
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



**MAJOR TRANSACTION IN RELATION TO
DISPOSAL OF A PROPERTY HOLDING COMPANY**

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

A letter from the board of directors of Regal is set out on pages 1 to 14 of this circular.

The SP Transaction has been approved by written shareholders’ approval pursuant to Rule 14.44 of the Listing Rules in lieu of a general meeting of Regal, provided that such approval shall only become effective upon the resolution to approve the SP Transaction having been duly passed at the Century City SGM. This circular is despatched to the Regal Shareholders for information only.

CONTENTS

| | <i>Page</i> |
|---|-------------|
| DEFINITIONS | i |
| LETTER FROM THE REGAL BOARD | 1 |
| APPENDIX I — FINANCIAL INFORMATION | 15 |
| APPENDIX II — GENERAL INFORMATION | 18 |

DEFINITIONS

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

| | |
|-------------------------------|--|
| “associate(s)” | has the meaning ascribed to it under the Listing Rules |
| “Business Days” | a day other than a Saturday or Sunday on which banks are open for general business in London, Hong Kong and Germany |
| “Century City” | Century City International Holdings Limited, a company incorporated in Bermuda, the issued ordinary shares of which are listed on the main board of the Stock Exchange (Stock Code: 355) |
| “Century City Group” | Century City and its subsidiaries |
| “Century City SGM” | the special general meeting of Century City to be convened for the Century City Shareholders to consider and, if thought fit, to approve, among other matters, the SP Transaction |
| “Century City Share(s)” | ordinary share(s) of par value of HK\$0.1 each in the capital of Century City |
| “Century City Shareholder(s)” | holder(s) of Century City Share(s) |
| “Completion” | completion of the transactions contemplated under the Share Purchase Agreement |
| “Completion Date” | the date on which Completion takes place |
| “Completion Notification” | the written notice, alongside all supporting documentation and evidence required by the Purchaser, to be delivered by the Seller to the Purchaser confirming that the conditions precedent are satisfied and the SP Transaction becomes unconditional pursuant to the Share Purchase Agreement |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Disposal” | the disposal of all of the Sale Shares in accordance with the Share Purchase Agreement |
| “Headline Purchase Price” | £19,500,000 (equivalent to approximately HK\$208,650,000) |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Joint Announcement” | the announcement dated 29 July 2025 jointly published by Century City, Paliburg and Regal |

DEFINITIONS

| | |
|--|---|
| “Latest Practicable Date” | 26 August 2025, being the latest practicable date for ascertaining certain information in this circular before the printing of this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Longstop Time” | 5:00 pm (the United Kingdom time) on 22 September 2025, as may be extended pursuant to the Share Purchase Agreement or agreed in writing between the Seller and the Purchaser |
| “P&R” | P&R Holdings Limited, a company owned as to 50% by a wholly-owned subsidiary of Paliburg and 50% by a wholly-owned subsidiary of Regal |
| “Paliburg” | Paliburg Holdings Limited, a company incorporated in Bermuda, the issued ordinary shares of which are listed on the main board of the Stock Exchange (Stock Code: 617) |
| “Paliburg Group” | Paliburg and its subsidiaries |
| “percentage ratios” | the percentage ratios calculated based on the requirements under Rule 14.07 of the Listing Rules |
| “Property” | Waterman House, located at 41 Kingsway, London, United Kingdom |
| “Purchaser” | MNX Properties Limited, a limited liability company incorporated in England and Wales |
| “Regal” | Regal Hotels International Holdings Limited, a company incorporated in Bermuda, the issued ordinary shares of which are listed on the main board of the Stock Exchange (Stock Code: 78) |
| “Regal Directors” | directors of Regal |
| “Regal Group” | Regal and its subsidiaries |
| “Regal Share(s)” | ordinary share(s) of par value of HK\$0.1 each in the capital of Regal |
| “Relevant Companies” and each a “Relevant Company” | Regal, Paliburg, Century City, and certain of their respective wholly-owned subsidiaries which directly or indirectly hold the Seller, and Grand Modern Investments Limited |
| “Regal Shareholder(s)” | holder(s) of Regal Share(s) |

