



富豪酒店國際控股有限公司
Regal Hotels
International Holdings Limited

(Incorporated in Bermuda with limited liability)
(Stock Code : 78)



2026

INTERIM REPORT

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Lo Yuk Sui

(Chairman and Chief Executive Officer)

Lo Po Man

(Vice Chairman and Managing Director)

Kelvin Leung So Po

Jimmy Lo Chun To

Kenneth Ng Kwai Kai

Non-Executive Directors

Francis Choi Chee Ming, GBS, JP

(Vice Chairman)

Belinda Yeung Bik Yiu, JP

Independent Non-Executive Directors

Alice Kan Lai Kuen

Japhet Sebastian Law

Winnie Ng, JP

Wong Chi Keung

AUDIT COMMITTEE

Wong Chi Keung (Chairman)

Francis Choi Chee Ming, GBS, JP

Alice Kan Lai Kuen

Japhet Sebastian Law

Winnie Ng, JP

REMUNERATION COMMITTEE

Wong Chi Keung (Chairman)

Lo Yuk Sui

Alice Kan Lai Kuen

Winnie Ng, JP

NOMINATION COMMITTEE

Lo Yuk Sui (Chairman)

Alice Kan Lai Kuen

Winnie Ng, JP

Wong Chi Keung

SECRETARY

Eliza Lam Sau Fun

AUDITOR

Ernst & Young

Certified Public Accountants

Registered Public Interest Entity Auditor under
the Accounting and Financial Reporting Council Ordinance

PRINCIPAL BANKERS

Australia and New Zealand Banking Group Limited

Bank SinoPac, Hong Kong Branch

Bank of Communications (Hong Kong) Limited

The Bank of East Asia, Limited

Cathay United Bank Company, Limited, Hong Kong Branch

China CITIC Bank International Limited

China Construction Bank Corporation, Hong Kong Branch

China Everbright Bank Co., Ltd., Hong Kong Branch

Chong Hing Bank Limited

Dah Sing Bank, Limited

Hang Seng Bank Limited

Hua Xia Bank Co., Limited, Hong Kong Branch

Industrial and Commercial Bank of China (Asia) Limited

Nanyang Commercial Bank, Limited

Oversea-Chinese Banking Corporation Limited

United Overseas Bank Limited, Hong Kong Branch

PRINCIPAL REGISTRAR

Conyers Corporate Services (Bermuda) Limited

Richmond House, 12 Par-la-Ville Road

Hamilton HM 08, Bermuda

BRANCH REGISTRAR IN HONG KONG

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor, Hopewell Centre

183 Queen's Road East, Wan Chai

Hong Kong

REGISTERED OFFICE

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Hamilton HM 08, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

20th Floor, 68 Yee Wo Street

Causeway Bay, Hong Kong

Tel: 2894 7888

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Mr. Lo Yuk Sui, aged 81; *Chairman and Chief Executive Officer* – Chairman and Managing Director since 1989 when the Company was established in Bermuda as the holding company of the Group. Mr. Lo has been the managing director and the chairman of the predecessor listed company of the Group since 1984 and 1987 respectively. He was designated as the Chief Executive Officer of the Company in 2007. He is also an executive director, the chairman and the chief executive officer of Century City International Holdings Limited (“CCIHL”) (the ultimate listed holding company of the Company), Paliburg Holdings Limited (“PHL”) (the immediate listed holding company of the Company) and Cosmopolitan International Holdings Limited (“Cosmopolitan”) (the listed fellow subsidiary of the Company), and a non-executive director and the chairman of Regal Portfolio Management Limited (“RPML”), the manager of Regal Real Estate Investment Trust (the listed subsidiary of the Company). Mr. Lo is a qualified architect. In his capacity as the Chief Executive Officer, Mr. Lo oversees the overall policy and decision making of the Group. Mr. Lo is the father of Ms. Lo Po Man and Mr. Jimmy Lo Chun To.

Ms. Lo Po Man, aged 46; *Vice Chairman and Managing Director* – Joined the Group in 2000 and appointed to the Board in 2004. Ms. Lo has been a Vice Chairman and the Managing Director of the Company since 2013. She is also an executive director and a vice chairman of CCIHL, an executive director of PHL, an executive director and a vice chairman of Cosmopolitan, and a non-executive director and the vice chairman of RPML. In her executive capacity, she primarily oversees the operation of the Group’s hotel business while also managing corporate investments and business development of the Century City Group.

Ms. Lo graduated from Duke University with a Bachelor’s Degree in Psychology and from The University of Hong Kong with a Master’s Degree in Buddhist Studies. Ms. Lo serves as an Adjunct Professor teaching sustainable business management and impact investing at both The Hong Kong University of Science and Technology and The University of Hong Kong. She also serves as a Professional Fellow at the Honours Academy of The Hang Seng University of Hong Kong.

She has been officially appointed as a Member of the HKSAR Chief Executive’s Policy Unit Expert Group, a Member of the Green Technology and Finance Development Committee, and a Council Member of The Hong Kong University of Science and Technology. She also serves on the Advisory Committee on Mental Health, and the Advisory Committee at the School of Chinese Medicine at The University of Hong Kong. Her additional appointments include the Standing Committee on Values Education, the Hong Kong Academy for Wealth Legacy, and the position of Honorary President of the Hong Kong Federation of Women. She is appointed as Chair of the UNESCAP ESNB Finance Task Force and a member of the Executive Committee of ESNB, and serves as Chair of the Asia Pacific Green Deal for Business Committee. She has also been appointed as a Trustee of the World Sustainable Hospitality Alliance.

She also established the non-profit Institute of Sustainability & Technology (IST) to nurture the next generation of sustainability leaders. She also founded the One Earth Summit, One Earth NextGen Programs, One Earth Alliance and One Earth Institute to advance systemic innovation for collective flourishing.

Ms. Lo is the daughter of Mr. Lo Yuk Sui and the sister of Mr. Jimmy Lo Chun To.

DIRECTORS' PROFILE (Cont'd)

Dr. Choi Chee Ming (Alias: Francis), GBS, JP, aged 80; Vice Chairman and Non-Executive Director – Invited to the Board as Non-Executive Director and elected Vice Chairman in 2004. Dr. Francis Choi holds a Master's Degree in Business Administration from the Newport University in the United States of America. He also holds a Ph.D. in Business Management from Harbin Institute of Technology, the People's Republic of China (the "PRC") and an Honorary Degree of Doctor of Business Administration from The Hong Kong Polytechnic University. Dr. Choi is the chairman of Early Light International (Holdings) Limited and has extensive business interests in the manufacturing industry and the property sector. He is the Honorary President of the Toys Manufacturers' Association of Hong Kong, Honorary President of the Hong Kong Young Industrialists Council and the Court Member of The Hong Kong Polytechnic University, a member of Sun Yat-sen University Advisory Board, the PRC and the Honorary Chairman of the Board of Trustees of Shaoguan University, the PRC.

Ms. Kan Lai Kuen, Alice, aged 71; Independent Non-Executive Director – Invited to the Board as Independent Non-Executive Director in 2004. Ms. Alice Kan is also an independent non-executive director of Cosmopolitan. Ms. Kan is a shareholder and a director of BLS Capital Limited. She is a licensed responsible officer of BLS Capital Limited for asset management under the Securities and Futures Ordinance of Hong Kong (the "SFO"). She has over 20 years of experience in corporate finance and is well experienced in both the equity and debt markets. She held various senior positions in international and local banks and financial institutions. Ms. Kan is a fellow member of The Association of Chartered Certified Accountants, a fellow member of the CPA Australia and an associate member of the Hong Kong Institute of Certified Public Accountants. Ms. Kan is also an independent non-executive director of Jolimark Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Professor Japhet Sebastian Law, aged 74; Independent Non-Executive Director – Invited to the Board as Independent Non-Executive Director in 2012. Professor Law obtained his Ph.D. in Mechanical/Industrial Engineering from The University of Texas at Austin in 1976. He joined The Chinese University of Hong Kong in 1986 and was a professor in the Department of Decision Sciences and Managerial Economics and the director of the Aviation Policy and Research Centre until his retirement since August 2012. He was also the associate dean and subsequently the dean of the Faculty of Business Administration of The Chinese University of Hong Kong from 1993 to 2002. Prior to returning to Hong Kong, Professor Law was the director of operations research at the Cullen College of Engineering and director of graduate studies in Industrial Engineering at the University of Houston, and he was also involved with the United States Space Program in his career with McDonnell Douglas and Ford Aerospace in the United States. Professor Law has acted as a consultant for various corporations in Hong Kong and overseas. He is active in public services, having served as a member of the Provisional Regional Council of the Government of the Hong Kong Special Administrative Region and various other government advisory committees, and he is also active in serving on the boards of for-profit, non-profit, public and charitable organisations in Hong Kong and overseas. Professor Law is an independent non-executive director of Binhai Investment Company Limited, Tong Tong AI Social Group Limited, Tianjin Binhai Teda Logistics (Group) Corporation Limited and Tianjin Port Development Holdings Limited, all of which are companies listed on the Stock Exchange. He has also served on various committees and boards of international organisations, including The Association to Advance Collegiate Schools of Business, Graduate Management Admission Council and Oxfam International.

Mr. Leung So Po (Alias: Kelvin), aged 54; Executive Director – Appointed to the Board in 2023. Mr. Kelvin Leung is also an executive director of CCIHL and PHL, and an executive director and the chief financial officer of Cosmopolitan. Mr. Leung has been with the Century City Group since 1997, and he is involved in the corporate finance function as well as in the China business division of the Century City Group. Mr. Leung holds a Bachelor's Degree in Business Administration and a Master of Laws Degree in Chinese Business Law both from The Chinese University of Hong Kong. He is a member of the American Institute of Certified Public Accountants. Mr. Leung has over 30 years of experience in accounting and corporate finance field.

Mr. Lo Chun To (Alias: Jimmy), aged 52; *Executive Director* – Appointed to the Board in 1999. Mr. Jimmy Lo is also an executive director and a vice chairman of CCIHL, an executive director, the vice chairman and the managing director of PHL, an executive director, a vice chairman and the managing director of Cosmopolitan, and a non-executive director of RPML. Mr. Lo graduated from Cornell University, New York, the United States, with a Degree in Architecture. Mr. Lo joined the Century City Group in 1998. He is primarily involved in overseeing the property projects of the PHL Group and, in addition, undertakes responsibilities in the business development of the Century City Group. Mr. Lo is the son of Mr. Lo Yuk Sui and the brother of Ms. Lo Po Man.

Mr. Ng Kwai Kai (Alias: Kenneth), aged 72; *Executive Director* – Joined the Group in 1985 and appointed to the Board in 1998. Mr. Kenneth Ng is also an executive director and the chief operating officer of CCIHL, an executive director of PHL and Cosmopolitan, and a non-executive director of RPML. Mr. Ng is a Chartered Secretary and is in charge of the corporate finance, company secretarial and administrative functions of the Century City Group.

Ms. Winnie Ng, JP, aged 62; *Independent Non-Executive Director* – Invited to the Board as Independent Non-Executive Director in 2018. Ms. Ng is also an independent non-executive director of CCIHL and PHL. Ms. Ng holds an MBA (Master of Business Administration) from University of Chicago and an MPA (Master of Public Administration) from Harvard University. Ms. Ng has received numerous awards and recognition. In 2019, she received the Outstanding Businesswomen Award and in 2017, she was appointed a Justice of the Peace. In 2016, she won Nobel Laureate Series: Asian Chinese Leadership Award and China Top Ten Outstanding Women Entrepreneurs. In previous years, she received recognitions as a Woman of Excellence in Hong Kong, one of 60 Meritorious Chinese Entrepreneurs with Achievement and National Contribution, Yazhou Zhoukan Young Chinese Entrepreneur Award and was Mason Fellow of Harvard University. Active in public service, Ms. Ng is Director of Po Leung Kuk, Director of CUHK Medical Centre, Director of HKBU Chinese Medicine Hospital, Council Member of The Education University of Hong Kong, Supervisor of The Hong Kong Eng Clansman Association Wu Si Chong Memorial School, Honorary Chairs of Board of Governors of Yee Hong Community Wellness Foundation, Advisor of Our Hong Kong Foundation, and Council Member of The Better Hong Kong Foundation. She was Member of Women's Commission and Co-Convenor of Women Empowerment Fund from 2020 to 2026, Chairman of Hospital Governing Committee of Prince of Wales Hospital from 2014 to 2020, Member of Hong Kong Tourism Board and its Marketing & Business Development Committee Chairman, Member of Hospital Authority and its Supporting Services Development Committee Chairman from 2010 to 2016, Member of Employees Retraining Board and its Course Vetting Committee Convenor, and Member of Vocational Training Council from 2011 to 2017. Ms. Ng is also a non-executive director of Transport International Holdings Limited, and she was the founder, deputy chairman and a non-executive director of RoadShow Holdings Limited (now known as BlockFin Holdings Limited). Both companies are listed on the Stock Exchange.

