1.0% year-on-year to HK\$714.96 (1H2025: HK\$707.66).

Base Rent

According to the SW Market Rental Package for 2026, Regal REIT received base rent in the form of cash on a monthly basis and in the Interim Period, thereby earned and received HK\$22.0 million.

Variable Rent

Regal REIT is entitled to receive variable rent through the sharing of the excess NPI from the iclub Sheung Wan Hotel's operations over the base rent. During the Interim Period, as the NPI from hotel operations was HK\$19.3 million which fell short of the base rent amount, no variable rent was earned.

Performance of iclub Fortress Hill Hotel

During the Interim Period, the iclub Fortress Hill Hotel achieved an overall average occupancy rate of 78.6% (1H2025: 90.1%). Together with its average room rate of HK\$635.31 (1H2025: HK\$603.09) which only increased by 5.3% over the same period last year, its average RevPAR has resulted in a decrease of 8.1% year-on-year to HK\$499.64 (1H2025: HK\$543.60).

Base Rent

According to the FH Market Rental Package for 2026, Regal REIT received base rent in the form of cash on a monthly basis and in the Interim Period, thereby earned and received HK\$21.0 million.

Variable Rent

Regal REIT is entitled to receive variable rent through the sharing of the excess NPI from the iclub Fortress Hill Hotel's operations over the base rent. During the Interim Period, as the NPI from hotel operations was HK\$16.2 million which fell short of the base rent amount, no variable rent was earned.

Performance of iclub To Kwa Wan Hotel

During the Interim Period, the iclub To Kwa Wan Hotel achieved an overall average occupancy rate of 78.2% (1H2025: 81.7%). Its average room rate of HK\$629.73 (1H2025: HK\$608.15) increased by 3.5% over the same period last year, while its average RevPAR has decreased by 0.8% year-on-year to HK\$492.71 (1H2025: HK\$496.54).

Base Rent

According to the TKW Market Rental Package for 2026, Regal REIT received base rent in the form of cash on a monthly basis. During the Interim Period, Regal REIT earned and received base rent of HK\$20.0 million.

Variable Rent

Regal REIT is entitled to receive variable rent through the sharing of the excess NPI from the iclub To Kwa Wan Hotel's operations over the base rent. During the Interim Period, as the NPI from hotel operations was HK\$16.0 million which fell short of the base rent amount, no variable rent was earned.

Net Rental and Hotel Income

An analysis of the net rental and hotel income for the Interim Period compared to the corresponding period in 2025 is set out below.

	Six months ended 30th June, 2026		Six months ended 30th June, 2025	
	HK\$'million	%	HK\$'million	%
Initial Hotels				
Base Rent	269.8	76.7	275.0	77.6
Variable Rent	—	—	—	—
Other income	1.0	0.3	1.9	0.5
PSC Premises	0.5	0.1	—	—
iclub Sheung Wan Hotel				
Rental income	22.0	6.3	22.0	6.2
iclub Fortress Hill Hotel				
Rental income	21.0	6.0	21.0	5.9
iclub To Kwa Wan Hotel				
Rental income	20.0	5.7	18.5	5.2
iclub Wan Chai Hotel				
Gross hotel revenue	15.0	4.3	15.2	4.3
Rental income	2.3	0.6	0.8	0.3
Gross rental and hotel income	351.6	100.0	354.4	100.0
Property operating expenses	(1.8)	(0.5)	(2.5)	(0.7)
Hotel operating expenses	(8.3)	(2.4)	(9.1)	(2.6)
Net rental and hotel income	341.5	97.1	342.8	96.7

During the Interim Period, net rental and hotel income represented 97.1% of the gross rental and hotel income after the deduction of property and hotel operating expenses. The management services of the hotel properties are provided by the Hotel Manager under the relevant hotel management agreements with respect to the Initial Hotels, the iclub Wan Chai Hotel, the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel and the iclub To Kwa Wan Hotel.

Net Assets Attributable to Unitholders

As at 30th June, 2026, net assets attributable to Unitholders amounted to HK\$12,522.3 million (31st December, 2025: HK\$12,698.7 million), representing a net asset value ("NAV") per Unit attributable to Unitholders of HK\$3.844, as compared to the NAV of HK\$3.898 per Unit as at 31st December, 2025.

Valuation of the Property Portfolio

As at 30th June, 2026, Regal REIT's overall property portfolio was valued at HK\$22,025.0 million (31st December, 2025: HK\$23,776.0 million). The property portfolio (after the disposal of Regal Oriental Hotel on 30th April, 2026) is comprised of (i) the four Initial Hotels, the PSC Premises, the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel, the iclub To Kwa Wan Hotel and the non-hotel portions of the iclub Wan Chai Hotel that are classified as investment properties; and (ii) the owner-operated hotel portion of the iclub Wan Chai Hotel which is classified as property, plant and equipment.

Valuations of the properties as at 30th June, 2026 and 31st December, 2025 are tabulated below.

Property	Location	30 Jun 2026 Valuation HK\$ million	31 Dec 2025 Valuation HK\$ million	% Change
<i>Initial Hotels:</i>				
Regal Airport Hotel*	Lantau Island	1,163	1,278	-9.0%
Regal Hongkong Hotel	HK Island	4,300	4,297	+0.1%
Regal Kowloon Hotel	Kowloon	5,912	5,911	—
Regal Oriental Hotel	Kowloon	N/A	1,647	N/A
Regal Riverside Hotel	New Territories	5,098	5,095	+0.1%
		16,473	18,228	-9.6%
<i>Other property:</i>				
PSC Premises	Kowloon	120	120	—
<i>iclub Hotels:</i>				
iclub Wan Chai Hotel#	HK Island	849	848	+0.1%
iclub Sheung Wan Hotel	HK Island	1,633	1,632	+0.1%
iclub Fortress Hill Hotel	HK Island	1,573	1,573	—
iclub To Kwa Wan Hotel	Kowloon	1,377	1,375	+0.1%
Overall property portfolio		22,025	23,776	-7.4%

* Sub-lease expiring on 30th December, 2031.

Includes hotel portion and non-hotel portions.

The valuations of the property portfolio as at 30th June, 2026 were conducted by Knight Frank Petty Limited ("Knight Frank"), the principal valuer of Regal REIT appointed by the Trustee for a term of three years commencing from December 2024 pursuant to the provisions of the Code on Real Estate Investment Trusts (the "REIT Code").

Knight Frank, an independent professional property valuer, assessed the market values of the property portfolio subject to the lease agreements, hotel operations and the hotel management agreements and in accordance with the "The HKIS Valuation Standards", the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the REIT Code. Knight Frank used the discounted cash flow ("DCF") method based on key assumptions such as hotel room occupancies, hotel average room rates, terminal capitalisation rates and discount rates. The market approach was also used as a check on the valuation derived from the DCF method.

DISTRIBUTABLE INCOME AND DISTRIBUTION POLICY

Pursuant to the Trust Deed, Regal REIT is required to ensure that the total amount distributed to Unitholders shall not be less than 90% of its total distributable income for each financial year and the current policy of the REIT Manager is to comply with such requirement. The amount of distribution, if any, for the interim period of each financial year is at the discretion of the REIT Manager.

Interim Distribution for 2026

Having accounted for the loss of HK\$81.7 million on the transaction for the disposal of the Regal Oriental Hotel, the adjusted loss for the Interim Period, after adjusting for the various non-cash adjustments, amounted to HK\$50.9 million, as compared to the distributable income of HK\$15.6 million recorded for the corresponding period in 2025. The Board of Directors of the REIT Manager has therefore decided that there is no interim distribution for the six months ended 30th June, 2026 (2025 interim distribution – Nil).

FINANCIAL REVIEW AND FINANCING STRATEGY

The REIT Manager has continued to adopt a prudent approach to ensure that the leverage ratios do not exceed thresholds prescribed under the REIT Code and the financial covenants of the respective loan facility agreements.

Loan Financing

As at 30th June, 2026, Regal REIT's loan facilities aggregating HK\$9,273.8 million, with varying maturity terms, were comprised of: (a) term and revolving loan facilities of up to HK\$3,952.8 million secured by three of the four Initial Hotels and the PSC Premises; (b) a term loan facility of HK\$2,750.0 million secured by the Regal Kowloon Hotel; (c) a term loan facility of HK\$416.5 million secured by the iclub Wan Chai Hotel (comprising hotel portion and non-hotel portions); (d) a term loan facility of HK\$749.5 million secured by the iclub Sheung Wan Hotel; (e) a term loan facility of HK\$755.0 million secured by the iclub Fortress Hill Hotel; and (f) a term loan facility of HK\$650.0 million secured by the iclub To Kwa Wan Hotel.

Financing for the Initial Hotels

The facility agreement for a term loan facility of HK\$4,500.0 million and a revolving loan facility of up to HK\$500.0 million (the "2021 IH Facilities"), concluded on 10th August, 2021 through Regal REIT's wholly-owned subsidiaries, were secured by four of the five Initial Hotels, namely, the Regal Airport Hotel, the Regal Hongkong Hotel, the Regal Oriental Hotel (including the PSC Premises) and the Regal Riverside Hotel. The 2021 IH Facilities had a term of five years to August 2026 and carried interest based on the Hong Kong Interbank Offered Rate (HIBOR).

In pursuit of Regal REIT's deleveraging initiatives, Regal REIT completed the disposal of the Regal Oriental Hotel in April 2026 for an effective total consideration of HK\$1,518.1 million. As agreed with the bank lenders, 70% of the net disposal proceeds, amounting to HK\$1,047.2 million, was applied for partial loan prepayment of the 2021 IH Facilities. The remaining 30% of the net disposal proceeds, amounting to HK\$448.8 million, were intended for the funding of asset enhancement work and general working capital. As at 30th June, 2026, the remaining balance of the net disposal proceeds stood at HK\$295.4 million.

As at 30th June 2026, the 2021 IH Facilities had an outstanding amount of HK\$3,952.8 million, representing the reduced term loan amount of HK\$3,548.7 million and the reduced amount of revolving facility of HK\$404.1 million.

Subsequent to the end of the Interim Period, in early August, Regal REIT concluded the refinancing of a new term loan facility of HK\$3,900.0 million (the “2026 IH Facilities”) with the syndicate of existing bank lenders for a term of four years to July 2030, secured by the remaining three Initial Hotels and the PSC Premises. The further repayment of the loan facility of HK\$52.8 million was funded from the remaining balance of the net disposal proceeds as mentioned above.

On 24th June, 2022, Regal REIT arranged, through a wholly-owned subsidiary, a term loan facility of HK\$2,950.0 million (the “2022 RKH Facility”), secured by a mortgage over the Regal Kowloon Hotel. This facility bears HIBOR-based interest and has a term of five years to June 2027. As at 30th June, 2026, the outstanding amount of the 2022 RKH Facility was HK\$2,750.0 million, after four instalment repayment of HK\$50.0 million each in June 2023, June 2024, June 2025 and June 2026, respectively, representing the full amount of the outstanding term loan facility.

Financing for iclub Wan Chai Hotel

On 18th July, 2024, Regal REIT arranged, through a wholly-owned subsidiary, a term loan facility of HK\$416.5 million secured by the iclub Wan Chai Hotel (comprising hotel portion and non-hotel portions) (the “2024 WC Facility”). The 2024 WC Facility carries interest based on HIBOR and has a loan maturity of December 2027. As at 30th June, 2026, the outstanding amount was HK\$416.5 million, representing full amount of the 2024 WC Facility.

Financing for iclub Sheung Wan Hotel

On 17th October, 2023, Regal REIT arranged, through a wholly-owned subsidiary, a bilateral term loan facility of HK\$749.5 million secured by the iclub Sheung Wan Hotel (the “2023 SW Facility”). The 2023 SW Facility bears HIBOR-based interest with a four-year term to October 2027. As at 30th June, 2026, the outstanding amount was HK\$749.5 million, representing the full amount of the 2023 SW Facility.

Financing for iclub Fortress Hill Hotel

On 27th November, 2023, Regal REIT arranged, through a wholly-owned subsidiary, a bilateral term loan facility of HK\$755.0 million secured by the iclub Fortress Hill Hotel (the “2023 FH Facility”). The 2023 FH Facility bears HIBOR-based interest and has a term of five years to November 2028. As at 30th June, 2026, the outstanding amount was HK\$755.0 million, representing the full amount of the 2023 FH Facility.