DEFINITIONS

| | |
|----------------------------|---|
| “Sale Shares” | the entire issued share capital of the Target Company as at the Completion Date |
| “Seller” | Solarmoon International Limited, a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of Regal |
| “SFO” | the Securities and Futures Ordinance (chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| “Share Purchase Agreement” | the share purchase agreement dated 29 July 2025 and entered into between Seller, Purchaser and Regal in respect of the SP Transaction |
| “Shareholder’s Loan” | the aggregate amount owing from the Target Company to the Seller immediately prior to the Completion, which is estimated to be approximately £19.46 million (equivalent to approximately HK\$208.22 million), whereas any excess amount shall be capitalised in full prior to Completion pursuant to the Share Purchase Agreement. The Shareholder’s Loan is unsecured, interest-free and has no fixed term of repayment. The Share Purchase Agreement also provides for adjustment to the amount of Shareholder’s Loan to be capitalised if and to the extent the parties identify in the period between the date of the Share Purchase Agreement and the Completion Date that the agreement or determination of the completion statements may result in an adjusting payment pursuant to paragraph (a)(ii) to the “Consideration” under the section headed “SHARE PURCHASE AGREEMENT” |
| “SP Transaction” | the Disposal, the repayment of the Shareholder’s Loan by the Target Company to the Seller and the transactions contemplated by the Share Purchase Agreement |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Company” | Waterman House Investments Limited, a private company limited by shares incorporated in England and Wales |
| “United Kingdom” or “UK” | The United Kingdom of Great Britain and Northern Ireland |
| “VAT” | value added tax |
| “£” | British Pound Sterling, the lawful currency of the United Kingdom |
| “%” | per cent. |

DEFINITIONS

For the purposes of this circular, unless the context otherwise requires or expressly specified, conversion of British Pound Sterling into Hong Kong dollars is based on the exchange rate of £1= HK\$10.70. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or British Pound Sterling has been, could have been or may be converted at such or any other rate or at all.

LETTER FROM THE REGAL BOARD



Executive Directors:

Mr. LO Yuk Sui
(Chairman and Chief Executive Officer)
Ms. LO Po Man
(Vice Chairman and Managing Director)
Mr. Kelvin LEUNG So Po
Mr. Jimmy LO Chun To
Mr. Kenneth NG Kwai Kai
Mr. Allen WAN Tze Wai

Non-executive Directors:

Dr. Francis CHOI Chee Ming, GBS, JP
(Vice Chairman)
Ms. Belinda YEUNG Bik Yiu, JP

Independent Non-executive Directors:

Ms. Alice KAN Lai Kuen
Professor Japhet Sebastian LAW
Ms. Winnie NG, JP
Mr. WONG Chi Keung

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal
place of business:*

11th Floor, 68 Yee Wo Street
Causeway Bay
Hong Kong

2 September 2025

To the Regal Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO DISPOSAL OF A PROPERTY HOLDING COMPANY

INTRODUCTION

Reference is made to the Joint Announcement in which it was announced that on 29 July 2025 (the United Kingdom time and before trading hours on 29 July 2025 Hong Kong time), the Seller (a wholly-owned subsidiary of Regal) as seller and Regal as Seller's guarantor entered into the Share Purchase Agreement with the Purchaser for a headline purchase price of £19,500,000 (equivalent to approximately HK\$208,650,000). Under the terms of the Share Purchase Agreement, the Seller conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Shares for a base consideration of £1 (subject to adjustments). In addition, as part of the SP Transaction, the

LETTER FROM THE REGAL BOARD

Purchaser will upon Completion provide funding to the Target Company to enable and procure the Target Company to repay the Shareholder's Loan as will be owed by the Target Company to the Seller immediately prior to Completion, this is currently expected to be approximately £19.46 million (equivalent to approximately HK\$208.22 million).

Regal agreed to guarantee the Seller's obligations under the Share Purchase Agreement. The Target Company is the sole legal and beneficial owner of the Property.

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

SHARE PURCHASE AGREEMENT

The principal terms of the Share Purchase Agreement are set out as follows:

| | |
|----------------|---|
| Date | 29 July 2025 |
| Parties | (1) Solarmoon International Limited, an indirect wholly-owned subsidiary of Regal, as seller (2) MNX Properties Limited as purchaser (3) Regal as Seller's guarantor |
| Subject matter | <p>The sale and purchase of the Sale Shares, representing the whole of the issued share capital of the Target Company. Under the Share Purchase Agreement, the Purchaser will upon Completion provide funding to the Target Company to enable and procure the Target Company to repay the Shareholder's Loan owed by the Target Company to the Seller at Completion.</p> <p>For further information on the Target Company, please refer to the section headed "INFORMATION ON THE TARGET COMPANY AND THE PROPERTY" below.</p> |
| Consideration | <p>The maximum total consideration to be received by the Seller under the Share Purchase Agreement is estimated to be not more than approximately £20.43 million (equivalent to approximately HK\$218.60 million), which is arrived at based on the aggregate of:</p> <p>(a) the consideration for the Sale Shares, being</p> <p>(i) base consideration of £1;</p> |