DIRECTORS' PROFILE (Cont'd)

Mr. Wong Chi Keung, aged 71; *Independent Non-Executive Director* – Invited to the Board as Independent Non-Executive Director in 2004. Mr. Wong is also an independent non-executive director of CCIHL and PHL. Mr. Wong holds a Master's Degree in Business Administration from the University of Adelaide in Australia. He is a fellow member of Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants and CPA Australia and an associate member of The Chartered Governance Institute and The Chartered Institute of Management Accountants. Mr. Wong is a responsible officer for asset management and advising on securities under the SFO. Mr. Wong was an executive director, the deputy general manager, group financial controller and company secretary of Guangzhou Investment Company Limited (now known as Yuexiu Property Company Limited), a company listed on the Stock Exchange, for over ten years. He is also an independent non-executive director and a member of the audit committee of Asia Orient Holdings Limited, Asia Standard International Group Limited, Changyou International Group Limited, China Ting Group Holdings Limited and Zhuguang Holdings Group Company Limited, all of which are companies listed on the Stock Exchange. Mr. Wong has over 43 years of experience in finance, accounting and management.

Ms. Yeung Bik Yiu, Belinda, JP, aged 68; *Non-Executive Director* – Appointed to the Board in 2002 as an Executive Director, designated as the Chief Operating Officer in 2007 and re-designated as a Non-Executive Director in July 2024. Ms. Belinda Yeung had been with the Group since 1987 until her retirement in July 2024. Ms. Yeung was in charge of the Group's hotel operations in Hong Kong and the Chinese Mainland when she acted as the Chief Operating Officer. In addition to her hotel management responsibilities, she was also responsible for the human resources management of the Century City Group. Graduated from Barron Hilton School of Hotel Management, University of Houston, U.S.A., Ms. Yeung had devoted her career in the hospitality industry in U.S.A., the Chinese Mainland and Hong Kong - on both multi-unit corporate and single-unit hotel property management levels. Ms. Yeung is Honorary Life Vice President of The Federation of Hong Kong Hotel Owners, Fellow of The Hong Kong Polytechnic University and Honorary Fellow of the Vocational Training Council.

Dear shareholders,

I am presenting herewith the Interim Report of the Company for the six months ended 30th June, 2026.

FINANCIAL RESULTS

For the six months ended 30th June, 2026, the Group attained a consolidated profit attributable to shareholders of HK\$158.0 million, while for the corresponding period in 2025, a loss of HK\$677.6 million was incurred.

As explained in the Profit Alert published by the Company on 20th August, 2026, apart from the improved performance achieved in its hotel business operations and the reduction in finance costs due to the lowered level of interest rates, the profit attained by the Group during the period was mainly attributable to the gain realised on the disposal in April 2026 of the subsidiaries that owned the Regal Oriental Hotel in Hong Kong, which were held through Regal Real Estate Investment Trust, a listed subsidiary of the Company.

During the interim period, gross profit from business operations amounted to HK\$373.1 million, an increase of 19.6% over the comparative amount of HK\$311.9 million in 2025. Having accounted for the gain of HK\$849.9 million realised from the effective disposal of the Regal Oriental Hotel, the Group's operating profit before depreciation, finance costs and tax amounted to HK\$1,069.0 million, as compared to HK\$85.4 million in the corresponding period last year.

Moreover, as the Group's hotel properties in Hong Kong are all owned and operated by subsidiaries of the Company, they are required to be subject to depreciation to conform to the applicable accounting standards. For the period under review, total depreciation charges on the Group's hotel portfolio in Hong Kong amounted to HK\$245.8 million (2025 - HK\$290.2 million). Although these depreciation charges have no immediate impact on the Group's cash flow, they have nevertheless adversely affected its financial results.

Having regard to the material difference between the carrying values of the Group's hotel portfolio in Hong Kong, which are subject to accumulated depreciation charges, and their fair values as at 30th June, 2026, an Adjusted Net Asset Statement is presented in the section headed "Management Discussion and Analysis" in this Interim Report. The statement illustrated, for the purpose of reference, that if all such hotel properties were to be stated in the Group's financial statements at their independent professional valuations as at 30th June, 2026, the underlying adjusted net asset value of the Company would amount to HK\$15.96 per share.

BUSINESS OVERVIEW

HOTELS

MARKET OVERVIEW

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 fuelled 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.

CHAIRMAN'S STATEMENT (Cont'd)

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 about 77% 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.

HOTEL OWNERSHIP

The Group owns and operates the Regala Skycity Hotel at the Hong Kong International Airport. This hotel has over 1,200 well decorated hotel rooms and suites, which is complemented with food and beverage and conference facilities catering to Meetings, Incentives, Conferences and Exhibitions (MICE) businesses, and with direct linkage to the AsiaWorld-Expo, the 11 Skies compound and the Airport Terminal 2.

During the interim period, the Regala Skycity Hotel operated steadily, with average RevPAR having further improved over the corresponding period in 2025. The Airport Terminal 2 commenced operation in May 2026. It is anticipated that as the passenger traffic at this new terminal continues to grow, to which the Regala Skycity Hotel is directly linked, increased business will be generated for the hotel.

The Group also owns an 186-room hotel property in Barcelona, Spain, which has been leased to a third-party operator. Though this hotel property is yielding attractive rental returns, the Group is examining different options for the continuation of the lease or for its disposal as part of the Group's deleveraging plans, if the price offered is considered satisfactory.

Further details on the Regala Skycity Hotel and the hotel property in Barcelona are contained in the section headed "Management Discussion and Analysis" in this Interim Report.

REGAL REAL ESTATE INVESTMENT TRUST

As at 30th June, 2026, the Group held approximately 74.9% of the total issued units of Regal REIT, while Regal Portfolio Management Limited, a wholly owned subsidiary of the Company, acts as the REIT Manager.

For the interim period ended 30th June, 2026, Regal REIT recorded a consolidated loss before distribution 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 distribution 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.

However, it should be noted that the consolidated loss recorded by Regal REIT 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 these 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.

Following its disposal of the Regal Oriental Hotel and the partial prepayment of the outstanding loan facilities, 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 4 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 of Po Sing Court in Kowloon City.

HOTEL OPERATIONS

Favour Link International Limited, a wholly owned subsidiary of the Company, is the lessee operating all the four Regal Hotels and three iclub Hotels under leases from Regal REIT.

To cope with the competitive market environment, the Group has implemented different measures to improve operating efficiencies and to contain operating costs. During the interim period, the average RevPAR of the four Regal Hotels in Hong Kong has improved by 10.5% year-on-year, while their aggregate net property income has increased by 35.8%, despite falling short of the prorated base rents under the leases with Regal REIT.

As regarding the three iclub Hotels also under lease from Regal REIT, namely, the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel and the iclub To Kwa Wan Hotel, their average RevPAR was marginally below that in the first half of last year due to keen market competition, but benefiting from the measures taken to reduce the operating costs, their aggregate net property income has managed to increase by 13.2% over the last comparative period, albeit still below the prorated base rents.

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 under lease from Regal REIT, including the Regal Riverside Hotel and the three iclub Hotels, have allocated part of their room inventories to participate in the "Aspire House" student accommodation project promoted by the Group. While they are generating stable long staying revenues for those hotels, the project itself has received many positive social responses.

CHAIRMAN'S STATEMENT (Cont'd)

HOTEL MANAGEMENT

The Group's hotel management business is operated through Regal Hotels International Limited (RHI), the wholly-owned hotel management arm. All the hotels owned within the Group in Hong Kong, including the Regala Skycity Hotel and the eight Regal and iclub Hotels owned through Regal REIT, are managed by RHI. In addition, RHI is also the hotel manager managing the iclub Mong Kok Hotel and the iclub AMTD Sheung Wan Hotel that are owned 100% and 50%, respectively, by P&R Holdings Limited, a 50/50 joint venture between the Company and Paliburg Holdings Limited, the intermediate listed holding company of the Company.

In China, the Group is providing management services to one hotel in Shanghai and one hotel in Dezhou operating under the Regal brand.

PROPERTIES

The Hong Kong property market continued to recover steadily in 2026. Supported by the improved market sentiment, the prices and volumes of property sales in the primary as well as in the secondary residential markets have both risen, which is indicative of a sustaining recovery. The demand for properties in the luxury residential segment remains resilient, due mainly to the scarcity of supply.

The property business of the Group is mainly conducted through the joint venture at P&R as well as on its own through wholly owned subsidiaries of the Company.

The Mount Regalia in Kau To, Sha Tin is a major luxury residential development undertaken by P&R. The development has a total of 24 garden houses and 136 apartment units, together with car parks and club house facilities. Since the beginning of this year, P&R has concluded contracts for the sale of 17 property units in Mount Regalia (including 1 house and 2 apartment units under resale). As of this date, P&R still retains 3 houses and 39 apartment units in Mount Regalia. Beside one house that will be retained, these remaining property units will continue to be disposed of.

Apart from Mount Regalia, P&R also owns a mixed portfolio of completed properties and hotels as well as properties held for development in Hong Kong.

Regarding the property development business undertaken by the Group itself, as reported before, all the residential units at the commercial/residential development at The Queens at Queen's Road West have been sold, while the commercial accommodations on the ground and first floors are being retained. The Group also owns a site at Hai Tan Street, Sham Shui Po, which is intended for a commercial/residential development.

During the year to date, the Group has entered into contracts for the disposal at satisfactory prices of 3 garden houses in Regalia Bay, a luxury garden house project in Stanley jointly developed by the Group in earlier years, two of which have since been duly completed. The Group still owns 5 garden houses in Regalia Bay, some of which will continue to be disposed of.

As mentioned before, the Group had entered into an agreement in May 2025 for the sale of its equity interests in the renovation-for-sale project in Lisbon, Portugal. Completion of this sale transaction, originally expected in May 2026, duly took place in July this year.

Further information on the Group's development projects and properties, as well as those undertaken by P&R and Cosmopolitan International Holdings Limited, a listed subsidiary of P&R engaged primarily in property development business in Chinese Mainland, is contained in the section headed "Management Discussion and Analysis" in this Interim Report.

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 Group has taken proactive steps to implement its assets disposal programme, which have produced positive results. The Group will continue with its plans to reduce its overall indebtedness level, with a view to further reinforcing its financial strength.

LO YUK SUI

Chairman

Hong Kong
26th August, 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's significant investments and principal business activities mainly comprise hotel ownership business which is principally undertaken through Regal Real Estate Investment Trust ("Regal REIT"), hotel operation and management businesses, asset management of Regal REIT, property development and investment, including those undertaken through the joint venture in P&R Holdings Limited ("P&R") and other investments including financial assets investments.

The performance of the Group's hotel, property and other investment businesses as well as that of Regal REIT for the period, including the commentary on the business sectors in which the Group operates, the changes in the general market conditions and their potential impact on its operating performance and future prospects, is contained in the sections headed "Financial Results", "Business Overview" and "Outlook", respectively, in the preceding Chairman's Statement as well as in this section.

The Group has no immediate plans for acquisition of material investments or capital assets, other than those disclosed in the sections headed "Business Overview" and "Outlook" in the preceding Chairman's Statement and in this section.

A brief review on the development projects and properties of the Group (other than those owned by Regal REIT), which are all wholly owned by the Group, and those undertaken by P&R and its listed subsidiary, Cosmopolitan International Holdings Limited ("Cosmopolitan"), and on the Group's financial assets and other investments is set out below.