Financing for iclub To Kwa Wan Hotel

On 15th November, 2025, Regal REIT arranged, through a wholly-owned subsidiary, a term loan facility of HK\$650.0 million secured by the iclub To Kwa Wan Hotel (the “2025 TKW Facility”). The 2025 TKW Facility carries interest based on HIBOR and has a loan maturity to November 2027. As at 30th June, 2026, the outstanding amount was HK\$650.0 million, representing the full amount of the 2025 TKW Facility.

Managing Fluctuations in Interest Rates

During the Interim Period, the 1-month HIBOR rates fluctuated within a range between the low of 1.95% per annum to the high of 3.01% per annum. The 1-month HIBOR started at 2.62% per annum on 2nd January, 2026 and stayed at 2.94% per annum on 30th June, 2026, settling at a daily average of about 2.53% per annum⁴.

With a view to managing its financial expenses and hedging against any unexpected reversionary movements in the interest rates, Regal REIT deploys interest rate swaps (“IRS”) to swap the interest expenses on certain of its outstanding bank loans from floating rates to fixed rates. During the Interim Period, Regal REIT has entered into IRS transactions with a total notional amount of HK\$600.0 million, to replace an IRS transaction in the same notional amount which expired during the Interim Period.

As at the end of the Interim Period, the total committed and outstanding notional amount of the IRS transactions was HK\$2,921.0 million or 31.5% of Regal REIT’s total outstanding bank borrowings, locked at fixed rates of 2.625% per annum to 3.52% per annum and with terms ranging from 1.42 years to 3.6 years. The REIT Manager will continue to monitor the interest rates environment and to assess from time to time its strategies on hedging and cashflow management, in order to contain its exposure to interest rate fluctuations.

Mainly benefiting from the lowered level HIBOR, the interest expenses incurred during the Interim Period was HK\$214.7 million, representing a reduction of HK\$40.2 million from HK\$254.9 million recorded in the same period last year.

Gearing and Cash

As at 30th June, 2026, the gearing ratio of Regal REIT was 40.7% (30th June, 2025: 43.8%), being the gross amount of the outstanding loans aggregating HK\$9,273.8 million, which took into account: (a) the 2021 IH Facilities of HK\$3,952.8 million; (b) the 2022 RKH Facility of HK\$2,750.0 million; (c) the 2024 WC Facility of HK\$416.5 million; (d) the 2023 SW Facility of HK\$749.5 million; (e) the 2023 FH Facility of HK\$755.0 million; and (f) the 2025 TKW Facility of HK\$650.0 million, as compared to the total gross assets of Regal REIT of HK\$22,763.9 million. The gearing ratio is below the maximum 50% permitted under the REIT Code.

As at 30th June, 2026, Regal REIT had a total of HK\$88.5 million in unrestricted and HK\$493.7 million in restricted cash balances and bank deposits. Regal REIT maintains adequate cash reserves and revolving loan facility and receives timely payments of rental income to satisfy its financial commitments as well as working capital requirements on an on-going basis.

Pledged Assets

As at 30th June, 2026, all Regal REIT’s properties with carrying value of HK\$22,025.0 million in aggregate were pledged to secure bank loan facilities granted to Regal REIT.

⁴ Source: Bloomberg, Hong Kong Dollar HIBOR Fixings 1-Month: 2026.01.01 to 2026.06.30.

SUFFICIENCY OF PUBLIC FLOAT

As at 30th June, 2026, there were 3,257,431,189 Units in issue and listed on the main board of The Stock Exchange of Hong Kong Limited.

Based on the information that is publicly available and as far as the REIT Manager is aware, as at the date of this report, Regal REIT has maintained sufficient public float with more than 25% of the issued and outstanding Units being held by the public as required under the REIT Code and the Listing Rules.

NEW UNITS ISSUED

There were no new Units allotted and issued during the Interim Period.

EMPLOYEES

Regal REIT is managed by the REIT Manager and the Trustee. By contracting out such services, Regal REIT does not employ any staff in its own right.

BUY-BACK, SALE OR REDEMPTION OF UNITS

There were no buy-backs, sales or redemptions of Units during the Interim Period.

MATERIAL ACQUISITIONS OR DISPOSALS OF REAL ESTATE

On 30th April, 2026, Regal REIT completed the disposal of its subsidiaries owning Regal Oriental Hotel for an effective total consideration of HK\$1,518.1 million. Following the completion of the abovementioned disposal of the subsidiaries, Regal REIT ceased to hold any interests in the Regal Oriental Hotel (excluding the PSC Premises). References can be made to the related announcements dated 22nd March, 2026, 24th April, 2026, 30th April, 2026 and 15th July, 2026, as published by the REIT Manager, for further details.

Save as disclosed herein, Regal REIT did not enter into any other real estate acquisition or disposal transactions during the Interim Period.

OTHER INVESTMENTS

Regal REIT did not engage or participate in any Property Development and Related Activities (as defined in the REIT Code) nor invest in any Relevant Investments (as defined in the REIT Code) and any real estate other than Non-qualified Minority-owned Properties (as defined in the REIT Code), including in all Qualified Minority-owned Properties (as defined in the REIT Code), during the Interim Period.

CORPORATE GOVERNANCE

The REIT Manager seeks to ensure good corporate governance through high levels of transparency, equal treatment of Unitholders, compliance with applicable laws and regulations and by appointing independent and well-qualified board members.

The REIT Manager has adopted a compliance manual for use in relation to the management and operation of Regal REIT (the “Compliance Manual”) (as may be amended from time to time) which sets out the key processes, internal control and systems and policies and procedures to guide operations and, thereby, set a high standard of corporate governance to ensure the relevant regulations and legislation are adhered to.

During the Interim Period, Regal REIT and the REIT Manager have in material terms complied with the provisions of the Compliance Manual and, where applicable, the code provisions in the Corporate Governance Code as set out in Appendix C1 of the Listing Rules.

AUTHORISATION STRUCTURE

Regal REIT is a collective investment scheme authorised by the SFC under section 104 of the SFO and regulated by the provisions of the REIT Code and constituted by the Trust Deed.

The REIT Manager is licensed by the SFC under the SFO to conduct regulated activities related to asset management. During the period under review, Mr. Johnny Chen Sing Hung, Mr. Simon Lam Man Lim and Ms. Peony Choi Ka Ka acted as the Responsible Officers of the REIT Manager.

The Trustee is registered as a trust company and is qualified to act as a trustee for collective investment schemes authorised under the SFO pursuant to the REIT Code.

BOARD OF DIRECTORS OF THE REIT MANAGER

The board of directors of the REIT Manager (the “Board”) is responsible for overseeing the overall corporate governance of the REIT Manager and the day-to-day management of the REIT Manager’s affairs and the conduct of its business. The Board has established a framework for the management of Regal REIT, including systems of internal control and business risk management processes. The Board currently comprises two Executive Directors, four Non-executive Directors and three Independent Non-executive Directors. The Board has established three Board Committees with terms of reference, each of which is to assist the Board in supervising specific issues and functions of Regal REIT and the REIT Manager, and to report back to the Board their findings, decisions and recommendations.

DEALINGS IN SECURITIES OF REGAL REIT BY DIRECTORS OR THE REIT MANAGER

The REIT Manager has adopted the “Code Governing Dealings in Units by Directors or the REIT Manager” (the “Units Dealings Code”) governing dealings in the securities of Regal REIT by the Directors and the REIT Manager as set out in the Compliance Manual, on terms no less exacting than the required standards of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the “Model Code”). The Units Dealings Code may be extended to senior executives, officers and other employees of the REIT Manager as the Board may determine. Following specific enquiries by the REIT Manager, the Directors of the REIT Manager and the REIT Manager have confirmed that they have complied with the required standards under the Model Code and the Units Dealings Code during the Interim Period.

CHANGES OF INFORMATION OF DIRECTORS

Subsequent to publication of the 2025 Annual Report of Regal REIT, the REIT Manager was informed of the following changes of a Directors' information:

Name of Directors

Mr. Abraham Shek Lai Him, GBS, JP

Details of changes

- Resigned as an independent non-executive director of Alliance International Education Leasing Holdings Limited, a company listed on the HK Stock Exchange, with effect from 30th April, 2026.
- Retired as an Independent Non-executive Director and also ceased to act as a member of the Audit Committee and the Nomination Committee of the REIT Manager, respectively, with effect from the conclusion of the annual general meeting of Regal REIT held on 19th May, 2026.

Mr. Frank Wong Chi Hong

- Appointed as an Independent Non-executive Director, a member of the Audit Committee and the Nomination Committee of the REIT Manager, respectively, with effect from the conclusion of the annual general meeting of Regal REIT held on 19th May, 2026.

REVIEW OF INTERIM RESULTS

The Disclosure Committee and the Audit Committee of the REIT Manager have reviewed Regal REIT's condensed consolidated financial statements for the six months ended 30th June, 2026, including the accounting principles and practices adopted by Regal REIT, in conjunction with Regal REIT's external auditor. The review report of the external auditor is set out in the section "Report on Review of Interim Financial Information" contained in this Interim Report.

CONNECTED PARTY TRANSACTIONS

During the period under review, Regal REIT and the other companies or entities held or controlled by Regal REIT (collectively, the “Regal REIT Group”) entered into a number of continuing transactions with its connected persons (defined in paragraph 8.1 of the REIT Code), as listed below, which constitute connected party transactions of Regal REIT within the meaning of the REIT Code:

- (i) the REIT Manager and the other companies or entities held or controlled by Regal Hotels International Holdings Limited (“RHIHL”) (collectively, the “RHIHL Connected Persons Group”); and
- (ii) the Trustee and companies within the same group or otherwise “associated” with the Trustee (collectively, the “Trustee Connected Persons Group”).

RHIHL CONNECTED PERSONS GROUP

(a) Initial Hotels Lease Agreements

Regal REIT (via Bauhinia Hotels Limited, Cityability Limited, Gala Hotels Limited, Regal Riverside Hotel Limited and Ricobem Limited, the direct owners of the Initial Hotels, respectively, (collectively, the “Initial Hotel – Property Companies” and each referred to as the “Initial Hotel – Property Company”)) entered into separate Initial Hotels Lease Agreements with Favour Link International Limited (the “RHIHL Lessee”) in relation to the leasing of the Initial Hotels on 16th March, 2007 (as may be amended from time to time) with lease terms expired on 31st December, 2020. On 20th December, 2019, each of the Initial Hotel – Property Companies entered into the supplemental lease agreement with the RHIHL Lessee to extend the leases (the “IH Lease Extensions”) for the Regal Airport Hotel to 27th December, 2028 and the other four Initial Hotels, namely, Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Oriental Hotel (including the PSC Premises) and Regal Riverside Hotel, to 31st December, 2030, (together, the “IH Extended Period”), with the market rental packages for the IH Extended Period continuing to be determined annually by a jointly appointed independent professional property valuer. As a result, the total lease term of each Initial Hotels Lease Agreement is now from 30th March, 2007 to 27th December, 2028 (for the Regal Airport Hotel) and 31st December, 2030 (for the other four Initial Hotels). The abovementioned supplemental lease agreements were approved by the independent Unitholders at the extraordinary general meeting held on 15th January, 2020. References can be made to the related announcements dated 20th December, 2019 and 15th January, 2020 and the related circular to Unitholders dated 20th December, 2019, as published by the REIT Manager for further details of the IH Lease Extensions. The RHIHL Lessee is a member of the RHIHL Connected Persons Group.

Subsequent following the completion of the disposal of the Regal Oriental Hotel (excluding the PSC Premises) on 30th April, 2026, Regal REIT (via the Initial Hotel – Property Company for Regal Oriental Hotel) (as lessor) and the RHIHL Lessee, a member of the RHIHL Connected Persons Group, agreed to early terminate the Initial Hotels Lease Agreement for Regal Oriental Hotel with effect from the same date without any compensation. The PSC Premises (which was previously used as back of house areas for Regal Oriental Hotel is carved-out from Regal Oriental Hotel and retained by Regal REIT after the disposal of Regal Oriental Hotel) is leased back to the RHIHL Lessee for a term of three years commencing on 1st May, 2026 under a separate new tenancy agreement. References can be made to the related announcements dated 22nd March, 2026, 24th April, 2026, 30th April, 2026 and 15th July, 2026, as published by the REIT Manager, for further details of the Tenancy Agreement disposal of the Regal Oriental Hotel transaction.