LETTER FROM THE REGAL BOARD

- (ii) *plus* the amount of the excess of net assets of the Target Company as at the Completion Date over £1 (if any), or minus the amount of the shortfall in net assets of the Target Company as at the Completion Date below £1 (which for the avoidance of doubt shall include any deficit in net assets), if any. It is presently estimated that the Target Company will have net assets of approximately £0.04 million as at the Completion Date; and
 - (iii) the Contingent Consideration (if any) calculated in accordance with the Share Purchase Agreement, as summarised below which is expected to be not more than approximately £0.93 million; and
- (b) the amount equal to the Shareholder's Loan amount outstanding immediately prior to Completion which is to be repaid by the Target Company to the Seller. It is presently estimated that the Target Company will, immediately prior to Completion, have a Shareholder's Loan amount outstanding of approximately £19.46 million.

If, before the fifth anniversary of the Completion Date, the Target Company transfers the legal and beneficial ownership of the Property to a third party outside of the Purchaser group for an amount (net of VAT) (such amount, the “**Subsequent Sale Consideration**”) greater than the Agreed Tax Base (“**Third Party Disposal**”), the Purchaser will compensate the Seller in cash. This compensation (“**Contingent Consideration**”) will be the lower of:

- (i) The product of X, Z and the Agreed Tax Loss; and
- (ii) The product of X, Z and the Gain.

In the above calculations:

Agreed Tax Base means the Headline Purchase Price plus any other costs or expenses actually incurred by the Target Company after Completion if and to the extent these costs would be deductible in calculating the Target Company's net taxable gain on disposal of the Property (whether or not a gain is actually made).

Gain means the difference between the Subsequent Sale Consideration and the Agreed Tax Base.

LETTER FROM THE REGAL BOARD

Agreed Tax Loss means the Target Company's acquisition cost for the Property *plus* all capitalised costs for the planning and development of the Property actually incurred by the Target Company prior to Completion if and to the extent these costs would be deductible in calculating the Target Company's taxable gain on disposal of the Property, *minus* the Headline Purchase Price (but provided that the Agreed Tax Loss shall not be less than £ zero).

X means the applicable rate of corporation tax in the United Kingdom on chargeable gains at the time of the Third Party Disposal.

Z means a value based on the timing of the Third Party Disposal in relation to the Completion Date:

- On or before the third anniversary: 1.00
- After the third anniversary and on or before the fourth anniversary: 0.50
- After the fourth anniversary and on or before the fifth anniversary: 0.20

A deposit of £2,925,000 (equivalent to approximately HK\$31,297,500) has been paid to the Seller's lawyer as stakeholder on the date of the Share Purchase Agreement. Upon Completion, the Purchaser shall (a) pay to the Seller the base consideration of £1.00; and (b) procure that the Target Company repays to the Seller the full Shareholder's Loan amount in full and final settlement of any and all Shareholder's Loan(s) (such obligation to be satisfied in part by way of the application of the aforesaid deposit of £2,925,000).

Payment of the net asset value adjustment (to either of the Seller or the Purchaser by the other), if any, shall be made within 10 Business Days of the agreement or determination of the completion statements. The draft completion statements shall be prepared and submitted by the Purchaser to the Seller within 20 Business Days of Completion and agreed or determined in accordance with the provisions of the Share Purchase Agreement.

LETTER FROM THE REGAL BOARD

In accordance with the terms of the Share Purchase Agreement, the Purchaser shall within 15 Business Days of entering into a binding agreement in respect of the Third Party Disposal (if any) notify (or procure the Target Company to notify) the Seller in writing of the relevant Third Party Disposal and within 20 Business Days of completion of the Third Party Disposal pay to the Seller the Contingent Consideration (if any) in cash.

The purpose of the Contingent Consideration mechanism is to enable the Seller to share, in the event of a Third Party Disposal, the benefit of the utilization of certain corporate tax losses that are currently embedded in the Target Company, provided such Third Party Disposal takes place within five years after Completion. It is presently estimated that the Agreed Tax Loss will be approximately £3.7 million. Based on the prevailing corporate tax rate of 25% in the United Kingdom, the Contingent Consideration is expected to be not more than approximately £0.93 million.

Regal will continue to comply with the Listing Rules requirements in the event that there is any change in the maximum total consideration that results in the SP Transaction constituting a very substantial disposal for Regal.