Hong Kong

Regala Skycity Hotel, the Hong Kong International Airport

In February 2017, a wholly owned subsidiary of Regal secured the award from the Airport Authority in Hong Kong of the development right for this new hotel project at the Hong Kong International Airport.

The hotel project has a site area of approximately 6,650 square metres (71,580 square feet) and permissible gross floor area of 33,700 square metres (362,750 square feet). The hotel has 13 storeys (including one basement floor) with a total of 1,208 guestrooms and suites, complemented with extensive banquet, meeting and food and beverage facilities. It has direct linkage to the AsiaWorld-Expo, the 11 Skies compound as well as the new Airport Terminal 2 which commenced operation in May 2026.

The hotel licence was issued in November 2021 and the hotel grand opened in April 2023.

The Queens, No. 160 Queen's Road West, Hong Kong

The project has a combined site area of 682 square metres (7,342 square feet) and has been developed into a commercial/residential building with gross floor area of about 5,826 square metres (62,711 square feet). The building has a total of 130 residential units with club house facilities on the second floor, a landscape garden on the third floor and commercial accommodations on the ground and first floors. The occupation permit was obtained in August 2022.

All the residential units have been sold, while the commercial accommodations on the ground and first floors are being retained.

Nos.227-227C Hai Tan Street, Sham Shui Po, Kowloon

100% ownership interests in the subject redevelopment properties have been acquired through the judicial proceedings for Land Compulsory Sale. The property is presently a vacant site with a total site area of 431 square metres (4,644 square feet) and is intended for a commercial/residential development with gross floor area of about 3,691 square metres (39,733 square feet).

Regalia Bay, 88 Wong Ma Kok Road, Stanley, Hong Kong

During the year to date, the Group has entered into contracts for the disposal of three garden houses at satisfactory prices, two of which have since been duly completed. The Group still owns 5 garden houses in Regalia Bay with total gross area of about 2,292 square metres (24,671 square feet). Some of these remaining houses will continue to be disposed of.

Overseas

Campus La Mola, Barcelona, Spain

This hotel property has a total of 186 guestrooms and was acquired by the Group in 2014. The hotel is presently under lease to an independent third party, which is generating steady rental income.

Fabrik, Rua Dos Fanqueiros 156, Lisbon, Portugal

This is a rehabilitation and renovation project for a historical building located in a heritage conservation area of Lisbon, acquired in 2019 by an entity that is now wholly owned by the Group. This building has a total gross floor area of about 1,836 square metres (19,768 square feet), comprising residential apartments as well as shops on the ground floor. The renovation works had been completed and the relevant usage permits were obtained in August 2024.

In May 2025, the Group entered into an agreement for the divestiture of its entire equity and loan interests in the company holding the property to a group of independent third-party investors for a cash consideration of EUR9.3 million (equivalent to approximately HK\$84.0 million). Completion of this disposal transaction, originally expected in May 2026, duly took place in July this year.

JOINT VENTURE – P&R HOLDINGS LIMITED

P&R is a 50/50 owned joint venture established with Paliburg Holdings Limited (“PHL”), the immediate listed holding company of the Company, with capital contributions provided by the Company and PHL on a pro-rata basis in accordance with their respective shareholdings. P&R’s business scope encompasses the development of real estate projects for sale and/or leasing, the undertaking of related investment and financing activities, and the acquisition or making of any investments (directly or indirectly) in the financial assets of or interests in, or extending loans to, any private, public or listed corporations or undertakings that have interests in real estate projects or other financial activities where the underlying assets or security comprise real estate properties.

Further information relating to the property development projects undertaken and properties owned by the P&R group in Hong Kong (which, unless otherwise denoted, are all wholly owned by the P&R group) is set out below:

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Domus and Casa Regalia, Nos.65-89 Tan Kwai Tsuen Road, Yuen Long, New Territories

This residential project, which was completed in 2016, has a site area of approximately 11,192 square metres (120,470 square feet) and provides a total of 170 units, comprising 36 garden houses and a low-rise apartment block with 134 units, having aggregate gross floor area of approximately 11,192 square metres (120,470 square feet).

All the units in the apartment block, named Domus, had been sold. The garden houses comprised within this development are named as Casa Regalia. 5 houses in Casa Regalia are still being retained and will continue to be disposed of.

We Go MALL, No.16 Po Tai Street, Ma On Shan, Sha Tin, New Territories

This development has a site area of 5,090 square metres (54,788 square feet) and a maximum permissible gross floor area of 15,270 square metres (164,364 square feet). The site has been developed into a shopping mall with 5 storeys above ground level and 1 storey of basement floor. This shopping mall was opened for business in 2018 and is held for rental income.

As an alternative option to optimise the value of this property, P&R has recently applied to the Town Planning Board for the conversion of the property to primarily residential with commercial use. The proposed land use conversion plan for this property is dependent on a favourable outcome of the application and the subsequent approval process with the various government authorities as well as the assessment of the land premium for the requisite modification of the land lease conditions, which may take years to complete even if the application is successful. In this meantime, the We Go MALL will continue to be leased out for rental income.

The Ascent, No.83 Shun Ning Road, Sham Shui Po, Kowloon

This is a project undertaken pursuant to a tender award from the Urban Renewal Authority of Hong Kong in 2014. The land has a site area of 824.9 square metres (8,879 square feet) and has been developed into a 28-storey commercial/residential building (including 1 basement floor) with a total gross floor area of 7,159 square metres (77,059 square feet), providing 157 residential units, 2 storeys of shops and 1 storey of basement car parks. The project was completed in 2018. All the residential units as well as certain shops and car parks had already been disposed of. The remaining 2 shops and 5 car parks will continue to be sold.

Mount Regalia, 23 Lai Ping Road, Kau To, Sha Tin, New Territories

The project has a site area of 17,476 square metres (188,100 square feet) which has been developed into a luxury residential complex comprising 7 mid-rise apartment blocks with 136 units, 24 detached garden houses and 197 car parking spaces, with aggregate gross floor area of approximately 32,474 square metres (349,547 square feet). The occupation permit was issued in September 2018 and the certificate of compliance in February 2019.

This development received eight international awards including winner of Luxury Lifestyle Awards as Best Luxury Residential Development and Best Luxury Sustainable Residential Development in Hong Kong in 2021 as well as for the superb interior designs of certain of its show houses and apartment units.

Up to date, a total of 21 garden houses and 97 apartment units have been sold or contracted to be sold for a total sale price of HK\$6,028.6 million, of which 16 apartment units and 1 house (including 1 house and 2 apartment units under resale) were sold or contracted to be sold during the course of this year. Sale transactions completed during the interim period included 9 apartment units together with 8 car parks (total sale price of HK\$350.7 million) and the profits derived therefrom accounted for in the results under review.

Apart from those houses and apartment units that are under contracts for sale, but yet pending completion, P&R still owns 3 houses and 39 apartment units in this development, which command significant value.

iclub Mong Kok Hotel, 2 Anchor Street, Mong Kok, Kowloon

This is a hotel development project undertaken through a tender award from the Urban Renewal Authority of Hong Kong in 2015. The project has a site area of 725.5 square metres (7,809 square feet), with total permissible gross floor area of approximately 6,529 square metres (70,278 square feet) and covered floor area of approximately 9,355 square metres (100,697 square feet).

The project has been developed into a 20-storey hotel, comprising 288 guestrooms with ancillary facilities, which commenced business in March 2019. The hotel is presently self-operated by P&R and managed by the Group.

iclub AMTD Sheung Wan Hotel, No.5 Bonham Strand West, Sheung Wan, Hong Kong

The project has an aggregate site area of approximately 345 square metres (3,710 square feet) and has been developed into a hotel with 98 guestrooms and suites (total 162 room bays), with a total gross floor area of approximately 5,236 square metres (56,360 square feet) and covered floor area of approximately 7,118 square metres (76,618 square feet).

Following its divestiture of a 50% beneficial interest in December 2019, the property is presently 50% owned by P&R. This hotel was officially opened for business in November 2020 and has since been self-operated by the joint venture entity and managed by the Group.

Nos.9-19 Kam Wa Street, Shau Kei Wan, Hong Kong

The subject properties, which were acquired through private treaty transactions, have a total site area of 518 square metres (5,580 square feet). The demolition works for this project had been completed and is planned for a commercial/residential development. Foundation works for this development site have already commenced.

The proposed development is planned to provide residential and commercial accommodations with total gross floor area in the range of 3,935 square metres (42,356 square feet) and 398 square metres (4,284 square feet), respectively.

Nos.291-293 and 301-303 Castle Peak Road, Cheung Sha Wan, Kowloon

Following the conclusion of the Land Compulsory Sale process in August 2024, 100% ownership interests in the subject properties have been successfully consolidated.

Certain parts of the existing properties at Nos.301-303 Castle Peak Road are presently classified as a Grade 2 Historic Building. A conservation proposal in conjunction with the proposed development is being discussed with the relevant government authorities, which would involve conserving the verandah portion of historical heritage within the new development, thus preserving its unique iconic image in the vicinity. The existing buildings at Nos.291-293 Castle Peak Road had been demolished and the demolition works for the existing buildings at Nos.301-303 Castle Peak Road are in progress.

It is proposed that the project will be developed into a residential building on top of a commercial podium with a total gross floor area of approximately 3,663 square metres (39,429 square feet) and 733 square metres (7,890 square feet), respectively.

COSMOPOLITAN INTERNATIONAL HOLDINGS LIMITED

Cosmopolitan is a listed subsidiary of PHL held through P&R. Further information relating to the property projects of the Cosmopolitan group in Chinese Mainland, all of which are wholly owned, is set out below:

Property Development

Chengdu Project – Regal Cosmopolitan City

Located in the Xindu District in Chengdu, Sichuan Province, the project is a mixed use development consisting of residential, hotel, commercial and office components, with an overall total gross floor area of approximately 495,000 square metres (5,330,000 square feet).

All the residential units in the latest phase of the development had been sold in prior years. Total proceeds from the sales of the residential units amounted to approximately RMB2,048.3 million (HK\$2,314.0 million).

The sale of the shops with about 4,110 square metres (44,250 square feet) comprised in the latest phase of the residential site in the development project is in progress. Up to date, a total of 4,002 square metres (43,078 square feet) of shops have been sold, for aggregate sale considerations of approximately RMB93.2 million (HK\$107.5 million). The sale of the 1,387 car parking spaces is continuing and, up to date, 593 car parking spaces have been sold or contracted to be sold, for aggregate sales proceeds of approximately RMB58.9 million (HK\$67.4 million). Most of these sale transactions have already been completed and the revenues accounted for in prior financial years.

The remaining commercial components of the final stage of the development comprise a commercial complex of about 52,500 square metres (565,100 square feet) and five towers of office accommodations of about 86,000 square metres (925,700 square feet), which have all been completed.

The sale programme for the units in one of the office towers, consisting of 434 units with a total of about 19,400 square metres (208,800 square feet), is on-going. Up to date, 380 office units with a total of about 16,974 square metres (182,708 square feet) have been sold under contracts or subscribed by prospective purchasers, for an aggregate sale consideration of RMB145.8 million (HK\$164.6 million).

The sale of the shops of about 2,650 square metres (28,550 square feet) comprised in the commercial portion of the office tower on sale commenced in 2022. Up to date, a total of 5 shop units of about 274 square metres (2,949 square feet) have been sold, for aggregate sale considerations of approximately RMB8.1 million (HK\$9.3 million).

The Cosmopolitan group entered into an agreement in January 2026 for the sale of the hotel block within the development to a third party purchaser for hotel operations at a gross consideration of RMB143.0 million. This transaction was completed in June 2026 and the net proceeds received were used to settle the Cosmopolitan group's liabilities and for its general working capital purpose.

Tianjin Project – Regal Renaissance

Located in the Hedong District in Tianjin, this project is a mixed use development comprising residential, commercial and office components with total gross floor area of about 145,000 square metres (1,561,000 square feet).

All residential units in this development had been sold. The programme for the sale of shops with a total area of about 19,000 square metres (205,000 square feet) in the commercial complex is ongoing. Up to date, shops with a total area of 16,050 square metres (172,762 square feet) have been sold for aggregate sale considerations of approximately RMB374.1 million (HK\$419.5 million). Certain parts of the commercial complex have been leased out for rental income.