During the Interim Period, after adjustment for the cessation of rental income from the Regal Oriental Hotel since its disposal in April 2026, the cash market rental income and other income under the Initial Hotels Lease Agreements amounted to approximately HK\$269.8 million.

(b) Tenancy Agreement

As mentioned above, subsequent following the termination of the Initial Hotels Lease Agreement for Regal Oriental Hotel (including the PSC Premises) on 30th April, 2026, a new tenancy agreement for the PSC Premises (comprising shop nos. 3 to 11 on the ground floor and the whole first floor of Po Sing Court in Kowloon City) was entered into with the RHIHL Lessee. Regal REIT (via PSC Holdings Limited, the newly established wholly-owned subsidiary of Regal REIT and the direct owner of the PSC Premises) (as landlord) entered into a new tenancy agreement with the RHIHL Lessee, a member of the RHIHL Connected Persons Group, (as tenant) for the leasing of the PSC Premises for a 3-year term commencing on 1st May, 2026 (the “PSC Tenancy Agreement”) at a rental of HK\$250,000 per calendar month (exclusive of management fees, government rates and other outgoing expenses) payable monthly in advance. References can be made to the related announcements dated 22nd March, 2026 and 30th April, 2026, as published by the REIT Manager, for further details of the PSC Tenancy Agreement.

For the period from 1st May, 2026 to 30th June, 2026, total contractual lease income under the PSC Tenancy Agreement amounted to HK\$0.5 million.

(c) Initial Hotels Management Agreements

Under the terms of each Initial Hotels Lease Agreement, the RHIHL Lessee has delegated the operation and management of the relevant Initial Hotel to Regal Hotels International Limited (the “Hotel Manager”) by entering into the Initial Hotels Management Agreement with the Hotel Manager for a term of twenty years from 16th March, 2007. The RHIHL Lessee and the Hotel Manager are both members of the RHIHL Connected Persons Group.

Each Initial Hotel – Property Company is also a party to the Initial Hotels Management Agreement on terms including that, upon the expiry or termination of any Initial Hotels Lease Agreement, the Hotel Manager will continue to manage the relevant Initial Hotel in accordance with the Initial Hotels Management Agreement.

Subsequent following the completion of the disposal of the Regal Oriental Hotel (excluding the PSC Premises) on 30th April, 2026, Regal REIT (via the Initial Hotel – Property Company for Regal Oriental Hotel) and the Hotel Manager, a member of the RHIHL Connected Persons Group, agreed to early terminate the Initial Hotels Management Agreement for Regal Oriental Hotel with effect from the same date without any compensation.

(d) Initial Hotels Lease Guarantees

RHIHL, a member of the RHIHL Connected Persons Group, has guaranteed to pay all amounts from time to time owing or payable by the RHIHL Lessee to the Initial Hotel – Property Companies under the Initial Hotels Lease Agreements by entering into the lease guarantees (as may be amended from time to time) (the “Initial Hotels Lease Guarantees”). The Initial Hotels Lease Guarantees also contain indemnities in respect of all guaranteed liabilities. On 20th December, 2019, the supplemental lease guarantees in respect of each Initial Hotels were entered into with the Trustee and RHIHL to make consequential amendments in light of the IH Lease Extensions, so that RHIHL’s obligation to maintain a third party guarantee can cover the IH Extended Period.

As mentioned above, the Regal Oriental Hotel is no longer leasing to the RHIHL Lessee due to the termination of the relevant Initial Hotels Lease Agreement, Regal REIT and RHIHL, a member of the RHIHL Connected Persons Group, have entered into a deed of release of the Initial Hotels Lease Guarantee for Regal Oriental Hotel on 30th April, 2026.

(e) Initial Hotels Deed of Trade Mark Licence

Regal International Limited, a member of the RHIHL Connected Persons Group, entered into a deed of trade mark licence with the REIT Manager and Regal REIT Group on 2nd March, 2007. Regal International Limited granted to the REIT Manager and each Initial Hotel – Property Company, inter alia, a non-exclusive and non-transferable licence to use its registered trade marks or service marks, in any jurisdiction where such marks are registered and free of any royalty, for the purpose of describing the ownership of each Initial Hotel and/or uses in connection with the business of each Initial Hotel.

(f) Wan Chai Hotel Management Agreement

On 20th December, 2019, Regal REIT (via Sonnix Limited (the “iclub Wan Chai Hotel – Property Company”)) entered into the Wan Chai Hotel Management Agreement with the Hotel Manager, a member of the RHIHL Connected Persons Group, in respect of the management of the business of the iclub Wan Chai Hotel for a term of ten years from 1st January, 2021 and expiring on 31st December, 2030 with a non-fault based early termination provision. The Wan Chai Hotel Management Agreement was approved by the independent Unitholders at the extraordinary general meeting held on 15th January, 2020. References can be made to the related announcements dated 20th December, 2019 and 15th January, 2020 and the related circular to Unitholders dated 20th December, 2019, as published by the REIT Manager for further details of the Wan Chai Hotel Management Agreement.

During the Interim Period, total management fees under the Wan Chai Hotel Management Agreement amounted to approximately HK\$0.65 million.

(g) SW Lease Agreement

Regal REIT (via Tristan Limited (the “iclub Sheung Wan Hotel – Property Company”)) entered into the SW Lease Agreement in relation to the leasing of the iclub Sheung Wan Hotel with the RHIHL Lessee, a member of the RHIHL Connected Persons Group, on 10th February, 2014 with lease term expired on 31st December, 2024. On 11th January, 2024, Regal REIT and the RHIHL Lessee entered into a supplemental deed amending the SW Lease Agreement to extend the lease term of ten years from 1st January, 2025 to 31st December, 2034 (the “SW Extended Period”), with the market rental packages for the extended lease term continuing to be determined annually by a jointly appointed independent professional property valuer (the “SW Lease Extension”). As a result, the total lease term of the SW Lease Agreement is now from 10th February, 2014 to 31st December, 2034. This supplemental lease agreement was approved by the independent Unitholders at the extraordinary general meeting held on 31st January, 2024. References can be made to the related announcements dated 11th January, 2024 and 31st January, 2024 and the related circular to Unitholders dated 11th January, 2024, as published by the REIT Manager for further details of the SW Lease Extension.

During the Interim Period, the market rental income under the SW Lease Agreement amounted to HK\$22.0 million.

(h) SW Lease Guarantee

RHIHL, a member of the RHIHL Connected Persons Group, has guaranteed to pay all amounts from time to time owing or payable by the RHIHL Lessee to the iclub Sheung Wan Hotel – Property Company under the SW Lease Agreement by entering into the lease guarantee (as may be amended from time to time) (the “SW Lease Guarantee”). On 11th January, 2024, a supplemental deed amending the SW Lease Guarantee was entered into with the Trustee and RHIHL to make consequential amendments in light of the SW Lease Extension, so that RHIHL’s obligation to maintain a third party guarantee can cover the SW Extended Period.

(i) SW Hotel Management Agreement

Regal REIT (via the iclub Sheung Wan Hotel – Property Company) entered into the SW Hotel Management Agreement with the Hotel Manager, a member of the RHIHL Connected Persons Group, in respect of the management of the business of the iclub Sheung Wan Hotel for a 10-year term commencing on 10th February, 2014. On 11th January, 2024, Regal REIT and the Hotel Manager entered into a supplemental deed amending the SW Hotel Management Agreement to extend its original expiry date (i.e., 9th February, 2024) to 31st December, 2034 with the inclusion of a new non-fault based early termination provision exercisable only by the lessor (the “SW HMA Extension”). This supplemental hotel management agreement was approved by the independent Unitholders at the extraordinary general meeting held on 31st January, 2024. References can be made to the related announcements dated 11th January, 2024 and 31st January, 2024 and the related circular to Unitholders dated 11th January, 2024, as published by the REIT Manager for further details of the SW HMA Extension.

(j) FH Lease Agreement

Regal REIT (via Wise Decade Investments Limited (the “iclub Fortress Hill Hotel – Property Company”)) entered into the FH Lease Agreement in relation to the leasing of the iclub Fortress Hill Hotel with the RHIHL Lessee, a member of the RHIHL Connected Persons Group, on 28th July, 2014 with lease term expired on 31st December, 2024. On 11th January, 2024, Regal REIT and the RHIHL Lessee entered into a supplemental deed amending the FH Lease Agreement to extend the lease term of ten years from 1st January, 2025 to 31st December, 2034 (the “FH Extended Period”), with the market rental packages for the extended lease term continuing to be determined annually by a jointly appointed independent professional property valuer (the “FH Lease Extension”). As a result, the total lease term of the FH Lease Agreement is now from 28th July, 2014 to 31st December, 2034. This supplemental lease agreement was approved by the independent Unitholders at the extraordinary general meeting held on 31st January, 2024. References can be made to the related announcements dated 11th January, 2024 and 31st January, 2024 and the related circular to Unitholders dated 11th January, 2024, as published by the REIT Manager for further details of the FH Lease Extension.

During the Interim Period, the market rental income under the FH Lease Agreement amounted to HK\$21.0 million.

(k) FH Lease Guarantee

RHIHL, a member of the RHIHL Connected Persons Group, has guaranteed to pay all amounts from time to time owing or payable by the RHIHL Lessee to the iclub Fortress Hill Hotel – Property Company under the FH Lease Agreement by entering into the lease guarantee (as may be amended from time to time) (the “FH Lease Guarantee”). On 11th January, 2024, a supplemental deed amending the FH Lease Guarantee was entered into with the Trustee and RHIHL to make consequential amendments in light of the FH Lease Extension, so that RHIHL’s obligation to maintain a third party guarantee can cover the FH Extended Period.

(l) FH Hotel Management Agreement

Regal REIT (via the iclub Fortress Hill Hotel – Property Company) entered into the FH Hotel Management Agreement with the Hotel Manager, a member of the RHIHL Connected Persons Group, in respect of the management of the business of the iclub Fortress Hill Hotel for a 10-year term commencing on 28th July, 2014. On 11th January, 2024, Regal REIT and the Hotel Manager entered into a supplemental deed amending the FH Hotel Management Agreement to extend its original expiry date (i.e., 27th July, 2024) to 31st December, 2034 with the inclusion of a new non-fault based early termination provision exercisable only by the lessor (the “FH HMA Extension”). This supplemental hotel management agreement was approved by the independent Unitholders at the extraordinary general meeting held on 31st January, 2024. References can be made to the related announcements dated 11th January, 2024 and 31st January, 2024 and the related circular to Unitholders dated 11th January, 2024, as published by the REIT Manager for further details of the FH HMA Extension.

(m) TKW Lease Agreement

Regal REIT (via Land Crown International Limited (the “iclub To Kwa Wan Hotel – Property Company”)) entered into the TKW Lease Agreement in relation to the leasing of the iclub To Kwa Wan Hotel with the RHIHL Lessee, a member of the RHIHL Connected Persons Group, on 4th September, 2017. The term of the TKW Lease Agreement expired on 3rd September, 2022, which is extendable at the option of Regal REIT for a further term to 31st December, 2027. On 29th December, 2021, pursuant to the terms of the TKW Lease Agreement, the iclub To Kwa Wan Hotel – Property Company (as the lessor) exercised the option granted to it to extend the lease term for a further term, commencing from 4th September, 2022 and expiring on 31st December, 2027 (both days inclusive). On 8th June, 2022, the iclub To Kwa Wan Hotel – Property Company and the RHIHL Lessee entered into the supplemental deed amending the TKW Lease Agreement to formally effect the extension of the abovementioned lease term. Save for the extension of the lease term as mentioned above, all the other existing terms and conditions of the TKW Lease Agreement remain unchanged.

During the Interim Period, the market rental income under the TKW Lease Agreement amounted to HK\$20.0 million.

(n) TKW Lease Guarantee

Pursuant to a lease guarantee entered into on 4th September, 2017, RHIHL, a member of the RHIHL Connected Person Group, has guaranteed to pay all amounts from time to time owing or payable by the RHIHL Lessee to the iclub To Kwa Wan Hotel – Property Company under the TKW Lease Agreement.