The remaining components in this development, which have all been completed, mainly consist of two office towers atop of a four-storey podium with total gross floor area of 67,739 square metres (729,143 square feet).

Xinjiang Project

This is a re-forestation and land grant project for a land parcel with site area of about 7,600 mu undertaken in accordance with the relevant laws and policies in Urumqi, Xinjiang Uygur Autonomous Region. The Cosmopolitan group had re-forested an aggregate area of about 4,300 mu within the project site and in accordance with the relevant government policies of Urumqi, a parcel of land with an area of about 1,843 mu (1,228,700 square metres) would be available for real estate development after the requisite inspection of the required re-forestation area, land grant listing and tender procedures are completed. The Cosmopolitan group should be entitled to participate in the tender of such land use right and monetary compensation in reference to the re-forestation cost of the Cosmopolitan group incurred.

Based on the legal advice obtained, the legitimate interests of the Cosmopolitan group in the re-forestation contract remained valid and effective. However, as a prerequisite to securing the right for the Cosmopolitan group to participate in the land grant and monetary compensation for the re-forestation costs incurred, the re-forested area would require to undergo a satisfactory inspection by the local municipality government.

The Cosmopolitan group has conducted communications with the local government authorities in recent months and it has since become apparent that the municipality government is not prepared to process the requisite inspection of the re-forested area in the near future, despite the fact that the Cosmopolitan group had re-forested and maintained the project site for more than a decade.

Having regard to other more compelling needs for the use of the Cosmopolitan group's available financial resources and the increasing uncertainties encroaching on its ability to secure its contractual rights under the re-forestation and land grant contract, the Cosmopolitan group determined to suspend the work for the maintenance of the re-forested area in April 2026, until there is some positive development on the site inspection by the local municipality government.

As the suspension of the maintenance work could potentially cause adverse impact on the Cosmopolitan group's contractual rights under the re-forestation and land grant contract, the Cosmopolitan group has fully impaired the capitalised prepayment costs associated with this project in its financial results for the half year ended 30th June, 2026 due to the recent changes in the circumstances affecting the project.

The Cosmopolitan group will continue its regular contact with the relevant government officials and will consider resuming the re-forestation maintenance work as and when the Cosmopolitan group is satisfied that the local government is ready to implement the process for the aforesaid requisite inspection and compensation. In the meantime, the Cosmopolitan group is exploring other options to divest the project or to introduce strategic investors to co-develop the project.

FINANCIAL ASSETS AND OTHER INVESTMENTS

The Group holds a significant portfolio of investments comprising listed securities and other investments, including investment funds, private equities, bonds as well as treasury and yield enhancement products.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

FINANCIAL REVIEW

ASSETS VALUE

The Group's hotel properties in Hong Kong owned by Regal REIT, with the exception of the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel and the iclub To Kwa Wan Hotel, were stated in the financial statements at their fair values as at 23rd July, 2010 when Regal REIT became a subsidiary of the Group, plus subsequent capital additions and deducting accumulated depreciation. The market valuations of these hotel properties have since appreciated substantially as a whole but have not been reflected in the Group's financial statements. Moreover, the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel and the iclub To Kwa Wan Hotel were stated in the Group's financial statements at their fair values at the time of acquisition net of the unrealised gain attributable to the Group and are also subject to depreciation and impairment, while the Regala Skycity Hotel completed in 2021 is stated at cost and also subject to depreciation. For the purpose of providing supplementary information, if the Group's entire hotel property portfolio in Hong Kong is restated in the condensed consolidated financial statements at market value as at 30th June, 2026, the Group's unaudited adjusted net asset and the unaudited adjusted net asset value per ordinary share of the Company would be HK\$14,342.4 million and HK\$15.96 per share, respectively, computed as follows:

	As at 30th June, 2026	
	HK\$'million	HK\$ per ordinary share
Book net assets attributable to equity holders of the parent	5,502.3	6.12
Adjustment to restate the Group's hotel property portfolio in Hong Kong at its market value	8,840.1	9.84
Unaudited adjusted net assets attributable to equity holders of the parent	<u>14,342.4</u>	<u>15.96</u>

CAPITAL RESOURCES AND FUNDING

Funding and Treasury Policy

The Group adopts a prudent funding and treasury policy with regard to its overall business operations. Cash balances are mostly placed on bank deposits, and treasury and yield enhancement products are deployed when circumstances are considered to be appropriate.

Hotel and property development projects in Hong Kong are financed partly by internal resources and partly by bank financing. Project financing in Hong Kong is normally arranged to cover a part of the land cost and a major portion or the entire amount of the construction cost, with the loan maturity tied in to the estimated project completion date. Project financings for the projects in overseas may be arranged, if terms are considered appropriate, to cover a part of the land costs and/or construction costs, and with the loan maturities aligning with the estimated project completion dates and/or sales forecast.

The Group's banking facilities are mostly denominated in Hong Kong dollars with interest primarily determined by reference to the interbank offered rates. The use of hedging instruments for interest rate purposes to cater to business and operational needs is kept under review by the Group's management from time to time. As regards the Group's overseas investments which are denominated in currencies other than US dollars and Hong Kong dollars, the Group may consider, when deemed appropriate, hedging part or all of the investment amounts into US dollars or Hong Kong dollars to contain the Group's exposure to currency fluctuations.

Cash Flows

During the period under review, there were net cash flows generated from operating activities of HK\$274.9 million (2025 - HK\$181.6 million). Net interest payment for the period amounted to HK\$310.1 million (2025 - HK\$373.3 million).

Borrowings and Gearing

As at 30th June, 2026, the Group had cash and bank balances and deposits of HK\$1,238.9 million (31st December, 2025 - HK\$809.0 million) and the Group's borrowings, net of cash and bank balances and deposits, amounted to HK\$11,947.2 million (31st December, 2025 - HK\$13,611.8 million).

As at 30th June, 2026, the gearing ratio of the Group was 54.3% (31st December, 2025 - 59.5%), representing the Group's borrowings, net of cash and bank balances and deposits, of HK\$11,947.2 million (31st December, 2025 - HK\$13,611.8 million), as compared to the total assets of the Group of HK\$22,012.7 million (31st December, 2025 - HK\$22,872.5 million).

On the basis of the adjusted total assets as at 30th June, 2026 of HK\$33,419.7 million (31st December, 2025 - HK\$35,388.5 million) with the Group's hotel portfolio in Hong Kong restated at its market value on the basis presented above, the gearing ratio would be 35.7% (31st December, 2025 - 38.5%).

Details of the maturity profile of the borrowings of the Group as of 30th June, 2026 are shown in note 11 to the condensed consolidated financial statements.

Lease Liabilities

As at 30th June, 2026, the Group had lease liabilities of HK\$162.4 million (31st December, 2025 - HK\$164.3 million).

Pledge of Assets

As at 30th June, 2026, the Group's properties under development and certain of the Group's property, plant and equipment, investment properties, right-of-use assets, time deposits and bank balances in the total amount of HK\$17,145.1 million were pledged to secure banking facilities granted to the Group as well as bank guarantees procured by the Group pursuant to certain lease guarantees in connection with the leasing of the hotel properties from Regal REIT. The equity interests in the relevant holding companies of certain property interests were also pledged to secure the bank borrowings of the Group.

As at 31st December, 2025, the Group's properties under development and certain of the Group's property, plant and equipment, investment properties, right-of-use assets, financial assets at fair value through profit or loss, time deposits and bank balances in the total amount of HK\$18,343.5 million were pledged to secure banking facilities and other loan facilities granted to the Group as well as bank guarantees procured by the Group pursuant to certain lease guarantees in connection with the leasing of the hotel properties from Regal REIT. The equity interests in the relevant holding companies of certain property interests and financial assets at fair value through profit or loss were also pledged to secure the bank and other borrowings of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Capital Commitments

Details of the capital commitments of the Group as at 30th June, 2026 are shown in note 17 to the condensed consolidated financial statements.

Contingent Liabilities

Details of the contingent liabilities of the Group as at 30th June, 2026 are shown in note 16 to the condensed consolidated financial statements.

Share Capital

During the period under review, there was no change in the share capital of the Company.

DIVIDEND

The Directors have resolved not to declare an interim dividend for the financial year ending 31st December, 2026 (2025 - Nil).

EVENT AFTER THE REPORTING PERIOD

Details of the significant event of the Group after the reporting period are set out in note 19 to the condensed consolidated financial statements.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES OR ASSOCIATES

During the period under review, except for the disposal of subsidiaries as detailed in note 12 to the condensed consolidated financial statements, there were no other material acquisitions or disposals of subsidiaries or associates of the Company.

STAFF AND REMUNERATION POLICY

The Group employs approximately 1,530 staff in Hong Kong and the PRC. The Group's management considers the overall level of staffing employed and the remuneration cost incurred in connection with the Group's operations to be compatible with market norms.

Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Staff benefit plans maintained by the Group include a mandatory provident fund scheme as well as medical insurance for staff in Hong Kong, and the social security fund and the housing provident fund for staff in the PRC.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30th June, 2026

		Six months ended 30th June, 2026 (Unaudited)	Six months ended 30th June, 2025 (Unaudited)
	Notes	HK\$'million	HK\$'million
REVENUE	2, 3	935.8	905.6
Cost of sales		(562.7)	(593.7)
Gross profit		373.1	311.9
Other income and gains, net	3	43.3	33.8
Fair value gains/(losses) on financial assets at fair value through profit or loss, net		(40.3)	6.6
Fair value losses on investment properties, net		(4.3)	(135.9)
Gain on disposal of subsidiaries	12	849.9	–
Impairment loss on properties held for sale		–	(16.4)
Impairment loss on investments in associates		(0.1)	(0.2)
Property selling and marketing expenses		(11.5)	(0.5)
Administrative expenses		(141.1)	(113.9)
OPERATING PROFIT BEFORE DEPRECIATION		1,069.0	85.4
Depreciation	4	(260.6)	(297.4)
OPERATING PROFIT/(LOSS)		808.4	(212.0)
Finance costs	5	(332.2)	(410.5)
Share of profits and losses of:			
Joint ventures		(128.5)	(93.8)
An associate		(0.5)	(0.2)
PROFIT/(LOSS) BEFORE TAX	4	347.2	(716.5)
Income tax	6	(15.8)	(15.6)
PROFIT/(LOSS) FOR THE PERIOD BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS		331.4	(732.1)
Attributable to:			
Equity holders of the parent		158.0	(677.6)
Non-controlling interests		173.4	(54.5)
		331.4	(732.1)
EARNINGS/(LOSS) PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted		HK\$0.11	HK\$(0.82)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June, 2026

	Six months ended 30th June, 2026 (Unaudited)	Six months ended 30th June, 2025 (Unaudited)
	HK\$'million	HK\$'million
PROFIT/(LOSS) FOR THE PERIOD BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	331.4	(732.1)
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	26.5	(50.1)
Transfer from hedging reserve to profit or loss	7.9	2.9
	34.4	(47.2)
Exchange differences on translation of foreign operations	(0.3)	53.2
Share of other comprehensive income of:		
A joint venture	22.3	17.5
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	56.4	23.5
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive loss of:		
A joint venture	—	(0.3)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	56.4	23.2
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	387.8	(708.9)
Attributable to:		
Equity holders of the parent	205.7	(642.5)
Non-controlling interests	182.1	(66.4)
	387.8	(708.9)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June, 2026