(o) TKW Hotel Management Agreement

Regal REIT (via the iclub To Kwa Wan Hotel – Property Company) entered into the TKW Hotel Management Agreement with the Hotel Manager, a member of the RHIHL Connected Persons Group, in respect of the management of the business of the iclub To Kwa Wan Hotel for a 10-year term commencing on 4th September, 2017.

REIT Manager Fees

Regal Portfolio Management Limited, a member of the RHIHL Connected Persons Group, was appointed as the REIT Manager of Regal REIT. REIT Manager fees aggregating approximately HK\$53.8 million for such services rendered during the Interim Period were settled and/or are to be settled pursuant to the provisions of the Trust Deed.

TRUSTEE CONNECTED PERSONS GROUP

Both the REIT Manager and the Trustee have confirmed that, other than those banking transactions of which the members of the Trustee Connected Persons Group acted as custodian and/or agent and conducted agency transactions with Regal REIT Group, there were no corporate finance transactions or other connected party transactions with the Trustee Connected Persons Group during the Interim Period.

Trustee Fees

DB Trustees (Hong Kong) Limited, a member of the Trustee Connected Persons Group, was appointed as the Trustee of Regal REIT. Trustee fees aggregating approximately HK\$2.1 million were recorded during the Interim Period for services rendered in this capacity.

CONFIRMATION BY THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Independent Non-executive Directors of the REIT Manager have reviewed all relevant connected party transactions above and were satisfied that those transactions were entered into:

- (a) in the ordinary and usual course of business of Regal REIT;
- (b) on normal commercial terms (to the extent that there are comparable transactions) or, where there are insufficient comparable transactions to assess whether they are on normal commercial terms, on terms no less favourable to Regal REIT than terms available to or from (as appropriate) independent third parties; and
- (c) in accordance with the relevant agreements and deeds and the REIT Manager's internal procedures governing them (if any) on terms that are fair and reasonable and in the best interests of Unitholders as a whole.

DISCLOSURE OF INTERESTS

The REIT Code requires Connected Persons (as defined in paragraph 8.1 of the REIT Code) of Regal REIT to disclose their interests in the Units. As well, the provisions of Part XV of the SFO are deemed by the Trust Deed to apply to the REIT Manager, the directors or the chief executives of the REIT Manager, and to persons interested in the Units.

HOLDINGS OF SUBSTANTIAL UNITHOLDERS

As at 30th June, 2026, the interests of the Substantial Unitholders (as defined in paragraph 8.1 of the REIT Code) (not being a director or chief executive of the REIT Manager) in Units, as recorded in the register (the "Register") required to be kept under the Trust Deed, were as follows:

Names of Substantial Unitholders	Total number of issued Units held	Approximate percentage of the issued Units as at 30th June, 2026^(x)
Century City International Holdings Limited ("CCIHL")	2,443,033,102 (Note i)	74.99%
Century City BVI Holdings Limited ("CCBVI")	2,443,033,102 (Notes i & ii)	74.99%
Paliburg Holdings Limited ("PHL")	2,440,346,102 (Notes iii & iv)	74.92%
Paliburg Development BVI Holdings Limited ("PDBVI")	2,440,346,102 (Notes iii & v)	74.92%
Regal Hotels International Holdings Limited ("RHIHL")	2,439,613,739 (Notes vi & vii)	74.89%
Regal International (BVI) Holdings Limited ("RBVI")	2,439,613,739 (Notes vi & viii)	74.89%
Complete Success Investments Limited	1,817,012,072 (Note ix)	55.78%
Great Prestige Investments Limited	373,134,326 (Note ix)	11.45%

Notes:

- (i) The interests in 2,443,033,102 Units held by each of CCIHL and CCBVI were the same parcel of Units, which were directly held by RBVI and wholly-owned subsidiaries of CCBVI, PDBVI and RBVI, respectively.
- (ii) CCBVI is a wholly-owned subsidiary of CCIHL and its interests in Units are deemed to be the same interests held by CCIHL.
- (iii) The interests in 2,440,346,102 Units held by each of PHL and PDBVI were the same parcel of Units, which were directly held by RBVI and wholly-owned subsidiaries of PDBVI and RBVI, respectively.

- (iv) PHL is a listed subsidiary of CCBVI, which held an approximately 62.28% shareholding interest in PHL as at 30th June, 2026, and its interests in Units are deemed to be the same interests held by CCBVI.
- (v) PDBVI is a wholly-owned subsidiary of PHL and its interests in Units are deemed to be the same interests held by PHL.
- (vi) The interests in 2,439,613,739 Units held by each of RHIHL and RBVI were the same parcel of Units, which were directly held by RBVI and its wholly-owned subsidiaries, respectively.
- (vii) RHIHL is a listed subsidiary of PDBVI, which held an approximately 69.25% shareholding interest in RHIHL as at 30th June, 2026, and its interests in Units are deemed to be the same interests held by PDBVI.
- (viii) RBVI is a wholly-owned subsidiary of RHIHL and its interests in Units are deemed to be the same interests held by RHIHL.
- (ix) These companies are wholly-owned subsidiaries of RBVI and their respective direct interests in Units are deemed to be the same interests held by RBVI.
- (x) The approximate percentages were calculated based on 3,257,431,189 Units in issue as at 30th June, 2026.

Save as disclosed herein and based on the information available to the REIT Manager, there were no other Substantial Unitholders of Regal REIT who, as at 30th June, 2026, had interests in Units which are required to be recorded in the Register.

HOLDINGS OF THE REIT MANAGER, DIRECTORS AND CHIEF EXECUTIVES OF THE REIT MANAGER

As at 30th June, 2026, the interests of the REIT Manager, directors and chief executives of the REIT Manager in Units, as recorded in the Register, were as follows:

Name of Director of the REIT Manager	Total number of issued Units held	Approximate percentage of the issued Units as at 30th June, 2026 ⁽ⁱⁱⁱ⁾
LO Yuk Sui	2,443,033,102 (Note i)	74.99%

Notes:

- (i) The interests in 2,443,033,102 Units were the same parcel of Units held through CCIHL in which Mr. Lo Yuk Sui held approximately 67.43% shareholding interest as at 30th June, 2026.
- (ii) The approximate percentages were calculated based on 3,257,431,189 Units in issue as at 30th June, 2026.

Save as disclosed herein, as at 30th June, 2026, none of the REIT Manager, the Directors and the chief executives of the REIT Manager had any interests in Units, which are required to be recorded in the Register.

HOLDINGS OF OTHER CONNECTED PERSONS

Save for the interests of the Substantial Unitholders and the Director of the REIT Manager (also being the Connected Persons of the Regal REIT) in Units as disclosed herein, the REIT Manager is not aware of any other Connected Persons of Regal REIT holding any Units as at 30th June, 2026.

PERFORMANCE TABLE

As at 30th June, 2026

	Notes	Six months ended 30th June, 2026	Six months ended 30th June, 2025	Six months ended 30th June, 2024	Six months ended 30th June, 2023	Six months ended 30th June, 2022
Net assets attributable to Unitholders (HK\$'million)		12,522.3	12,348.0	13,077.9	12,886.9	12,643.1
Net asset value per Unit attributable to Unitholders (HK\$)		3.844	3.791	4.015	3.956	3.881
The highest traded price during the period (HK\$)	1	0.42	0.49	0.72	1.39	1.52
The lowest traded price during the period (HK\$)		0.32	0.34	0.41	1.04	1.29
The highest discount of the traded price to net asset value per Unit attributable to Unitholders		91.81%	91.03%	89.91%	73.71%	66.76%
Distribution yield per Unit	2	N/A	N/A	N/A	N/A	3.95%

Notes:

1. The highest traded price during all the relevant periods was lower than the net asset value per Unit attributable to Unitholders reported at the end of those periods. Accordingly, no premium for the traded price to net asset value per Unit attributable to Unitholders is presented.
2. This is not applicable as there is no interim distribution declared by the Board of Directors of the REIT Manager for the six months ended 30th June, 2026 (2025: Nil).

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30th June, 2026

	Notes	Six months ended 30th June, 2026 (unaudited) HK\$'000	Six months ended 30th June, 2025 (unaudited) HK\$'000
REVENUE			
Gross rental revenue	4	336,696	339,181
Gross hotel revenue	4	14,955	15,182
		<u>351,651</u>	<u>354,363</u>
Property and hotel operating expenses		<u>(10,120)</u>	<u>(11,524)</u>
Net rental and hotel income	4	341,531	342,839
Interest income		1,018	272
Depreciation		(16,086)	(4,125)
Fair value changes on investment properties	11	(114,379)	(517,118)
REIT Manager fees	5	(53,791)	(46,328)
Trust, professional and other expenses	6	(19,422)	(4,384)
Finance costs - excluding distributions to Unitholders	7	(231,712)	(266,931)
Loss on disposal of subsidiaries	27	<u>(81,695)</u>	<u>—</u>
LOSS BEFORE TAX AND DISTRIBUTIONS TO UNITHOLDERS		(174,536)	(495,775)
Income tax expenses	8	<u>(11,638)</u>	<u>(12,324)</u>
LOSS FOR THE PERIOD, BEFORE DISTRIBUTIONS TO UNITHOLDERS		(186,174)	(508,099)
Finance costs - distributions to Unitholders		<u>(28,665)</u>	<u>—</u>
LOSS FOR THE PERIOD, AFTER DISTRIBUTIONS TO UNITHOLDERS		<u>(214,839)</u>	<u>(508,099)</u>
LOSS PER UNIT ATTRIBUTABLE TO UNITHOLDERS			
Basic and diluted	9	<u>HK\$(0.057)</u>	<u>HK\$(0.156)</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June, 2026

		Six months ended 30th June, 2026 (unaudited) HK\$'000	Six months ended 30th June, 2025 (unaudited) HK\$'000
	Notes		
LOSS FOR THE PERIOD, BEFORE DISTRIBUTIONS TO UNITHOLDERS		(186,174)	(508,099)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Cash flow hedges:			
Changes in fair value of cash flow hedges		26,488	(50,055)
Transfer from hedging reserve to condensed consolidated statement of profit or loss		7,881	2,925
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		34,369	(47,130)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Gain/(loss) on revaluation of property	10	4,905	(5,064)
Income tax effect	21	(809)	836
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods		4,096	(4,228)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX		38,465	(51,358)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD, BEFORE DISTRIBUTIONS TO UNITHOLDERS		(147,709)	(559,457)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June, 2026

	Notes	30th June, 2026 (unaudited) HK\$'000	31st December, 2025 (audited) HK\$'000
Non-current assets			
Property, plant and equipment	10	665,000	664,000
Investment properties	11	21,360,000	23,112,000
Right-of-use assets	18(a)	131,968	143,965
Derivative financial instruments	20	589	—
Finance lease receivables	12	2,844	4,908
Total non-current assets		22,160,401	23,924,873
Current assets			
Accounts receivable	13	1,458	958
Prepayments, deposits and other receivables		8,198	7,905
Due from related companies	25(b)	3,808	3,239
Tax recoverable		175	175
Finance lease receivables	12	4,070	3,956
Derivative financial instruments	20	3,561	—
Restricted cash	14	493,707	227,540
Cash and cash equivalents	15	88,483	6,599
Total current assets		603,460	250,372
Total assets		22,763,861	24,175,245
Current liabilities			
Accounts payable	16	33,945	57,786
Deposits received		680	48
Derivative financial instruments	20	—	457
Due to related companies	25(b)	105,521	173,687
Other payables and accruals		34,672	40,665
Contract liabilities	17	668	559
Interest-bearing bank borrowings	19	6,702,794	5,035,128
Lease liabilities	18(b)	4,070	3,956
Tax payable		36,035	33,891
Total current liabilities		6,918,385	5,346,177
Net current liabilities		(6,314,925)	(5,095,805)
Total assets less current liabilities		15,845,476	18,829,068

		30th June, 2026 (unaudited) HK\$'000	31st December, 2025 (audited) HK\$'000
	Notes		
Non-current liabilities, excluding net assets attributable to Unitholders			
Interest-bearing bank borrowings	19	2,550,060	5,284,231
Lease liabilities	18(b)	151,651	150,165
Derivative financial instruments	20	4,985	34,832
Deposits received		1,956	1,633
Deferred tax liabilities	21	614,537	659,546
Total non-current liabilities		3,323,189	6,130,407
Total liabilities, excluding net assets attributable to Unitholders			
		10,241,574	11,476,584
Net assets attributable to Unitholders			
		12,522,287	12,698,661
Number of Units in issue			
	22	3,257,431,189	3,257,431,189
Net asset value per Unit attributable to Unitholders			
	23	HK\$3.844	HK\$3.898