		30th June, 2026 (Unaudited)	31st December, 2025 (Audited)
	Notes	HK\$'million	HK\$'million
NON-CURRENT ASSETS			
Property, plant and equipment		4,523.4	4,681.3
Investment properties		493.4	851.9
Right-of-use assets		11,522.3	12,140.1
Properties under development		404.7	404.6
Investments in joint ventures		2,092.5	2,233.1
Investments in associates		8.3	8.9
Financial assets at fair value through profit or loss		246.5	283.8
Other loan		857.0	857.0
Debtors and deposits	9	5.2	4.4
Derivative financial instruments		10.5	–
Deferred tax assets		47.7	47.7
Intangible asset		3.6	3.6
Total non-current assets		20,215.1	21,516.4
CURRENT ASSETS			
Properties held for sale		236.4	238.5
Inventories		19.3	21.3
Debtors, deposits and prepayments	9	268.9	241.2
Financial assets at fair value through profit or loss		30.0	45.4
Derivative financial instruments		3.6	–
Tax recoverable		0.5	0.7
Restricted cash		564.3	309.4
Pledged time deposits and bank balances		273.4	295.2
Time deposits		53.5	–
Cash and bank balances		347.7	204.4
Total current assets		1,797.6	1,356.1
CURRENT LIABILITIES			
Creditors, deposits received and accruals	10	(505.9)	(476.4)
Contract liabilities		(109.4)	(72.6)
Lease liabilities		(8.9)	(11.2)
Interest bearing bank borrowings	11	(7,619.6)	(5,270.2)
Other borrowing		–	(25.0)
Derivative financial instruments		–	(1.0)
Tax payable		(56.9)	(51.5)
Total current liabilities		(8,300.7)	(5,907.9)
NET CURRENT LIABILITIES		(6,503.1)	(4,551.8)
TOTAL ASSETS LESS CURRENT LIABILITIES		13,712.0	16,964.6

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

As at 30th June, 2026

		30th June, 2026 (Unaudited)	31st December, 2025 (Audited)
	Notes	HK\$'million	HK\$'million
NON-CURRENT LIABILITIES			
Creditors and deposits received	10	(45.9)	(47.5)
Lease liabilities		(153.5)	(153.1)
Interest bearing bank borrowings	11	(5,566.5)	(9,125.6)
Derivative financial instruments		(14.2)	(42.0)
Deferred tax liabilities		(587.4)	(633.1)
Total non-current liabilities		(6,367.5)	(10,001.3)
Net assets		7,344.5	6,963.3
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital		89.9	89.9
Reserves		5,412.4	5,206.7
		5,502.3	5,296.6
Perpetual securities		1,732.9	1,732.9
Non-controlling interests		109.3	(66.2)
Total equity		7,344.5	6,963.3

For the six months ended 30th June, 2026

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For the six months ended 30th June, 2026

REGAL HOTELS INTERNATIONAL HOLDINGS LIMITED Interim Report 2026

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30th June, 2026

		Six months ended 30th June, 2026 (Unaudited)	Six months ended 30th June, 2025 (Unaudited)
	Note	HK\$'million	HK\$'million
Net cash flows from operating activities		<u>274.9</u>	<u>181.6</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of subsidiaries	12	1,518.1	–
Additions to investment properties		(0.8)	(7.9)
Purchases of items of property, plant and equipment		(18.1)	(17.0)
Proceeds from disposal of investment properties		175.8	–
Proceeds from disposal of financial assets at fair value through profit or loss		–	80.4
Purchases of financial assets at fair value through profit or loss		(0.3)	(0.1)
Distribution from financial assets at fair value through profit or loss		7.9	44.1
Advances to a joint venture		(481.5)	(172.4)
Repayment from a joint venture		520.5	89.8
Interest received		6.6	11.1
Dividend received from unlisted investments		9.1	4.7
Release of pledged time deposits and bank balances		21.8	–
Placement of pledged time deposits and bank balances		–	(4.7)
Release of restricted cash		–	16.5
Placement of restricted cash		(302.5)	–
Net cash flows from investing activities		<u>1,456.6</u>	<u>44.5</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of new bank loans		159.0	21.8
Repayment of bank loans		(1,390.2)	(79.4)
Repayment of other borrowing		(25.0)	(73.0)
Interest paid		(316.9)	(384.7)
Payment of loan and other costs		(1.4)	(1.0)
Principal portion of lease payments		(2.3)	(4.8)
Contribution from non-controlling interests		0.6	–
Dividends paid to non-controlling interests		(7.2)	–
Release of restricted cash		63.0	67.5
Placement of restricted cash		(14.1)	–
Net cash flows used in financing activities		<u>(1,534.5)</u>	<u>(453.6)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

For the six months ended 30th June, 2026

		Six months ended 30th June, 2026 (Unaudited)	Six months ended 30th June, 2025 (Unaudited)
	Note	HK\$'million	HK\$'million
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		197.0	(227.5)
Cash and cash equivalents at beginning of period		204.4	450.7
Effect of foreign exchange rate changes, net		(0.2)	3.3
CASH AND CASH EQUIVALENTS AT END OF PERIOD		401.2	226.5
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the condensed consolidated statement of financial position and cash and cash equivalents as stated in the condensed consolidated statement of cash flows	13	401.2	226.5

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Preparation and Accounting Policies

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 ("HKICPA"). The condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31st December, 2025. 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 statements.

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 payables that were settled by cheques upon the issuance of cheques to creditors. Upon applying the amendments, 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 statements. 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 statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

- (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 statements.

The Group had a net profit attributable to owners of the parent of HK\$158.0 million (2025 - net loss of HK\$677.6 million) for the period ended 30th June, 2026 and net current liabilities of HK\$6,503.1 million (31st December, 2025 - HK\$4,551.8 million) and net assets of HK\$7,344.5 million (31st December, 2025 - HK\$6,963.3 million) as at 30th June, 2026. The Group had total non-pledged time deposits, cash and bank balances of HK\$401.2 million (31st December, 2025 - HK\$204.4 million) as at 30th June, 2026. The Group also had positive net cash flows from operating activities of HK\$274.9 million (2025 - HK\$181.6 million) for the period ended 30th June, 2026.

The condensed consolidated financial statements were prepared based on the assumption that the Group is operating as a going concern, as the Directors are of the view that the Group will have sufficient working capital to finance its operations in the next twelve months from 30th June, 2026, after taking into consideration the following:

- (i) the estimated cash flows of the Group for the next twelve months from the end of the reporting period;
- (ii) the contracted sales of property assets of the Group up to the current date;
- (iii) the plan for disposal of certain non-core assets of the Group; and
- (iv) the refinancing plan for certain maturing interest bearing bank borrowings that are secured by certain properties.

2. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

- (a) the hotel operation and management and hotel ownership segment engages in hotel operations and the provision of hotel management services, and the ownership in hotel properties for rental income;
- (b) the asset management segment engages in the provision of asset management services to Regal Real Estate Investment Trust ("Regal REIT");
- (c) the property development and investment segment includes investments in properties for sale and for rental income, and the provision of property agency and management services;
- (d) the financial assets investments segment engages in trading of financial assets at fair value through profit or loss and other financial assets investments; and
- (e) the others segment mainly comprises sale of food products, operation and management of restaurants, the provision of housekeeping and related services, provision of construction engineering services, and the aircraft ownership and leasing.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that certain interest income, non-lease-related finance costs, head office and corporate gains and expenses are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

The following table presents revenue and profit/(loss) information for the Group's operating segments:

	Hotel operation and management and hotel ownership		Asset management		Property development and investment		Financial assets investments		Others		Eliminations		Consolidated	
	Six months ended 30th June, 2026 (Unaudited)	2025 (Unaudited)	Six months ended 30th June, 2026 (Unaudited)	2025 (Unaudited)	Six months ended 30th June, 2026 (Unaudited)	2025 (Unaudited)	Six months ended 30th June, 2026 (Unaudited)	2025 (Unaudited)	Six months ended 30th June, 2026 (Unaudited)	2025 (Unaudited)	Six months ended 30th June, 2026 (Unaudited)	2025 (Unaudited)	Six months ended 30th June, 2026 (Unaudited)	2025 (Unaudited)
	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m
Segment revenue:														
Sales to external customers	878.8	849.9	-	-	2.9	11.4	0.3	(0.5)	53.8	44.8	-	-	935.8	905.6
Intersegment sales	0.1	0.1	46.2	46.3	2.1	1.3	-	-	100.8	90.1	(149.2)	(137.8)	-	-
Total	878.9	850.0	46.2	46.3	5.0	12.7	0.3	(0.5)	154.6	134.9	(149.2)	(137.8)	935.8	905.6
Segment results before depreciation	1,134.9	234.3	(6.1)	(6.6)	6.0	(122.4)	(31.5)	4.7	4.3	2.1	-	-	1,107.6	112.1
Depreciation	(250.2)	(293.4)	-	-	(8.4)	(2.0)	-	-	(2.0)	(2.0)	-	-	(260.6)	(297.4)
Segment operating results	884.7	(59.1)	(6.1)	(6.6)	(2.4)	(124.4)	(31.5)	4.7	2.3	0.1	-	-	847.0	(185.3)
Unallocated interest income and unallocated non-operating and corporate gains													9.0	8.3
Unallocated non-operating and corporate expenses, net													(51.6)	(35.2)
Finance costs (other than interest on lease liabilities)													(328.2)	(410.3)
Share of profits and losses of: Joint ventures	-	-	-	-	(128.5)	(93.8)	-	-	-	-	-	-	(128.5)	(93.8)
An associate	-	-	-	-	(0.5)	(0.2)	-	-	-	-	-	-	(0.5)	(0.2)
Profit/(Loss) before tax													347.2	(716.5)
Income tax													(15.8)	(15.6)
Profit/(Loss) for the period before allocation between equity holders of the parent and non-controlling interests													331.4	(732.1)
Attributable to:														
Equity holders of the parent													158.0	(677.6)
Non-controlling interests													173.4	(54.5)
													331.4	(732.1)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

3. Revenue, Other Income and Gains, Net

Revenue, other income and gains, net are analysed as follows:

	Six months ended 30th June, 2026 (Unaudited)	Six months ended 30th June, 2025 (Unaudited)
	HK\$'million	HK\$'million
<u>Revenue</u>		
<i>Revenue from contracts with customers</i>		
Hotel operations and management services	847.3	819.8
Construction and construction related income	11.3	11.0
Other operations	44.5	36.0
	<u>903.1</u>	<u>866.8</u>
<i>Revenue from other sources</i>		
Rental income:		
Hotel properties	20.4	20.5
Investment properties	11.2	17.4
Others	0.8	1.4
Loss from sale of listed investments included in financial assets at fair value through profit or loss, net	—	(0.8)
Interest income from financial assets at fair value through profit or loss	0.1	0.2
Dividend income from listed investments	0.2	0.1
	<u>935.8</u>	<u>905.6</u>
Total		

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

Revenue from contracts with customers

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers and the reconciliation with the operating segment information:

	For the six months ended 30th June, 2026			
Segments	Hotel operation and management and hotel ownership (Unaudited) HK\$'million	Property development and investment (Unaudited) HK\$'million	Others (Unaudited) HK\$'million	Total (Unaudited) HK\$'million
Types of goods or services				
Hotel operations and management services				
Hotel operations	843.8	–	–	843.8
Management services	3.5	–	–	3.5
Other operations	–	2.3	53.5	55.8
Total	<u>847.3</u>	<u>2.3</u>	<u>53.5</u>	<u>903.1</u>
Geographical markets				
Hong Kong	845.3	2.3	53.5	901.1
Chinese Mainland	2.0	–	–	2.0
Total	<u>847.3</u>	<u>2.3</u>	<u>53.5</u>	<u>903.1</u>
Timing of revenue recognition				
At a point in time	157.3	–	–	157.3
Over time	690.0	2.3	53.5	745.8
Total	<u>847.3</u>	<u>2.3</u>	<u>53.5</u>	<u>903.1</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 30th June, 2025

Segments	Hotel operation and management and hotel ownership (Unaudited) HK\$'million	Property development and investment (Unaudited) HK\$'million	Others (Unaudited) HK\$'million	Total (Unaudited) HK\$'million
Types of goods or services				
Hotel operations and management services				
Hotel operations	816.3	–	–	816.3
Management services	3.5	–	–	3.5
Other operations	–	2.2	44.8	47.0
Total	819.8	2.2	44.8	866.8
Geographical markets				
Hong Kong	817.9	2.2	44.8	864.9
Chinese Mainland	1.9	–	–	1.9
Total	819.8	2.2	44.8	866.8
Timing of revenue recognition				
At a point in time	163.9	–	–	163.9
Over time	655.9	2.2	44.8	702.9
Total	819.8	2.2	44.8	866.8

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

For the six months ended 30th June, 2026				
Segments	Hotel operation and management and hotel ownership (Unaudited) HK\$'million	Property development and investment (Unaudited) HK\$'million	Others (Unaudited) HK\$'million	Total (Unaudited) HK\$'million
Segment revenue	878.9	5.0	154.6	1,038.5
Other revenue	(31.5)	(0.6)	(0.3)	(32.4)
Intersegment adjustments and eliminations	(0.1)	(2.1)	(100.8)	(103.0)
Total revenue from contracts with customers	<u>847.3</u>	<u>2.3</u>	<u>53.5</u>	<u>903.1</u>

For the six months ended 30th June, 2025				
Segments	Hotel operation and management and hotel ownership (Unaudited) HK\$'million	Property development and investment (Unaudited) HK\$'million	Others (Unaudited) HK\$'million	Total (Unaudited) HK\$'million
Segment revenue	850.0	12.7	134.9	997.6
Other revenue	(30.1)	(9.2)	–	(39.3)
Intersegment adjustments and eliminations	(0.1)	(1.3)	(90.1)	(91.5)
Total revenue from contracts with customers	<u>819.8</u>	<u>2.2</u>	<u>44.8</u>	<u>866.8</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

	Six months ended 30th June, 2026 (Unaudited)	Six months ended 30th June, 2025 (Unaudited)
	HK\$'million	HK\$'million
<u>Other income and gains, net</u>		
Bank interest income	3.2	5.2
Other interest income	26.8	28.9
Dividend income from unlisted investments	9.1	4.7
Loss on disposal of unlisted investments included in financial assets at fair value through profit or loss	–	(5.5)
Others	4.2	0.5
Total	43.3	33.8

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

4. Profit/(Loss) Before Tax

The Group's profit/(loss) before tax includes the following items:

	Six months ended 30th June, 2026 (Unaudited)	Six months ended 30th June, 2025 (Unaudited)
	HK\$'million	HK\$'million
Depreciation of property, plant and equipment	128.9	158.2
Depreciation of right-of-use assets	131.7	139.2
Total	260.6	297.4

5. Finance Costs

	Six months ended 30th June, 2026 (Unaudited)	Six months ended 30th June, 2025 (Unaudited)
	HK\$'million	HK\$'million
Interest on bank loans	295.9	386.2
Interest on other borrowing	0.8	0.2
Interest on lease liabilities	4.0	0.2
Amortisation of debt establishment costs	22.3	20.1
Total interest expenses on financial liabilities not at fair value through profit or loss	323.0	406.7
Fair value changes on derivative financial instruments – cash flow hedges (transfer from hedging reserve)	7.9	2.9
Other loan costs	1.3	0.9
Total	332.2	410.5

6. Income Tax

	Six months ended 30th June, 2026 (Unaudited)	Six months ended 30th June, 2025 (Unaudited)
	HK\$'million	HK\$'million
Current – Hong Kong profits tax		
Charge for the period	13.8	12.5
Deferred	2.0	3.1
Total tax charge for the period	15.8	15.6

The provision for Hong Kong profits tax has been calculated by applying the applicable tax rate of 16.5% (2025 - 16.5%) to the estimated assessable profits which were earned in or derived from Hong Kong during the period.

Taxes on the profits of subsidiaries operating overseas are calculated at the rates prevailing in the respective jurisdictions in which they operate.

The share of tax charge attributable to a joint venture amounting to HK\$4.8 million (2025 - tax credit of HK\$1.9 million) is included in "Share of profits and losses of joint ventures and an associate" in the condensed consolidated statement of profit or loss.

7. Dividend

No dividend was paid or proposed during the six months ended 30th June, 2026, nor has any dividend been proposed since the end of the reporting period (2025 - Nil).

8. Earnings/(loss) Per Ordinary Share Attributable to Equity Holders of the Parent

(a) Basic earnings/(loss) per ordinary share

The calculation of basic earnings/(loss) per ordinary share for the period ended 30th June, 2026 is based on the profit for the period attributable to equity holders of the parent of HK\$158.0 million (2025 - loss of HK\$677.6 million), adjusted for the accrued distribution related to perpetual securities of HK\$56.6 million (2025 - HK\$56.9 million), and on the weighted average of 898.8 million (2025 - 898.8 million) ordinary shares of the Company outstanding during the period.

(b) Diluted earnings/(loss) per ordinary share

No adjustment was made to the basic earnings/(loss) per ordinary share for the periods ended 30th June, 2026 and 2025 as the Company had no potentially dilutive ordinary shares outstanding and therefore no diluting events existed throughout the periods.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

9. Debtors, Deposits and Prepayments

Included in the balance is an amount of HK\$123.9 million (31st December, 2025 - HK\$135.9 million) representing the trade debtors of the Group. The ageing analysis of these debtors as at the end of the reporting period, based on the invoice date, is as follows:

	30th June, 2026 (Unaudited)	31st December, 2025 (Audited)
	HK\$'million	HK\$'million
Outstanding balances with ages:		
Within 3 months	81.1	74.2
4 to 6 months	5.8	35.2
7 to 12 months	19.7	22.7
Over 1 year	27.6	10.9
	134.2	143.0
Impairment	(10.3)	(7.1)
Total	123.9	135.9

Trade debtors, which generally have credit terms of 30 to 90 days, are recognised and carried at their original invoiced amounts less impairment.

The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade debtors relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over these balances.

Included in the Group's debtors, deposits and prepayments are amounts due from fellow subsidiaries of HK\$43.2 million (31st December, 2025 - HK\$10.4 million) and an amount due from an associate of a joint venture of HK\$8.3 million (31st December, 2025 - HK\$4.2 million), which are repayable on credit terms similar to those offered to the major customers of the Group.

10. Creditors, Deposits Received and Accruals

Included in the balance is an amount of HK\$41.0 million (31st December, 2025 - HK\$52.8 million) representing the trade creditors of the Group. The ageing analysis of these creditors as at the end of the reporting period, based on the invoice date, is as follows:

	30th June, 2026 (Unaudited)	31st December, 2025 (Audited)
	HK\$'million	HK\$'million
Outstanding balances with ages:		
Within 3 months	36.0	47.9
4 to 6 months	0.1	1.3
7 to 12 months	0.1	1.2
Over 1 year	4.8	2.4
Total	41.0	52.8

The trade creditors are non-interest bearing and are normally settled within 90 days.

Included in creditors, deposits received and accruals are amounts due to associates, a joint venture and fellow subsidiaries of HK\$12.0 million (31st December, 2025 - HK\$12.0 million), HK\$22.7 million (31st December, 2025 - HK\$22.7 million) and HK\$92.7 million (31st December, 2025 - HK\$60.6 million), respectively, which are unsecured, non-interest bearing and repayable on demand.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

11. Interest Bearing Bank Borrowings

	30th June, 2026 (Unaudited)		31st December, 2025 (Audited)	
	Maturity	HK\$'million	Maturity	HK\$'million
Current				
Bank loans – secured	2026 - 2027	7,619.6	2026	5,270.2
Non-current				
Bank loans – secured	2027 - 2031	5,566.5	2027 - 2031	9,125.6
Total		<u>13,186.1</u>		<u>14,395.8</u>

	30th June, 2026 (Unaudited)	31st December, 2025 (Audited)
	HK\$'million	HK\$'million
Analysed into:		
Bank loans repayable:		
Within one year	7,619.6	5,270.2
In the second year	1,866.8	5,370.1
In the third to fifth years, inclusive	3,699.7	3,754.2
Beyond five years	–	1.3
Total	<u>13,186.1</u>	<u>14,395.8</u>

The interest bearing bank borrowings are subject to loan covenants including interest coverage ratio, loan to value ratio, consolidated tangible net worth and the ratio of consolidated net borrowings over consolidated tangible net worth, which are tested on a 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 group'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 have a term of five years to August 2026 and carry interest based on Hong Kong Interbank Offered Rate ("HIBOR").

In pursuit of Regal REIT group's deleveraging initiatives, Regal REIT group 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 reporting period, in early August, Regal REIT group 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.

On 24th June, 2022, Regal REIT group 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 Regal REIT 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.

On 17th October, 2023, Regal REIT group arranged, through its 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 Regal REIT 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.

On 27th November, 2023, Regal REIT group arranged, through its wholly-owned subsidiary, another 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 Regal REIT 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.

On 18th July, 2024, Regal REIT group arranged, through its 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 Regal REIT 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.

On 15th November, 2025, Regal REIT group arranged, through its 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 Regal REIT 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.

As at 30th June, 2026, the outstanding loan facilities of Regal REIT group 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 Regal REIT group on a joint and several basis.

The Regal REIT 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 Regal REIT group, if any;
- (iv) a floating charge over all of the undertakings, properties, assets and rights of each of the relevant companies of the Regal REIT group; and
- (v) an equitable charge over the shares in the relevant companies of the Regal REIT group.

As at 30th June, 2026, the Group's other bank borrowings bore interest at HIBOR plus an interest margin ranging from 1.60% per annum to 2.35% per annum (31st December, 2025 - ranging from 1.60% per annum to 2.35% per annum) except for a bank loan of HK\$31.8 million (31st December, 2025 - HK\$36.6 million), which bore interest at Euro Interbank Offered Rate ("EURIBOR") plus an interest margin of 0.95% per annum (31st December, 2025 - EURIBOR plus an interest margin of 0.95% per annum). All interest bearing bank borrowings were denominated in Hong Kong dollars except for a bank loan of HK\$31.8 million (31st December, 2025 - HK\$36.6 million) which was denominated in Euro.

The Group's bank borrowings are secured by a pledge over certain assets of the Group as further detailed in note 15 to the condensed consolidated financial statements.

12. Disposal of Subsidiaries

On 20th March, 2026, the Regal REIT 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 ("Chasehill"), a wholly-owned subsidiary of Regal REIT group. The wholly-owned subsidiary of Chasehill 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\$1,518.1 million.

	HK\$'million
Net assets disposed of:	
Property, plant and equipment	168.8
Right-of-use asset	546.6
Deferred tax liabilities	(47.2)
Gain on disposal of subsidiaries	849.9
Effective total consideration	1,518.1

	HK\$'million
Satisfied by:	
Cash consideration	1,518.1
Inflow of cash and cash equivalents included in cash flows from investing activities	1,518.1

13. Note to the Condensed Consolidated Statement of Cash Flows

Cash and cash equivalent balances

	Six months ended 30th June, 2026 (Unaudited)	Six months ended 30th June, 2025 (Unaudited)
	HK\$'million	HK\$'million
Cash and bank balances	347.7	219.2
Non-pledged time deposits with an original maturity of less than three months when acquired	53.5	7.3
Cash and cash equivalents	401.2	226.5

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

14. Related Party Transactions

(a) Transactions with related parties

The Group had the following material related party transactions during the period:

	Six months ended 30th June, 2026 (Unaudited)	Six months ended 30th June, 2025 (Unaudited)
	HK\$'million	HK\$'million
Fellow subsidiaries:		
Management fees	16.2	18.9
Service fees in respect of security systems and products and other software	0.2	0.2
Repairs and maintenance fees and construction fees	0.9	–
An associate:		
Advertising and promotion fees (including cost reimbursements)	–	0.8
A joint venture:		
Gross interest income	20.6	23.7
Estate management fee income	0.3	0.3
Advertising and promotion fees	6.6	0.3

The nature and terms of other related party transactions above have not changed and were already disclosed in the Group's audited consolidated financial statements for the year ended 31st December, 2025.

(b) Outstanding balances, before impairment, with related parties:

	30th June, 2026 (Unaudited)	31st December, 2025 (Audited)
	HK\$'million	HK\$'million
Due from fellow subsidiaries	43.2	10.4
Due to a joint venture	(22.7)	(22.7)
Due to associates	(12.0)	(12.0)
Due to fellow subsidiaries	(92.7)	(60.6)
Loans to a joint venture	2,466.7	2,505.8
Due from a joint venture	57.7	57.6
Due from associates	83.6	83.6
Due from an associate of a joint venture	8.3	4.2
Other loan	857.0	857.0

(c) Compensation of key management personnel of the Group:

	Six months ended 30th June, 2026 (Unaudited)	Six months ended 30th June, 2025 (Unaudited)
	HK\$'million	HK\$'million
Short term employee benefits	14.2	12.8
Staff retirement scheme contributions	0.8	0.9
Total compensation paid to key management personnel	15.0	13.7

15. Pledge of Assets

As at 30th June, 2026, the Group's properties under development and certain of the Group's property, plant and equipment, investment properties, right-of-use assets, time deposits and bank balances in the total amount of HK\$17,145.1 million were pledged to secure banking facilities granted to the Group as well as bank guarantees procured by the Group pursuant to certain lease guarantees in connection with the leasing of the hotel properties from Regal REIT. The equity interests in the relevant holding companies of certain property interests were also pledged to secure the bank borrowings of the Group.