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

For the six months ended 30th June, 2026

	Units (unaudited) HK\$'000	Capital reserve (unaudited) HK\$'000	Hedging reserve (unaudited) HK\$'000	Property revaluation reserve (unaudited) HK\$'000	Retained profits (unaudited) HK\$'000	Total (unaudited) HK\$'000
Net assets as at 1st January, 2026	8,432,356	15,876	(35,120)	252,040	4,033,509	12,698,661
Loss for the period	—	—	—	—	(186,174)	(186,174)
Other comprehensive income for the period:						
Cash flow hedges	—	—	34,369	—	—	34,369
Gain on revaluation of property, net of tax	—	—	—	4,096	—	4,096
Total comprehensive loss for the period, before distributions to Unitholders	—	—	34,369	4,096	(186,174)	(147,709)
Transfer of depreciation on hotel property	—	—	—	(1,184)	1,184	—
Finance costs - distributions to Unitholders	—	—	—	—	(28,665)	(28,665)
Net assets as at 30th June, 2026	<u>8,432,356</u>	<u>15,876</u>	<u>(751)</u>	<u>254,952</u>	<u>3,819,854</u>	<u>12,522,287</u>

For the six months ended 30th June, 2025

	Units (unaudited) HK\$'000	Capital reserve (unaudited) HK\$'000	Hedging reserve (unaudited) HK\$'000	Property revaluation reserve (unaudited) HK\$'000	Retained profits (unaudited) HK\$'000	Total (unaudited) HK\$'000
Net assets as at 1st January, 2025	8,432,356	15,876	1,667	254,598	4,203,002	12,907,499
Loss for the period	—	—	—	—	(508,099)	(508,099)
Other comprehensive loss for the period:						
Cash flow hedges	—	—	(47,130)	—	—	(47,130)
Loss on revaluation of property, net of tax	—	—	—	(4,228)	—	(4,228)
Total comprehensive loss for the period, before distributions to Unitholders	—	—	(47,130)	(4,228)	(508,099)	(559,457)
Transfer of depreciation on hotel property	—	—	—	(1,220)	1,220	—
Net assets as at 30th June, 2025	<u>8,432,356</u>	<u>15,876</u>	<u>(45,463)</u>	<u>249,150</u>	<u>3,696,123</u>	<u>12,348,042</u>

DISTRIBUTIONS STATEMENT

For the six months ended 30th June, 2026

		Six months ended 30th June, 2026 (unaudited) HK\$'000	Six months ended 30th June, 2025 (unaudited) HK\$'000
	Notes		
Loss for the period, before distributions to Unitholders		(186,174)	(508,099)
Adjustments:			
Amounts set aside for the furniture, fixtures and equipment reserve	(b)	(14,346)	(13,720)
Amortisation of debt establishment costs		14,195	13,810
Fair value changes on investment properties		114,379	517,118
Interest expense on lease liability		3,550	—
Depreciation		16,086	4,125
Deferred tax charge		1,395	2,382
Distributable income/(adjusted loss) for the period	(a)	(50,915)	15,616
Distributions per Unit	(a)	—	—

Notes:

- (a) Pursuant to the Trust Deed, Regal REIT is required to ensure that the total amount distributed to Unitholders shall not be less than 90% of Regal REIT's total distributable income as defined in the Trust Deed ("Total Distributable Income") for each financial year and the current policy of the REIT Manager is to comply with such requirement.

The amount of distribution, if any, for the interim period of each financial year is at the discretion of the REIT Manager. The REIT Manager has decided not to declare an interim distribution for the six months ended 30th June, 2026 (six months ended 30th June, 2025: Nil).

- (b) Amounts set aside by Regal REIT for the furniture, fixtures and equipment reserve (the "FF&E Reserve") with respect to the Initial Hotels, the iclub Wan Chai Hotel, the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel and the iclub To Kwa Wan Hotel aggregated to HK\$14.3 million (six months ended 30th June, 2025: HK\$13.7 million).

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30th June, 2026

	Six months ended 30th June, 2026 (unaudited) HK\$'000	Six months ended 30th June, 2025 (unaudited) HK\$'000
Net cash flows from/(used in) operating activities	(52,363)	24,159
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(184)	(189)
Additions to investment properties	(9,379)	(12,118)
Principal portion of finance lease received	1,950	2,377
Proceeds from disposal of subsidiaries	1,518,092	—
Placement of restricted cash	(312,899)	(14,800)
Release of restricted cash	10,410	31,256
Net cash flows from investing activities	1,207,990	6,526
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings, net of debt establishment costs	159,009	21,800
Repayment of bank borrowings	(1,239,709)	(63,300)
Principal portion of lease payments	(1,950)	(2,377)
Placement of restricted cash	(13,022)	(13,326)
Release of restricted cash	50,594	35,270
Distributions paid	(28,665)	—
Net cash flows used in financing activities	(1,073,743)	(21,933)
NET CHANGE IN CASH AND CASH EQUIVALENTS	81,884	8,752
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	6,599	3,741
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	88,483	12,493
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	88,483	12,493

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th June, 2026

1. GENERAL

Regal Real Estate Investment Trust ("Regal REIT") is a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and its units (the "Units") were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 30th March, 2007. Regal REIT is governed by a trust deed (the "Trust Deed") dated 11th December, 2006 (date of establishment), made between Regal Portfolio Management Limited (the "REIT Manager") and DB Trustees (Hong Kong) Limited (the "Trustee") (as amended and restated by the first amending and restating deed dated 23rd March, 2021 and the second amending and restating deed dated 31st January, 2024) and the Code on Real Estate Investment Trusts (the "REIT Code") as issued by the Securities and Futures Commission (the "SFC").

The principal activity of Regal REIT and its subsidiaries (collectively, the "Group") is to own and invest in income-producing hotels, serviced apartments or commercial properties (including office premises) with the objectives of producing stable and growing distributions to the unitholders of Regal REIT (the "Unitholders") and to achieve long-term growth in the net asset value per Unit.

The addresses of the registered office of the REIT Manager and the Trustee are Unit No. 2001, 20th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong and Level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong, respectively.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* as issued by the Hong Kong Institute of Certified Public Accountants. The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31st December, 2025. In addition, the condensed consolidated financial statements include applicable disclosures required by the REIT Code as issued by the SFC.

2.2 Basis of preparation

The condensed consolidated financial statements have been prepared on the historical cost basis, except for property, plant and equipment, investment properties and derivative financial instruments which have been measured at fair value. These condensed consolidated financial statements are presented in Hong Kong dollars, the functional currency of Regal REIT, and all values are rounded to the nearest thousand except when otherwise indicated.

As at 30th June, 2026, the Group's current liabilities exceeded its current assets by HK\$6,314,925,000. The net current liabilities position was mainly due to the term loans of HK\$6,308,673,000 and the revolving loan of HK\$404,127,000 which are maturing within twelve months and classified under current liabilities as at the end of the reporting period. In early August 2026, the Group concluded a new 4-year refinancing facility of HK\$3,900,000,000. Taking into account the new refinancing arrangements, the stable operating cash inflows to be generated from rental income, the planned refinancing of the remaining loan facility maturing within the next twelve months and the financial support provided by the immediate listed holding company of the Group, the REIT Manager considers the Group has adequate resources to meet its liabilities, commitments and funding requirements as and when they fall due within one year from the end of the reporting period. Accordingly, the REIT Manager continues to adopt the going concern basis in preparing the condensed consolidated financial statements.

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31st December, 2025, except for the adoption of the following amended HKFRS Accounting Standards, for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i>
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

The nature and impact of the amended HKFRS Accounting Standards are described below:

- (a) Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Prior to the initial application of the amendments, the Group derecognised trade payables that were settled by cheques upon the issuance of cheques to creditors. Upon applying the amendments, trade payables that were settled by cheques are derecognised on the settlement date which is the date when the cheques are cleared by banks. The change in accounting policy did not have a material impact on the Group's interim condensed consolidated financial information. The change in accounting policy will be reflected in the Group's consolidated financial statements for the year ending 31st December, 2026.

- (b) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the “own-use” requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity’s financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.
- (c) *Annual Improvements to HKFRS Accounting Standards* – Volume 11 set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

Operating segments of the Group are identified on the basis of internal reports covering the components of the Group which are regularly reviewed by the Group’s chief operating decision-maker to make decisions about resources to be allocated to segments and assess their performance. Information reported to the Group’s chief operating decision-maker, for the above-mentioned purposes, is mainly focused on the segment results related to the nature of properties, namely, the hotel properties, the mixed use property and other property. For management purposes, the three reportable operating segments are (i) the hotel properties segment comprising of the Initial Hotels, the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel and the iclub To Kwa Wan Hotel; (ii) the mixed use property segment comprising of the iclub Wan Chai Hotel — hotel portion and non-hotel portions; and (iii) the other property segment comprising of the PSC Premises.

The operating segments of the Group for the six months ended 30th June, 2026 are as follows:

	Hotel Properties (unaudited) HK\$'000	Mixed Use Property (unaudited) HK\$'000	Other Property (unaudited) HK\$'000	Total (unaudited) HK\$'000
Segment revenue				
Gross rental revenue	333,859	2,337	500	336,696
Gross hotel revenue	—	14,955	—	14,955
Total	<u>333,859</u>	<u>17,292</u>	<u>500</u>	<u>351,651</u>
Segment results	<u>332,353</u>	<u>8,693</u>	<u>485</u>	<u>341,531</u>
Fair value changes on investment properties	(114,379)	—	—	(114,379)
Depreciation	(11,997)	(4,089)	—	(16,086)
Interest income				1,018
REIT Manager fees				(53,791)
Trust, professional and other expenses				(19,422)
Finance costs - excluding distributions to Unitholders				(231,712)
Loss on disposal of subsidiaries				<u>(81,695)</u>
Loss before tax and distributions to Unitholders				<u>(174,536)</u>

The operating segments of the Group for the six months ended 30th June, 2025 were as follows:

	Hotel Properties (unaudited) HK\$'000	Mixed Use Property (unaudited) HK\$'000	Total (unaudited) HK\$'000
Segment revenue			
Gross rental revenue	338,385	796	339,181
Gross hotel revenue	—	15,182	15,182
Total	338,385	15,978	354,363
Segment results	336,233	6,606	342,839
Fair value changes on investment properties	(515,118)	(2,000)	(517,118)
Depreciation	—	(4,125)	(4,125)
Interest income			272
REIT Manager fees			(46,328)
Trust, professional and other expenses			(4,384)
Finance costs - excluding distributions to Unitholders			(266,931)
Loss before tax and distributions to Unitholders			(495,775)

Segment assets and liabilities

As part of the Group's performance assessment, the fair values of investment properties and property, plant and equipment are reviewed by the Group's chief operating decision-maker. For illustrative purpose, the comparative amounts have been reclassified to conform with current period's presentation as if the transfer of the PSC Premises from the hotel properties segment to the other property segment had taken place at 31st December, 2025.

As at 30th June, 2026, the Group's segment assets, comprised of the aggregate fair values of the investment properties and property, plant and equipment in the hotel properties segment, the mixed use property segment and the other property segment amounted to HK\$21,056,000,000 (31st December, 2025: HK\$22,808,000,000), HK\$849,000,000 (31st December, 2025: HK\$848,000,000) and HK\$120,000,000 (31st December, 2025: HK\$120,000,000), respectively.

Save as set out above, no other assets and liabilities are included in the assessment of the Group's segment performance.

Other segment information

	Six months ended 30th June, 2026		
	Hotel Properties (unaudited) HK\$'000	Mixed Use Property (unaudited) HK\$'000	Total (unaudited) HK\$'000
Capital expenditures	<u>9,379</u>	<u>184</u>	<u>9,563</u>

	Six months ended 30th June, 2025		
	Hotel Properties (unaudited) HK\$'000	Mixed Use Property (unaudited) HK\$'000	Total (unaudited) HK\$'000
Capital expenditures	<u>12,118</u>	<u>189</u>	<u>12,307</u>

Capital expenditures consist of additions to investment properties and property, plant and equipment.