As at 31st December, 2025, the Group's properties under development and certain of the Group's property, plant and equipment, investment properties, right-of-use assets, financial assets at fair value through profit or loss, time deposits and bank balances in the total amount of HK\$18,343.5 million were pledged to secure banking facilities and other loan facilities granted to the Group as well as bank guarantees procured by the Group pursuant to certain lease guarantees in connection with the leasing of the hotel properties from Regal REIT. The equity interests in the relevant holding companies of certain property interests and financial assets at fair value through profit or loss were also pledged to secure the bank and other borrowings of the Group.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

16. Contingent Liabilities

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	30th June, 2026 (Unaudited)	31st December, 2025 (Audited)
	HK\$'million	HK\$'million
Corporate guarantees provided in respect of attributable share of banking and other borrowing facilities granted to certain subsidiaries of a joint venture	1,589.3	1,421.8
Corporate guarantee provided in respect of a banking facility granted to an associate of a joint venture	—	194.7

As at 30th June, 2026, the banking and other borrowing facilities granted to certain subsidiaries subject to corporate guarantees given on a several basis to banks by the Group were utilised to the extent of HK\$1,365.0 million (31st December, 2025 - HK\$1,421.8 million). As at 31st December, 2025, the corporate guarantee provided by the Group in respect of a banking facility granted to an associate of a joint venture was utilised to the extent of HK\$194.7 million.

In addition, a subsidiary of the Group is currently in the process of appealing a notice of stamp duty assessment in the amount of HK\$93.0 million (31st December 2025 - HK\$93.0 million) issued by the Inland Revenue Department of HKSAR in relation to the sub-lease agreement entered into between the Airport Authority and the Group. Based on the opinion of legal advisors, the Directors consider there is a reasonable chance of success in the appeal and accordingly no provision has been made in the consolidated financial statements.

Furthermore, the owner of Regala Skycity Hotel is a defendant of a claim lodged by a contractor in relation to certain outstanding construction costs of the hotel amounting to approximately HK\$38.0 million (31st December, 2025 - HK\$38.0 million). The Group has engaged its lawyers and is currently preparing the defence and a counterclaim which is estimated at an amount well in excess of the amount being claimed by the plaintiff. Based on a legal advice obtained, the Directors consider there is an arguable case with reasonable ground for such defence and accordingly no provision is required.

17. Capital Commitments

As at 30th June, 2026, the Group's share of the maximum capital commitment as agreed for P&R in respect of its property development projects amounted to HK\$4,200.0 million (31st December, 2025 - HK\$4,200.0 million) (the "P&R Capital Commitment"). At 30th June, 2026, shareholder's loans in an aggregate amount of HK\$2,466.7 million (31st December, 2025 - HK\$2,505.8 million) have been contributed, of which HK\$1,965.3 million (31st December, 2025 - HK\$2,004.4 million) has been provided under the P&R Capital Commitment, which was interest-free except for an amount of HK\$88.2 million bearing interest at 3.5% per annum (31st December, 2025 - HK\$95.9 million). The balance of the shareholders loans of HK\$501.4 million (31st December, 2025 - HK\$501.4 million) was interest-free. In addition, a total amount of HK\$1,589.3 million (31st December, 2025 - HK\$1,616.5 million) has been provided as guarantees, on a several basis, for banking and other borrowing facilities granted to certain subsidiaries, of which HK\$1,589.3 million (31st December, 2025 - HK\$1,421.8 million) have been provided under the P&R Capital Commitment. As at 31st December, 2025, HK\$194.7 million has been provided as guarantee for a banking facility granted to an associate of P&R under P&R Capital Commitment.

At the end of the reporting period, the Group's share of the P&R group's own capital commitments in respect of property development projects was as follows:

	30th June, 2026 (Unaudited)	31st December, 2025 (Audited)
	HK\$'million	HK\$'million
Contracted, but not provided for	41.5	66.3

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

18. Fair Value and Fair Value Hierarchy of Financial Instruments

The carrying amounts of the Group's financial assets and financial liabilities approximated to their fair values at the end of the reporting period.

The Group's management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, management analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. Independent professional valuers are engaged for the valuation as appropriate. The valuation is reviewed and approved by management. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value as at 30th June, 2026

	Fair value measurement using			Total (Unaudited) HK\$'million
	Quoted prices in active markets (Level 1) (Unaudited) HK\$'million	Significant observable inputs (Level 2) (Unaudited) HK\$'million	Significant unobservable inputs (Level 3) (Unaudited) HK\$'million	
Financial assets at fair value through profit or loss:				
Listed equity investments	16.7	–	–	16.7
Listed debt investments	–	1.1	–	1.1
Unlisted equity investments	–	–	42.8	42.8
Unlisted fund investments	–	–	203.5	203.5
Unlisted debt investments	–	12.2	0.2	12.4
Derivative financial instruments	–	14.1	–	14.1
Total	16.7	27.4	246.5	290.6

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

Assets measured at fair value as at 31st December, 2025

	Fair value measurement using			Total (Audited) HK\$'million
	Quoted	Significant	Significant	
	prices in	observable	unobservable	
	active markets (Level 1) (Audited) HK\$'million	inputs (Level 2) (Audited) HK\$'million	inputs (Level 3) (Audited) HK\$'million	
Financial assets at fair value through profit or loss:				
Listed equity investments	23.8	–	–	23.8
Listed debt investments	–	1.1	–	1.1
Unlisted equity investments	–	–	49.1	49.1
Unlisted fund investments	–	–	234.5	234.5
Unlisted debt investments	–	20.5	0.2	20.7
Total	23.8	21.6	283.8	329.2

The movements in fair value measurements in Level 3 during the period are as follows:

	2026 (Unaudited) HK\$'million	2025 (Unaudited) HK\$'million
Financial assets at fair value through profit or loss – unlisted investments:		
At 1st January	283.8	416.3
Purchases	0.3	0.1
Distributions	(7.9)	(44.1)
Disposals	–	(85.9)
Total gains/(losses) recognised in profit or loss, net	(29.7)	31.8
At 30th June	246.5	318.2

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

Liabilities measured at fair value as at 30th June, 2026

	Fair value measurement using			Total (Unaudited) HK\$'million
	Quoted prices in active markets (Level 1) (Unaudited) HK\$'million	Significant observable inputs (Level 2) (Unaudited) HK\$'million	Significant unobservable inputs (Level 3) (Unaudited) HK\$'million	
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments	–	14.2	–	14.2

Liabilities measured at fair value as at 31st December, 2025

	Fair value measurement using			Total (Audited) HK\$'million
	Quoted prices in active markets (Level 1) (Audited) HK\$'million	Significant observable inputs (Level 2) (Audited) HK\$'million	Significant unobservable inputs (Level 3) (Audited) HK\$'million	
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments	–	43.0	–	43.0

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 for both financial assets and financial liabilities (2025 - Nil).

Valuation techniques

The fair values of listed equity investments are based on quoted market prices.

The fair values of listed debt investments are determined based on the market values provided by financial institutions.

The fair values of unlisted equity investments, unlisted debt investments and certain unlisted fund investments are determined by reference to recent transaction prices of the investments or carried at valuations provided by financial institutions or related administrators. The fair values of certain unlisted fund investments are assessed to approximate the net asset values indicated on the net asset value statements issued by the investment fund managers, which take into consideration the fair values of the underlying assets held under the investments. For unlisted fund investments classified under Level 3 of the fair value measurement hierarchy, when the net asset value increases/decreases, the fair value will increase/decrease accordingly. Given there is a diverse portfolio of unlisted equity investments, unlisted debt investments and unlisted fund investments, each of which is of insignificant value, there is no separate disclosure on the fair value measurement using significant unobservable inputs (Level 3).

The fair values of the derivative financial instruments, including interest rate swap contracts, are determined based on the market values provided by financial institutions.

19. Event After the Reporting Period

On 6th May, 2025, the Group entered into an agreement with an independent third party to dispose of the entire issued share capital of Frequentspirit Investimentos Imobiliários Lda. (the "Target Company"), a wholly owned subsidiary of the Company, for a consideration of EUR9.3 million (equivalent to approximately HK\$84.0 million). The Target Company is the sole legal and beneficial owner of a mixed use building located at Fabrik, Rua Dos Fanqueiros 156, Lisbon, Portugal. The transaction was completed on 31st July, 2026.

20. Approval of the Unaudited Condensed Consolidated Financial Statements

The unaudited condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 26th August, 2026.

DIRECTORS' INTERESTS IN SHARE CAPITAL

As at 30th June, 2026, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) of the Company, which (a) are as recorded in the register required to be kept under section 352 of the SFO; or (b) are as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

	The Company/ Name of associated corporation	Name of Director	Class of shares held	Personal interests	Number of shares held		Total (Approximate percentage of the issued shares as at 30th June, 2026)
					Corporate interests	Family/Other interests	
1.	The Company	Mr. Lo Yuk Sui	Ordinary (issued)	24,200	622,855,261 (Note c)	260,700	623,140,161 (69.33%)
		Ms. Lo Po Man	Ordinary (issued)	569,169	–	–	569,169 (0.06%)
		Mr. Kelvin Leung So Po	Ordinary (issued)	200	–	–	200 (0.000%)
2.	Century City International Holdings Limited ("CCIHL")	Mr. Lo Yuk Sui	Ordinary (issued)	111,815,396	2,032,315,326 (Note a)	380,683	2,144,511,405 (69.34%)
		Ms. Lo Po Man	Ordinary (issued)	112,298	–	–	112,298 (0.004%)
		Mr. Kelvin Leung So Po	Ordinary (issued)	4,000	–	–	4,000 (0.000%)
		Mr. Jimmy Lo Chun To	Ordinary (issued)	251,735	–	–	251,735 (0.008%)
		Ms. Belinda Yeung Bik Yiu	Ordinary (issued)	200	–	–	200 (0.000%)

OTHER INFORMATION (Cont'd)

	The Company/ Name of associated corporation	Name of Director	Class of shares held	Number of shares held			Total (Approximate percentage of the issued shares as at 30th June, 2026)
				Personal interests	Corporate interests	Family/Other interests	
3.	Paliburg Holdings Limited ("PHL")	Mr. Lo Yuk Sui	Ordinary (issued)	90,078,014	740,860,803 (Note b)	15,000	830,953,817 (74.55%)
		Ms. Lo Po Man	Ordinary (issued)	1,116,000	–	–	1,116,000 (0.10%)
		Mr. Kelvin Leung So Po	Ordinary (issued)	50,185	–	–	50,185 (0.005%)
		Mr. Jimmy Lo Chun To	Ordinary (issued)	2,274,600	–	–	2,274,600 (0.20%)
		Mr. Kenneth Ng Kwai Kai	Ordinary (issued)	176,200	–	–	176,200 (0.02%)
4.	Cosmopolitan International Holdings Limited ("Cosmopolitan")	Mr. Lo Yuk Sui	Ordinary (i) (issued)	–	1,171,504,279 (Note d)	–	1,171,504,279
			(ii) (unissued)	–	1,291,775,147 (Note e)	–	1,291,775,147
						Total:	2,463,279,426 (150.23%)
			Preference (issued)	–	229,548,733 (Note e)	–	229,548,733 (99.99%)
		Ms. Lo Po Man	Ordinary (issued)	414,000	–	–	414,000 (0.03%)
		Mr. Jimmy Lo Chun To	Ordinary (issued)	680,730	–	–	680,730 (0.04%)

	The Company/ Name of associated corporation	Name of Director	Class of shares held	Personal interests	Number of shares held		Total (Approximate percentage of the issued shares as at 30th June, 2026)
					Corporate interests	Family/Other interests	
5.	Regal Real Estate Investment Trust ("Regal REIT")	Mr. Lo Yuk Sui	Units (issued)	–	2,443,033,102 (Note f)	–	2,443,033,102 (74.99%)
6.	8D International (BVI) Limited	Mr. Lo Yuk Sui	Ordinary (issued)	–	1,000 (Note g)	–	1,000 (100%)

Notes:

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

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

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

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

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

- (c) The interests in 421,400 issued ordinary shares of the Company were held through companies wholly owned by CCIHL, in which Mr. Lo held 67.43% shareholding interests. The interests in 622,433,861 issued ordinary shares of the Company were held through companies wholly owned by PHL, in which CCIHL held 62.28% shareholding interests. PHL held 69.25% shareholding interests in the Company.

OTHER INFORMATION (Cont'd)

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

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

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

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

Save as disclosed herein, as at 30th June, 2026, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) of the Company, which (a) are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (b) are required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARE CAPITAL

As at 30th June, 2026, so far as is known to the Directors and the chief executive of the Company, the following substantial shareholders (not being a Director or chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO or notified to the Company pursuant to the SFO:

Name of substantial shareholder	Number of issued ordinary shares held	Number of underlying ordinary shares held	Total number of ordinary shares (issued and underlying) held	Approximate percentage of issued ordinary shares as at 30th June, 2026
YSL Int'l (Note i)	622,855,261	–	622,855,261	69.30%
Grand Modern Investments Limited ("Grand Modern") (Note ii)	622,855,261	–	622,855,261	69.30%
CCIHL (Note iii)	622,855,261	–	622,855,261	69.30%
Century City BVI Holdings Limited ("CCBVI") (Note iv)	622,855,261	–	622,855,261	69.30%
PHL (Note v)	622,433,861	–	622,433,861	69.25%
Paliburg Development BVI Holdings Limited (Note vi)	622,433,861	–	622,433,861	69.25%
Guo Yui Investments Limited (Note vi)	271,140,466	–	271,140,466	30.17%
Paliburg BVI Holdings Limited (Note vi)	230,870,324	–	230,870,324	25.69%
Taylor Investments Ltd. (Note vi)	154,232,305	–	154,232,305	17.16%
Glaser Holdings Limited (Note vi)	58,682,832	–	58,682,832	6.53%
H.P. Nominees Limited (Note vi)	55,480,885	–	55,480,885	6.17%
Mr. Karson Choi Ka Tsan	50,240,000	–	50,240,000	5.59%

Notes:

- (i) The interests in the ordinary shares of the Company held by YSL Int'l were included in the corporate interests of Mr. Lo Yuk Sui in the ordinary shares of the Company as disclosed under the section headed "Directors' Interests in Share Capital" above.
- (ii) Grand Modern is a wholly owned subsidiary of YSL Int'l and its interests in the ordinary shares of the Company were included in the interests held by YSL Int'l.
- (iii) CCIHL is owned as to 52.72% by Grand Modern and its interests in the ordinary shares of the Company were included in the interests held by Grand Modern.
- (iv) CCBVI is a wholly owned subsidiary of CCIHL and its interests in the ordinary shares of the Company were included in the interests held by CCIHL.
- (v) PHL is a listed subsidiary of CCIHL, which held 62.28% shareholding interests in PHL, and PHL's interests in the ordinary shares of the Company were included in the interests held by CCIHL.
- (vi) These companies are wholly owned subsidiaries of PHL and their interests in the ordinary shares of the Company were included in the interests held by PHL.

OTHER INFORMATION (Cont'd)

Save as disclosed herein, the Directors and the chief executive of the Company are not aware that there is any person (not being a Director or chief executive of the Company) who, as at 30th June, 2026, had an interest or short position in the shares and underlying shares of the Company which are recorded in the register required to be kept under section 336 of the SFO or notified to the Company pursuant to the SFO.

Details of directorships of the Company's Directors in each of those companies which has an interest in the shares and underlying shares of the Company as disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO as at 30th June, 2026 are set out as follows:

- (1) Mr. Lo Yuk Sui is a director of YSL Int'l.
- (2) Mr. Lo Yuk Sui, Ms. Lo Po Man and Mr. Jimmy Lo Chun To are directors of Grand Modern.
- (3) Mr. Lo Yuk Sui, Ms. Lo Po Man, Mr. Kelvin Leung So Po, Mr. Jimmy Lo Chun To, Mr. Kenneth Ng Kwai Kai, Ms. Winnie Ng and Mr. Wong Chi Keung are directors of CCIHL and PHL.
- (4) Mr. Lo Yuk Sui, Ms. Lo Po Man, Mr. Jimmy Lo Chun To and Mr. Kenneth Ng Kwai Kai are directors of all the above-mentioned wholly owned subsidiaries of CCIHL and PHL.

CHANGE IN INFORMATION OF DIRECTORS

There was no change in the information of the Directors of the Company, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, since the publication of the annual report of the Company for the financial year ended 31st December, 2025.

DISCLOSURE PURSUANT TO RULE 13.22 OF CHAPTER 13 OF THE LISTING RULES

The following disclosure is made by the Company in compliance with the continuing disclosure requirements under Rule 13.22 of Chapter 13 of the Listing Rules relating to the information required to be disclosed under Rule 13.16:

**Financial Assistance provided to and Guarantees given for Affiliated Companies
(Rule 13.16 of Chapter 13)**

Details of the financial assistance provided to affiliated companies by the Group as at 30th June, 2026 are set out below:

Name of Affiliated Companies		Principal Amount of Advances (HK\$'million)	Interest Receivable (HK\$'million)	Guarantee given for Banking and Other Borrowing Facilities	
				(i) Principal Amount of Banking and Other Borrowing Facilities (HK\$'million)	(ii) Amount of Banking and Other Borrowing Facilities Drawdown (HK\$'million)
8D International (BVI) Limited	(A)	13.7	–	Nil	Nil
8D Matrix Limited	(B)	69.0	–	Nil	Nil
P&R Holdings Limited	(C)	2,466.7	(D) 57.7	(E)(i) 1,589.3	(E)(ii) 1,365.0
				Total: (A) to (E)(i)	4,196.4
				(A) to (D) & (E)(ii)	3,972.1

8D International (BVI) Limited ("8D-BVI") is a 30% owned associate of the Company, which was principally involved in the development and distribution of technologically advanced security and building related systems and software development and promotions businesses. The remaining shareholding interests in 8D-BVI are indirectly owned as to 10% by CCIHL and 60% by Mr. Lo through his close associates (as defined in the Listing Rules). The advances were provided by the Group in the form of shareholder's loans in proportion to the Company's shareholding interest in 8D-BVI, for the purpose of financing the working capital of 8D-BVI. The advances are unsecured, interest-free and repayable on demand.

8D Matrix Limited ("8D Matrix") is a 30% owned associate of the Company, which owns two wholly owned subsidiaries, Century Innovative Technology Limited and 深圳市世紀創意科技有限公司 (collectively, "Century Innovative Technology"), which are principally engaged in the online education, entertainment and technology business based on the "Bodhi and Friends" characters. 8D Matrix also owns a wholly owned subsidiary involved in advertising and promotion business. The remaining shareholding interests in 8D Matrix are owned as to 10% indirectly by CCIHL and 60% indirectly by Mr. Lo through his close associates (as defined in the Listing Rules). The advances were provided by the Group in the form of shareholder's loans in proportion to the Company's shareholding interest in 8D Matrix, for the purpose of financing the working capital of 8D Matrix and Century Innovative Technology. The advances are unsecured, interest-free and repayable on demand.

OTHER INFORMATION (Cont'd)

P&R principally engages in the development of real estate projects for sale and/or leasing and the undertaking of related investment and financing activities. P&R group holds, through its wholly owned subsidiaries, interests in a number of property development projects in Hong Kong and also holds, through Cosmopolitan (the listed subsidiary of P&R), interests in certain property development projects in Chinese Mainland. Information relating to the investment of P&R group in such property development projects are disclosed in the preceding Management Discussion and Analysis. The advances to P&R were provided by a wholly owned subsidiary of the Company in the form of shareholder's loans in proportion to its shareholding interest in P&R. The advances to P&R are unsecured and have no fixed terms of repayment and except for an aggregate amount of HK\$88.2 million which bears interest at rate of 3.5% per annum, the balance of the advances is interest free. The guarantees were provided by the Company on a several basis in proportion to its shareholding interests in P&R and were given in respect of the respective bank loan and other borrowing facilities of, in aggregate, HK\$1,589.3 million made available to six wholly owned subsidiaries for financing their development projects in Hong Kong. Further information relating to the Group's share of the maximum capital commitment to P&R, the shareholder's loans provided by the Group under such commitment and the several guarantees provided by the Company for securing banking and other borrowing facilities granted to certain wholly owned subsidiaries of P&R is set out in note 17 to the condensed consolidated financial statements.

Calculated on the basis shown above, as at 30th June, 2026, the aggregate amount of financial assistance provided to and bank and other borrowing guarantees given for affiliated companies by the Group in the respective sums of (a) HK\$4,196.4 million (based on the total available amount of the banking and other borrowing facilities) and (b) HK\$3,972.1 million (based on the total amount of banking and other borrowing facilities drawdown) represented (a) 19.1% and (b) 18.0% of the consolidated total assets of the Group of HK\$22,012.7 million, calculated by reference to its latest unaudited condensed consolidated financial statements for the six months ended 30th June, 2026.

Save as disclosed above, there were no other financial assistance provided to or guarantees given for affiliated companies by the Group as at 30th June, 2026, which were disclosable pursuant to Rule 13.16 of Chapter 13 of the Listing Rules.

A combined statement of financial position of the abovenamed affiliated companies and the Group's attributable interest in these affiliated companies are presented below:

	Combined statement of financial position (HK\$'million)	The Group's attributable interest (HK\$'million)
Non-current assets	4,093.4	2,043.5
Current assets	5,305.2	2,648.6
Current liabilities	(2,651.1)	(1,325.0)
Non-current liabilities	(7,590.0)	(3,657.2)
	(842.5)	(290.1)
Non-controlling interests	(88.6)	(44.2)
Net liabilities attributable to equity holders of the parent	(931.1)	(334.3)

CORPORATE GOVERNANCE

Corporate Governance Code

The Company has complied with the Code Provisions in the Corporate Governance Code as set out in Appendix C1 of the Listing Rules during the six months ended 30th June, 2026, except that:

- The roles of the Chairman and Chief Executive Officer are not separated and performed by two different individuals, due to practical necessity to cater to the Group's corporate operating structure.

Code of Conduct for Securities Transactions by Directors

The Company has adopted the "Code for Securities Transactions by Directors of Regal Hotels International Holdings Limited" (the "Regal Code"), on terms no less exacting than the required standard set out in the Model Code, as the code of conduct governing the securities transactions by the Directors of the Company. Following specific enquiry by the Company, the Directors have confirmed that they have complied with the Model Code and the Regal Code during the six months ended 30th June, 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company (including sale of treasury shares) during the six months ended 30th June, 2026. The Company did not hold any treasury shares as at 30th June, 2026.

REVIEW OF RESULTS

The Audit Committee of the Company currently comprises the following members:

Mr. Wong Chi Keung (Chairman of the Committee) *(Independent Non-Executive Director)*

Dr. Francis Choi Chee Ming, GBS, JP *(Vice Chairman and Non-Executive Director)*

Ms. Alice Kan Lai Kuen *(Independent Non-Executive Director)*

Professor Japhet Sebastian Law *(Independent Non-Executive Director)*

Ms. Winnie Ng, JP *(Independent Non-Executive Director)*

The Audit Committee has reviewed and discussed with the Company's management the accounting principles and practices adopted by the Group, auditing, internal control and financial reporting matters including the review of the unaudited condensed consolidated financial statements for the six months ended 30th June, 2026, in conjunction with the external auditor. The review report of the external auditor is set out on page 64 of this report.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



To the Board of Directors of
Regal Hotels International Holdings Limited
(Incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 21 to 54, which comprises the condensed consolidated statement of financial position of Regal Hotels International Holdings Limited (the "Company") and its subsidiaries as at 30th June, 2026 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows 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 Directors of the Company are 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