Information about a major customer

For the six months ended 30th June, 2026, revenue of HK\$334,359,000 (six months ended 30th June, 2025: HK\$338,385,000) was derived from leasing of hotel properties and other property to a single lessee which is a related company.

Geographical information

The Group's investment properties and property, plant and equipment are all located in Hong Kong.

4. NET RENTAL AND HOTEL INCOME

Revenue represents the gross rental revenue received and receivable from its investment properties, and gross hotel revenue during the period.

The net rental and hotel income represents the aggregate of:

- (a) net rental income, being the gross rental revenue less property operating expenses; and
- (b) net hotel income, being the gross hotel revenue less hotel operating expenses.

An analysis of the gross and net rental and hotel income is as follows:

	Notes	Six months ended 30th June, 2026 (unaudited) HK\$'000	Six months ended 30th June, 2025 (unaudited) HK\$'000
Gross rental revenue			
Rental income			
Initial Hotels	(a)	269,832	275,000
PSC Premises		500	—
iclub Wan Chai Hotel - Non-hotel portions		2,337	796
iclub Sheung Wan Hotel	(b)	22,000	22,000
iclub Fortress Hill Hotel	(c)	21,000	21,000
iclub To Kwa Wan Hotel	(d)	20,000	18,500
Other income		1,027	1,885
		336,696	339,181
Property operating expenses		(1,838)	(2,470)
Net rental income		334,858	336,711
Gross hotel revenue		14,955	15,182
Hotel operating expenses		(8,282)	(9,054)
Net hotel income		6,673	6,128
Net rental and hotel income		341,531	342,839
Revenue from contracts with customers			
Gross hotel revenue	(e)	14,955	15,182
Revenue from other sources			
Gross rental income		336,696	339,181

Notes:

(a) An analysis of the Initial Hotels rental income is as follows:

	Six months ended 30th June, 2026 (unaudited) HK\$'000	Six months ended 30th June, 2025 (unaudited) HK\$'000
Base Rent	269,832	275,000
Variable Rent	—	—
	<u>269,832</u>	<u>275,000</u>

(b) An analysis of the iclub Sheung Wan Hotel rental income is as follows:

	Six months ended 30th June, 2026 (unaudited) HK\$'000	Six months ended 30th June, 2025 (unaudited) HK\$'000
Base Rent	22,000	22,000
Variable Rent	—	—
	<u>22,000</u>	<u>22,000</u>

(c) An analysis of the iclub Fortress Hill Hotel rental income is as follows:

	Six months ended 30th June, 2026 (unaudited) HK\$'000	Six months ended 30th June, 2025 (unaudited) HK\$'000
Base Rent	21,000	21,000
Variable Rent	—	—
	<u>21,000</u>	<u>21,000</u>

(d) An analysis of the iclub To Kwa Wan Hotel rental income is as follows:

	Six months ended 30th June, 2026 (unaudited) HK\$'000	Six months ended 30th June, 2025 (unaudited) HK\$'000
Base Rent	20,000	18,500
Variable Rent	—	—
	<u>20,000</u>	<u>18,500</u>

(e) Gross hotel revenue is recognised over time.

5. REIT MANAGER FEES

	Six months ended 30th June, 2026 (unaudited) HK\$'000	Six months ended 30th June, 2025 (unaudited) HK\$'000
Base Fees	35,952	36,038
Variable Fees	10,249	10,290
Divestment Fee	7,590	—
	<u>53,791</u>	<u>46,328</u>

Under the Trust Deed, the REIT Manager is entitled to receive the following:

- a base fee (the “Base Fee”) of currently 0.3% (subject to a maximum of 0.5%) per annum of the value of the deposited property of Regal REIT which is payable monthly and subject to adjustments based on the value of the deposited property of Regal REIT as per published audited annual accounts for the relevant financial year;
- a variable fee (the “Variable Fee”) of currently 3% (subject to a maximum of 5%) per annum of the net property income for the relevant financial year as defined in the Trust Deed in respect of each Initial Hotel, iclub Wan Chai Hotel, iclub Sheung Wan Hotel, iclub Fortress Hill Hotel and iclub To Kwa Wan Hotel, which is payable annually; and
- a divestment fee (the “Divestment Fee”) of currently 0.5% (subject to a maximum of 0.5%) of the agreed property value of the Regal Oriental Hotel disposed of during the period.

For the financial years 2026 and 2025, the REIT Manager elected to receive its Base Fees and Variable Fees in the form of cash, details of which can be referred to an announcement of Regal REIT published on 3rd December, 2025.

6. TRUST, PROFESSIONAL AND OTHER EXPENSES

	Six months ended 30th June, 2026 (unaudited) HK\$'000	Six months ended 30th June, 2025 (unaudited) HK\$'000
Auditor's remuneration	1,054	884
Legal and other professional fees	15,275	607
Trustee fees	2,143	1,862
Other expenses	950	1,031
	<u>19,422</u>	<u>4,384</u>

7. FINANCE COSTS – EXCLUDING DISTRIBUTIONS TO UNITHOLDERS

	Six months ended 30th June, 2026 (unaudited) HK\$'000	Six months ended 30th June, 2025 (unaudited) HK\$'000
Total interest expense on financial liabilities not at fair value through profit or loss:		
Interest expense on interest-bearing bank borrowings	206,851	251,996
Amortisation of debt establishment costs	14,195	13,810
Interest income from restricted cash	(1,359)	(2,039)
Interest expense on lease liabilities	3,779	222
	<u>223,466</u>	<u>263,989</u>
Fair value changes on derivative financial instruments		
– cash flow hedges (transfer from hedging reserve)	7,881	2,925
Others	365	17
	<u>231,712</u>	<u>266,931</u>

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30th June, 2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

	Six months ended 30th June, 2026 (unaudited) HK\$'000	Six months ended 30th June, 2025 (unaudited) HK\$'000
Charge for the period	10,243	9,954
Overprovision in prior years	—	(12)
Deferred (note 21)	1,395	2,382
Total tax charge for the period	11,638	12,324

9. LOSS PER UNIT ATTRIBUTABLE TO UNITHOLDERS

The calculation of the basic loss per Unit attributable to Unitholders is based on the loss for the period before distribution to Unitholders of HK\$186,174,000 (six months ended 30th June, 2025: loss of HK\$508,099,000) and 3,257,431,189 Units in issue (six months ended 30th June, 2025: 3,257,431,189 Units). The basic loss per Unit attributable to Unitholders for the period amounted to HK\$0.057 (six months ended 30th June, 2025: basic loss per Unit of HK\$0.156).

The diluted loss per Unit attributable to Unitholders is the same as the basic loss per Unit attributable to Unitholders as there were no dilutive instruments in issue during the period (six months ended 30th June, 2025: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

	Authorised investments
	Hotel properties HK\$'000
At 1st January, 2025	672,000
Additions	392
Deficit on revaluation	(187)
Depreciation provided during the year	(8,205)
At 31st December, 2025 (audited) and 1st January, 2026	664,000
Additions	184
Surplus on revaluation	4,905
Depreciation provided during the period	(4,089)
At 30th June, 2026 (unaudited)	665,000

The Group's property, plant and equipment represents the value of land and building together with furniture, fixtures and equipment of the iclub Wan Chai Hotel — hotel portion. The REIT Manager has determined that the property, plant and equipment constitute a single class of asset (i.e., hotel property) based on the nature, characteristics and risks of the property. The property, plant and equipment was valued by Knight Frank Petty Limited ("Knight Frank"), an independent property valuer and the principal valuer of Regal REIT, at HK\$665,000,000 as at 30th June, 2026 (31st December, 2025: HK\$664,000,000). A revaluation surplus of HK\$4,905,000 (31st December, 2025: deficit of HK\$187,000) resulting from the valuation as at 30th June, 2026 has been credited to other comprehensive income.

The property, plant and equipment are categorised as Level 3 in the fair value hierarchy (note 26).

The iclub Wan Chai Hotel has been pledged to secure banking facilities granted to the Group (note 19).

The carrying amount of the Group's property, plant and equipment would have been HK\$359,670,000 (31st December, 2025: HK\$362,157,000) had such assets been stated in the condensed consolidated financial statements at cost less accumulated depreciation.

Further particulars of the Group's hotel properties are included on page 72.

11. INVESTMENT PROPERTIES

	Authorised investments		
	Hotel properties HK\$'000	Commercial properties HK\$'000	Total HK\$'000
At 1st January, 2025	23,085,000	186,000	23,271,000
Fair value changes	(186,540)	(2,000)	(188,540)
Capital expenditures for the year	29,540	—	29,540
At 31st December, 2025 (audited) and 1st January, 2026	22,928,000	184,000	23,112,000
Fair value changes	(114,379)	—	(114,379)
Transfer	(120,000)	120,000	—
Disposal	(1,647,000)	—	(1,647,000)
Capital expenditures for the period	9,379	—	9,379
At 30th June, 2026 (unaudited)	21,056,000	304,000	21,360,000

The REIT Manager has determined that the investment properties constitute two classes of assets (i.e., hotel and commercial properties) based on the nature, characteristics and risks of each property.

The Group's investment properties were valued by Knight Frank at HK\$21,360,000,000 as at 30th June, 2026 (31st December, 2025: HK\$23,112,000,000). The investment properties are leased to a related company and other commercial tenants under operating leases, further details of which are included in note 18 to the condensed consolidated financial statements.

The investment properties are categorised as Level 3 in the fair value hierarchy (note 26).

Initial Hotels, together with PSC Premises, iclub Sheung Wan Hotel, iclub Fortress Hill Hotel and iclub To Kwa Wan Hotel, have been pledged to secure banking facilities granted to the Group (note 19).

Further particulars of the Group's investment properties are included on pages 71 to 72.

12. FINANCE LEASE RECEIVABLES

	Minimum lease payments		Present value of minimum lease payments	
	30th June, 2026 (unaudited) HK\$'000	31st December, 2025 (audited) HK\$'000	30th June, 2026 (unaudited) HK\$'000	31st December, 2025 (audited) HK\$'000
Amounts receivable:				
Not later than one year	4,357	4,357	4,070	3,956
Later than one year but not later than five years	2,905	5,083	2,844	4,908
	<u>7,262</u>	<u>9,440</u>	<u>6,914</u>	<u>8,864</u>
Less: Unearned finance income	(348)	(576)		
	<u>6,914</u>	<u>8,864</u>		
Portion classified as current assets	(4,070)	(3,956)		
Non-current portion	<u>2,844</u>	<u>4,908</u>		

The effective interest rate of the finance leases of the premises as at 30th June, 2026 was 4.72% (31st December, 2025: 5.04%) per annum.

No finance lease receivables were past due at the end of the reporting period.

13. ACCOUNTS RECEIVABLE

	30th June, 2026 (unaudited) HK\$'000	31st December, 2025 (audited) HK\$'000
Other accounts receivable	<u>1,458</u>	<u>958</u>

The Group's accounts receivable as at the end of the reporting period, based on invoice date, were aged as being within 3 months. No accounts receivable were past due at the end of the reporting period.

The general credit terms for other accounts receivable are 30 days. The Group seeks to maintain control over the outstanding receivables and to minimise any credit risk associated thereon.

14. RESTRICTED CASH

The restricted cash of the Group is kept in designated bank accounts in accordance with the relevant facility agreements and is restricted mainly for servicing finance costs on certain interest-bearing bank borrowings, funding and utilisation of furniture, fixtures and equipment expenditures for the Initial Hotels, iclub Wan Chai Hotel - Hotel portion, iclub Sheung Wan Hotel, iclub Fortress Hill Hotel and iclub To Kwa Wan Hotel, and holding rental deposits from certain tenants and the disposal proceeds arising from the disposal of the Regal Oriental Hotel.

15. CASH AND CASH EQUIVALENTS

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

16. ACCOUNTS PAYABLE

	30th June, 2026 (unaudited) HK\$'000	31st December, 2025 (audited) HK\$'000
Amounts due to related companies	33,667	57,229
Other accounts payable	278	557
	<u>33,945</u>	<u>57,786</u>

The amounts due to related companies are unsecured, interest-free and repayable on demand. Other accounts payable are unsecured, non interest-bearing and are normally settled within 90 days.

The Group's accounts payable as at the end of the reporting period, based on invoice date, were all aged within 3 months.

17. CONTRACT LIABILITIES

The Group has recognised the following revenue-related contract liabilities:

	30th June, 2026 (unaudited) HK\$'000	31st December, 2025 (audited) HK\$'000
Advances from customers	<u>668</u>	<u>559</u>

Contract liabilities include the advance receipts from customers under hotel operations.

18. LEASES

The Group as a lessee

The Group has lease contracts for a hotel property and various premises used in its operations. The Group had a lease arrangement for a hotel property with a remaining term expiring on 30th December, 2031. The leases of other premises generally have lease terms between 1 and 3 years.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the period/year are as follows:

	Hotel property HK\$'000
At 1st January, 2025	—
Additions	144,968
Depreciation charge	(1,003)
	<u>143,965</u>
At 31st December, 2025 (audited) and 1st January, 2026	143,965
Depreciation charge	(11,997)
	<u>131,968</u>
At 30th June, 2026 (unaudited)	131,968

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the period/year are as follows:

	30th June, 2026 (unaudited) HK\$'000	31st December, 2025 (audited) HK\$'000
Carrying amount at 1st January	154,121	998
Additions	—	157,103
Accretion of interest recognised during the period/year	3,779	797
Payments	(2,179)	(4,777)
	<u>155,721</u>	<u>154,121</u>
Carrying amount at 30th June/31st December	155,721	154,121
Analysed into:		
Current portion	4,070	3,956
Non-current portion	151,651	150,165
	<u>155,721</u>	<u>154,121</u>

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	30th June, 2026 (unaudited) HK\$'000	30th June, 2025 (unaudited) HK\$'000
Interest expense on lease liabilities	3,779	222
Depreciation	11,997	—
Expenses relating to short-term leases (included in property and hotel operating expenses)	182	180
Total amount recognised in profit or loss	15,958	402

(d) The total cash outflow for leases was HK\$2,360,000 (six months ended 30th June, 2025: HK\$2,779,000).

The Group as a lessor

The Group leases its investment properties (note 11) consisting of hotel properties, commercial properties and premises in Hong Kong under operating lease arrangements. The terms of the leases generally require the RHIHL Lessee and tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At the end of the reporting period, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants were as follows:

	30th June, 2026 (unaudited) HK\$'000	31st December, 2025 (audited) HK\$'000
Within one year	329,473	686,800
After one year but within two years	8,603	7,056
After two years but within three years	3,400	2,750
	341,476	696,606

19. INTEREST-BEARING BANK BORROWINGS

	30th June, 2026 (unaudited) HK\$'000	31st December, 2025 (audited) HK\$'000
Interest-bearing bank borrowings	9,273,800	10,354,500
Debt establishment costs	(20,946)	(35,141)
	9,252,854	10,319,359
Portion classified as current liabilities	(6,702,794)	(5,035,128)
Non-current portion	2,550,060	5,284,231
Principal amounts repayable based on original maturity terms:		
Within one year	6,712,800	5,043,500
In the second year	1,806,000	4,556,000
In the third to fifth years, inclusive	755,000	755,000
	9,273,800	10,354,500

The interest-bearing bank borrowings are subject to loan covenants including interest coverage ratio and loan to value ratio which are tested on periodic basis. As at 30th June, 2026, the loan covenants under relevant loan agreements were complied with. The Group considers there is no indication that it will have difficulties in complying with these covenants.

The facility agreement for a term loan facility of HK\$4,500.0 million and a revolving loan facility of up to HK\$500.0 million (the "2021 IH Facilities"), concluded on 10th August, 2021 through Regal REIT's wholly-owned subsidiaries, were secured by four of the five Initial Hotels, namely, the Regal Airport Hotel, the Regal Hongkong Hotel, the Regal Oriental Hotel (including the PSC Premises) and the Regal Riverside Hotel. The 2021 IH Facilities had a term of five years to August 2026 and carried interest based on Hong Kong Interbank Offered Rate (HIBOR).

In pursuit of Regal REIT's deleveraging initiatives, Regal REIT completed the disposal of the Regal Oriental Hotel in April 2026 for an effective total consideration of HK\$1,518.1 million. As agreed with the bank lenders, 70% of the net disposal proceeds, amounting to HK\$1,047.2 million, was applied for partial loan prepayment of the 2021 IH Facilities. The remaining 30% of the net disposal proceeds, amounting to HK\$448.8 million, were intended for the funding of asset enhancement work and general working capital. As at 30th June, 2026, the remaining balance of the net disposal proceeds stood at HK\$295.4 million.

Subsequent to the end of the Interim Period, in early August, Regal REIT concluded the refinancing of a new term loan facility of HK\$3,900.0 million (the "2026 IH Facilities") with the syndicate of existing bank lenders for a term of four years to July 2030, secured by the remaining three Initial Hotels and the PSC Premises. The further repayment of the loan facility of HK\$52.8 million was funded from the remaining balance of the net disposal proceeds as mentioned above.

On 24th June, 2022, Regal REIT concluded a 5-year term loan facility of HK\$2,950.0 million (the “2022 RKH Facility”) with a lender, secured by the Regal Kowloon Hotel. The 2022 RKH Facility has repayment obligations of HK\$50.0 million on each of its anniversary date to maturity. As at 30th June, 2026, the outstanding amount of the 2022 RKH Facility was HK\$2,750.0 million, after four instalment repayment of HK\$50.0 million each in June 2023, June 2024, June 2025 and June 2026, respectively, representing the full amount of the term loan facility. The Group also entered into interest rate swap arrangements to hedge against the interest rate exposure of the 2022 RKH Facility for a notional amount of HK\$900.0 million, details of which are set out in note 20.

On 17th October, 2023, Regal REIT arranged, through a wholly-owned subsidiary, a bilateral term loan facility of HK\$749.5 million and secured by the iclub Sheung Wan Hotel (the “2023 SW Facility”). The 2023 SW Facility bears HIBOR-based interest with a four-year term to October 2027. As at 30th June, 2026, the outstanding amount of the 2023 SW Facility was HK\$749.5 million, representing the full amount of the term loan. The Group also entered into interest rate swap arrangements to hedge against the interest rate exposure of the 2023 SW Facility for a notional amount of HK\$749.5 million, details of which are set out in note 20.

On 27th November, 2023, Regal REIT arranged, through a wholly-owned subsidiary, a bilateral term loan facility of HK\$755.0 million and secured by the iclub Fortress Hill Hotel (the “2023 FH Facility”). The 2023 FH Facility bears HIBOR-based interest and has a term of five years to November 2028. As at 30th June, 2026, the outstanding amount of the 2023 FH Facility was HK\$755.0 million, representing the full amount of the term loan. The Group also entered into interest rate swap arrangements to hedge against the interest rate exposure of the 2023 FH Facility for a notional amount of HK\$755.0 million, details of which are set out in note 20.

On 18th July, 2024, Regal REIT arranged, through a wholly-owned subsidiary, a term loan facility of HK\$416.5 million, secured by the iclub Wan Chai Hotel (comprising hotel portion and non-hotel portions) (the “2024 WC Facility”), with a term of forty one months to December 2027 and bearing HIBOR-based interest. As at 30th June, 2026, the outstanding facility amount of the 2024 WC Facility was HK\$416.5 million, representing the full amount of the term loan facility. The Group also entered into interest rate swap arrangements to hedge against the interest rate exposure of the 2024 WC Facility for a notional amount of HK\$416.5 million, details of which are set out in note 20.

On 15th November, 2025, Regal REIT arranged, through a wholly-owned subsidiary, Land Crown International Limited, a term loan facility of HK\$650.0 million, secured by the iclub To Kwa Wan Hotel (the “2025 TKW Facility”), with a term of two years to November 2027 and bearing HIBOR-based interest. The 2025 TKW Facility has a repayment obligation of HK\$10.0 million on its anniversary. As at 30th June, 2026, the outstanding amount was HK\$650.0 million, representing the full amount of the term loan facility. The Group also entered into interest rate swap arrangements to hedge against the interest rate exposure of the 2025 TKW Facility for a notional amount of HK\$100.0 million, details of which are set out in note 20.

As at 30th June, 2026, the outstanding loan facilities bore interest at the Hong Kong Interbank Offered Rate plus an interest margin ranging from 1.05% per annum to 1.80% per annum (31st December, 2025: ranging from 1.05% per annum to 1.80% per annum).

Bank borrowings under the 2021 IH Facilities, the 2022 RKH Facility, the 2023 SW Facility, the 2023 FH Facility, the 2024 WC Facility and the 2025 TKW Facility are guaranteed by Regal REIT and/or certain individual companies of the Group on a joint and several basis.

The Group's interest-bearing bank borrowings are also secured by, amongst others:

- (i) legal charges and debentures over the corresponding properties;
- (ii) an assignment of rental income and all other proceeds arising from and including all rights, titles and interests under all hotel management agreements and lease agreements, where appropriate, relating to the relevant properties;
- (iii) charges over each relevant rental account, sales proceeds account and other control accounts of the Group, if any;
- (iv) a floating charge over all of the undertakings, properties, assets and rights of each of the relevant companies of the Group; and
- (v) an equitable charge over the shares in the relevant companies of the Group.

20. DERIVATIVE FINANCIAL INSTRUMENTS

	30th June, 2026 (unaudited)		31st December, 2025 (audited)	
	Assets HK\$'000	Liabilities HK\$'000	Assets HK\$'000	Liabilities HK\$'000
Interest rate swaps – cash flow hedges	4,150	4,985	—	35,289
Analysed into:				
Current portion	3,561	—	—	457
Non-current portion	589	4,985	—	34,832
	4,150	4,985	—	35,289

The Group uses interest rate swaps to minimise its exposure to movements in interest rates in relation to a certain portion of its floating rate term loans. As at 30th June, 2026, the interest rate swaps had an aggregate notional amount of HK\$2,921.0 million (31st December, 2025: HK\$2,921.0 million).

21. DEFERRED TAX

The movements in deferred tax assets and liabilities during the period/year were as follows:

	Fair value adjustments arising from revaluation of property, plant and equipment HK\$'000	Depreciation allowances in excess of related depreciation HK\$'000	Losses available for offsetting against future taxable profits HK\$'000	Total HK\$'000
Gross deferred tax assets/(liabilities) at 1st January, 2025	(50,309)	(704,792)	100,626	(654,475)
Deferred tax credited to other comprehensive income during the year	31	—	—	31
Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year	475	(14,209)	8,632	(5,102)
Gross deferred tax assets/(liabilities) at 31st December, 2025 (audited)	<u>(49,803)</u>	<u>(719,001)</u>	<u>109,258</u>	<u>(659,546)</u>
Gross deferred tax assets/(liabilities) at 1st January, 2026	(49,803)	(719,001)	109,258	(659,546)
Deferred tax charged to other comprehensive income during the period	(809)	—	—	(809)
Deferred tax credited/(charged) to the condensed consolidated statement of profit or loss during the period (note 8)	234	(6,007)	4,378	(1,395)
Disposal of subsidiaries (note 27)	(811)	48,024	—	47,213
Gross deferred tax assets/(liabilities) at 30th June, 2026 (unaudited)	<u>(51,189)</u>	<u>(676,984)</u>	<u>113,636</u>	<u>(614,537)</u>

For presentation purposes, certain deferred tax assets and liabilities have been offset in the condensed consolidated statement of financial position.

22. NUMBER OF UNITS IN ISSUE

	Number of Units	
	30th June, 2026 (unaudited)	31st December, 2025 (audited)
At beginning and end of the period/year	<u>3,257,431,189</u>	<u>3,257,431,189</u>

23. NET ASSET VALUE PER UNIT ATTRIBUTABLE TO UNITHOLDERS

The net asset value per Unit attributable to Unitholders is calculated by dividing the net assets attributable to Unitholders as at 30th June, 2026 of HK\$12,522,287,000 (31st December, 2025: HK\$12,698,661,000) by the number of Units in issue of 3,257,431,189 (31st December, 2025: 3,257,431,189) as at that date.

24. NOTE TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities arising from financing activities

	Lease liabilities HK\$'000	Interest- bearing bank borrowings HK\$'000
At 1st January, 2025	998	10,354,103
Changes from financing cash flows	(3,980)	(62,700)
Non-cash change:		
Additions	157,103	—
Amortisation of debt establishment costs	—	27,956
	<u>154,121</u>	<u>10,319,359</u>
At 31st December, 2025 (audited) and at 1st January, 2026	<u>154,121</u>	<u>10,319,359</u>
Changes from financing cash flows	<u>(1,950)</u>	<u>(1,080,700)</u>
Non-cash changes:		
Amortisation of debt establishment costs	—	14,195
Interest expense on lease liability	3,550	—
	<u>3,550</u>	<u>14,195</u>
At 30th June, 2026 (unaudited)	<u>155,721</u>	<u>9,252,854</u>

25. CONNECTED AND RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these condensed consolidated financial statements, the Group had the following material transactions with connected and/or related parties during the period:

Connected/related parties	Relationship with the Group
DB Trustees (Hong Kong) Limited	The Trustee of Regal REIT
Deutsche Bank AG and its associates (the "Deutsche Bank Group")	Connected persons of the Trustee
Regal Hotels International Holdings Limited and other members of its group (collectively, the "RHIHL Group")	Substantial Unitholder of Regal REIT
Regal Portfolio Management Limited	The REIT Manager of Regal REIT and a member of the RHIHL Group
Paliburg Holdings Limited and other members of its group (collectively, the "PHL Group")	Controlling shareholders of the RHIHL Group

(a) Transactions with connected/related parties:

		Six months ended 30th June, 2026 (unaudited) HK\$'000	Six months ended 30th June, 2025 (unaudited) HK\$'000
	Notes		
Contractual rental income received/receivable from the RHIHL Group	(i)	336,538	340,983
Hotel management fees charged by the RHIHL Group	(ii)	(650)	(626)
Marketing fees charged by the RHIHL Group	(iii)	(150)	(152)
Building management fees charged by the PHL Group	(iv)	(316)	(316)
REIT Manager fees	(v)	(53,791)	(46,328)
Trustee fees	(vi)	(2,143)	(1,862)

Notes:

- (i) The rental income earned by the Group was in accordance with the relevant lease agreements with respect to the Initial Hotels, PSC Premises, iclub Sheung Wan Hotel, iclub Fortress Hill Hotel and iclub To Kwa Wan Hotel.
- (ii) The hotel management fees in respect of the iclub Wan Chai Hotel - Hotel portion were comprised of (a) a base fee, for an amount based on 2% of the gross hotel revenue, and (b) an incentive fee based on 5% of the excess of the gross operating profit over the base fee and fixed charges in accordance with the corresponding hotel management agreement.
- (iii) The marketing fees in respect of the iclub Wan Chai hotel - Hotel portion were charged at 1% of the gross hotel revenue of the iclub Wan Chai Hotel - hotel portion in accordance with the corresponding hotel management agreement.
- (iv) The building management fees were charged at a mutually agreed amount payable on a monthly basis in respect of the iclub Wan Chai Hotel - non-hotel portions.
- (v) The REIT Manager is entitled to receive Base Fees, Variable Fees and Divestment Fee, details of which, including the terms, are set out in note 5 to the condensed consolidated financial statements.
- (vi) The Trustee is entitled to receive trustee fees (calculated and payable quarterly) at rates ranging from 0.015% per annum to 0.025% per annum based on the value of the deposited property of Regal REIT as at the end of the reporting period subject to a minimum of HK\$66,000 per month.

The above transactions have been entered into in the ordinary course of business and on normal commercial terms.

(b) Balances with connected/related parties were as follows:

	Notes	30th June, 2026 (unaudited) HK\$'000	31st December, 2025 (audited) HK\$'000
Net amounts due from/(to) the RHIHL Group:			
Accounts payable to related companies	(i)	(33,667)	(57,229)
Amounts due from related companies	(i)	3,808	3,239
Amounts due to related companies	(i)	(105,521)	(173,687)
Net amounts due from the PHL Group:			
Deposits paid	(i)	1,212	1,212
Net amounts due to:			
The Trustee	(ii)	(916)	(960)
Restricted and non-restricted bank balances with the Deutsche Bank Group	(iii)	153	153

Notes:

- (i) The amounts are unsecured, interest-free and repayable on demand/within one year.
 - (ii) The amount is unsecured and repayable in accordance with the terms of the Trust Deed.
 - (iii) The bank balances earn interest at prevailing market rates.
- (c) The RHIHL Group has guaranteed to pay all amounts from time to time owing or payable by the lessee of the Initial Hotels to the Group under the respective lease agreements, when the same become due, together with other charges and outgoings, interest, default interest, fees and costs. In this connection, the RHIHL Group undertook to maintain a minimum consolidated tangible net worth (as defined in the relevant agreements) of HK\$4.0 billion. Under the Market Rental Package for 2026, the RHIHL Group provided a third party guarantee or other equivalent form of security as security deposit for an amount of HK\$138.3 million (2025: HK\$137.5 million), which is equivalent to three-month base rent for the year 2026, issued by a licensed bank in Hong Kong.
- (d) Under a deed of trademark licence, the RHIHL Group granted the REIT Manager and companies holding the Initial Hotels within the Group a non-exclusive and non-transferable licence at nil consideration to use its registered trademark or service marks for the purpose of describing the ownership of the Initial Hotels and/or use in connection with the business of the Initial Hotels.
- (e) On 10th February, 2014, the Group entered into a hotel management agreement with a member of the RHIHL Group in respect of the management of the iclub Sheung Wan Hotel for a 10-year term commencing on 10th February, 2014 and extended its term to 31st December, 2034 (amended by the supplemental deeds dated 11th January, 2024).

- (f) On 28th July, 2014, the Group entered into a hotel management agreement with a member of the RHIHL Group in respect of the management of the iclub Fortress Hill Hotel for a 10-year term commencing on 28th July, 2014 and extended its term to 31st December, 2034 (amended by the supplemental deeds dated 11th January, 2024).
- (g) On 4th September, 2017, the Group entered into a hotel management agreement with a member of the RHIHL Group in respect of the management of the iclub To Kwa Wan Hotel for a 10-year term commencing on 4th September, 2017.
- (h) On 20th December, 2019, the Group entered into a hotel management agreement with a member of the RHIHL Group in respect of the management of the iclub Wan Chai Hotel for a 10-year term commencing on 1st January, 2021.

26. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The fair values of the financial assets and liabilities represent the amounts for which the instruments that could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Derivative financial instruments, including interest rate swaps, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties and interest rate curves. The carrying amounts of interest rate swaps are the same as their fair values.

The REIT Manager considers that the carrying amounts of the financial assets and financial liabilities recorded in the condensed consolidated financial statements approximated to their fair values at the end of the reporting period.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments and non-financial assets:

Assets measured at fair value:

As at 30th June, 2026

	Fair value measurement using			Total (unaudited) HK\$'000
	Quoted prices in active markets (Level 1) (unaudited) HK\$'000	Significant observable inputs (Level 2) (unaudited) HK\$'000	Significant unobservable inputs (Level 3) (unaudited) HK\$'000	
Property, plant and equipment	—	—	665,000	665,000
Investment properties	—	—	21,360,000	21,360,000
Derivative financial instruments	—	4,150	—	4,150
	—	4,150	22,025,000	22,029,150

As at 31st December, 2025

	Fair value measurement using			Total (audited) HK\$'000
	Quoted prices in active markets (Level 1) (audited) HK\$'000	Significant observable inputs (Level 2) (audited) HK\$'000	Significant unobservable inputs (Level 3) (audited) HK\$'000	
Property, plant and equipment	—	—	664,000	664,000
Investment properties	—	—	23,112,000	23,112,000
	—	—	23,776,000	23,776,000

Liabilities measured at fair value:

As at 30th June, 2026

	Fair value measurement using			Total (unaudited) HK\$'000
	Quoted prices in active markets (Level 1) (unaudited) HK\$'000	Significant observable inputs (Level 2) (unaudited) HK\$'000	Significant unobservable inputs (Level 3) (unaudited) HK\$'000	
Derivative financial instruments	—	4,985	—	4,985

As at 31st December, 2025

	Fair value measurement using			Total (audited) HK\$'000
	Quoted prices in active markets (Level 1) (audited) HK\$'000	Significant observable inputs (Level 2) (audited) HK\$'000	Significant unobservable inputs (Level 3) (audited) HK\$'000	
Derivative financial instruments	—	35,289	—	35,289

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (31st December, 2025: Nil).

27. DISPOSAL OF SUBSIDIARIES

On 20th March, 2026, the Group entered into a legally binding preliminary SP agreement with an independent third party to dispose of the entire issued share capital of Chasehill Limited (the "Target Company"), a wholly-owned subsidiary of Regal REIT. The wholly-owned subsidiary of the Target Company is the sole registered legal and beneficial owner of Regal Oriental Hotel. The disposal was completed on 30th April, 2026 at an effective total consideration of HK\$1,518,092,000.

	HK\$'000
Net assets disposed of:	
Investment property	1,647,000
Deferred tax liabilities	(47,213)
Loss on disposal of subsidiaries	<u>(81,695)</u>
Effective total consideration	<u>1,518,092</u>
	HK\$'000
Satisfied by:	
Cash consideration	<u>1,518,092</u>
Inflow of cash and cash equivalents included in cash flows from investing activities	<u>1,518,092</u>

28. EVENT AFTER THE REPORTING PERIOD

Subsequent to the reporting period, in early August 2026, the Group concluded a new 4-year refinancing facility of HK\$3,900.0 million, with the syndicate of existing bank lenders secured by three of the Initial Hotels, namely, Regal Airport Hotel, Regal HongKong Hotel and Regal Riverside Hotel and PSC Premises.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



**To the board of directors of Regal Portfolio Management Limited
(as manager of Regal Real Estate Investment Trust)**

INTRODUCTION

We have reviewed the interim financial information set out on pages 35 to 69, which comprises the condensed consolidated statement of financial position of Regal Real Estate Investment Trust ("Regal REIT") and its subsidiaries as at 30th June, 2026, and the related condensed consolidated statement of profit or loss, statement of comprehensive income, statement of changes in net assets and statement of cash flows and the distribution statement for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* ("HKAS 34") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Manager of Regal REIT is responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young

Certified Public Accountants

27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

26th August, 2026

SUMMARY OF PROPERTY PORTFOLIO

As at 30th June, 2026

Description		Use	Lease	Gross Floor Area (sq.m.)	Approx. Covered Floor Area (sq.m.)	Percentage interest attributable to Regal REIT
(1)	Regal Airport Hotel 9 Cheong Tat Road Hong Kong International Airport Chek Lap Kok New Territories Hong Kong	Hotel	Medium term	71,988	83,400	100
(2)	Regal Hongkong Hotel 88 Yee Wo Street Causeway Bay Hong Kong	Hotel	Long term	25,090	32,000	100
(3)	Regal Kowloon Hotel 71 Mody Road Tsimshatsui Kowloon Hong Kong	Hotel	Long term	31,746	43,500	100
(4)	PSC Premises Shops 3-11 on G/F including Cockloft of Shops 5-7 and the whole of 1/F Po Sing Court 21-25 Shek Ku Lung Road 40-42 Sa Po Road and 15-29 Carpenter Road Kowloon City Kowloon Hong Kong	Commercial	Medium term	1,320	1,320	100

As at 30th June, 2026

	Description	Use	Lease	Gross Floor Area (sq.m.)	Approx. Covered Floor Area (sq.m.)	Percentage interest attributable to Regal REIT
(5)	Regal Riverside Hotel 34-36 Tai Chung Kiu Road Shatin, New Territories Hong Kong	Hotel	Medium term	59,668	69,100	100
(6)	iclub Wan Chai Hotel Shops A, B and C on G/F, Flat Roof on 3/F, Whole of 5-12/F, 15-23/F and 25-29/F Eastern and Western Elevations of External Walls Architectural Feature at Roof Top and Upper Roof 211 Johnston Road Wan Chai Hong Kong	Hotel/ commercial	Long term	5,326	5,530	100
(7)	iclub Sheung Wan Hotel 138 Bonham Strand Sheung Wan Hong Kong	Hotel	Long term	7,197	9,600	100
(8)	iclub Fortress Hill Hotel 18 Merlin Street North Point Hong Kong	Hotel	Long term	6,849	9,400	100
(9)	iclub To Kwa Wan Hotel 8 Ha Heung Road Kowloon Hong Kong	Hotel	Long term	6,298	9,490	100