Conditions precedent

Completion of the SP Transaction is subject to, among others:

- (a) compliance with all necessary requirements in respect of the transactions contemplated under the Share Purchase Agreement by each of Century City, Paliburg and Regal with the Listing Rules, including but not limited to the despatch of the circulars by Century City, Paliburg and Regal in accordance with the Listing Rules; and
- (b) the Seller delivering to the Purchaser the Completion Notification confirming to the Purchaser:
 - (i) that the condition under (a) above has been satisfied in full;

LETTER FROM THE REGAL BOARD

(ii) that the following consents have been obtained:

- (A) unanimous and irrevocable written approval of the board of directors of each of the Seller, the Target Company, Regal and Paliburg, and unanimous written approval of the board of directors of Century City (subject to approval of the Century City Shareholders at the Century City SGM), each approving the Seller's and (where applicable) Regal's entry into the Share Purchase Agreement and the SP Transaction;
- (B) irrevocable approval of the sole shareholder of the Seller, and written shareholders' approval for each of Paliburg and Regal in compliance with Rule 14.44 of the Listing Rules, each approving the Seller's and (where applicable) Regal's entry into the Share Purchase Agreement and the SP Transaction;
- (C) unanimous approval of the board of directors of each Relevant Company approving completion of the SP Transaction and all matters contemplated by the Share Purchase Agreement;
- (D) otherwise, all other approvals required pursuant to applicable laws and regulation or contract or constitutional documents to approve completion of the SP Transaction and all matters contemplated by the Share Purchase Agreement, including shareholder approvals of each Relevant Company if and to the extent required in accordance with applicable law; and
- (E) passing of the shareholders' resolution at the Century City SGM by a simple majority vote to approve the SP Transaction; and

LETTER FROM THE REGAL BOARD

- (iii) that, for all purposes all transactions contemplated by the Share Purchase Agreement are unconditional.

The Purchaser may, by notice to the Seller, waive in whole or in part any of the conditions precedent on any terms it decides, except that no party may waive the requirement for Century City to approve the SP Transaction pursuant to the Century City SGM or any other acts or processes that are mandatory under the Listing Rules or otherwise prescribed by the Stock Exchange from time to time.

The Seller shall use all reasonable endeavours to procure that all the conditions precedent of the Share Purchase Agreement are satisfied as soon as reasonably practicable and the Completion Notification is delivered to the Purchaser as soon as reasonably practicable and, in any event, by the Longstop Time (as may have been extended pursuant to the Share Purchase Agreement).

As at the Latest Practicable Date, the above conditions precedent have not been fulfilled.

If the conditions precedent of the Share Purchase Agreement are not fulfilled (or where applicable, waived by Purchaser) on or before the Longstop Time solely due to the fact that any circular of Century City, Paliburg or Regal remains subject to review or approval, or otherwise pending clearance, by the Stock Exchange, or pending the Century City SGM being taken place, the Seller may by written notice extend the Longstop Time by a maximum of 10 Business Days on each occasion, provided that:

- (a) the circular despatch time limit under Rule 14.41 of the Hong Kong Listing Rules shall at all times be complied with (and insofar as Paliburg or Regal is concerned, unless having obtained a grant of waiver from strict compliance with such requirement from the Stock Exchange, and in such case, all other conditions for the grant of such a waiver by the Stock Exchange remains to be complied); and

LETTER FROM THE REGAL BOARD

- (b) the Longstop Time, as extended, shall in no event be later than two months after the date to which it is extended pursuant to the Share Purchase Agreement, or such other time and date as may be agreed in writing between the Seller and the Purchaser.

If the conditions precedent of the Share Purchase Agreement are not fulfilled (or where applicable, waived by the Purchaser) on or before the Longstop Time (as may have been extended pursuant to the Share Purchase Agreement), the Seller may by written notice request to be given a period of maximum 7 calendar days to satisfy the conditions precedent provided that the circulars despatch time limit shall at all times comply with the Listing Rules. If the Purchaser by written notice to the Seller declines such request or the parties do not agree to proceed with Completion by the end of the period requested by the Seller, the Purchaser may by written notice to the Seller terminate the Share Purchase Agreement and the deposit of £2,925,000 (equivalent to approximately HK\$31,297,500) will be returned to the Purchaser together with any bank interest accrued thereon, and in such event the Seller shall also pay a break fee equivalent to £615,000 (equivalent to approximately HK\$6,580,500).

Completion

Completion shall take place on 26 August 2025 if the Seller has delivered the Completion Notification to the Purchaser on or before 5:00 pm (UK time) on 15 August 2025, or otherwise on the 7th Business Day after the date on which the Completion Notification is delivered by the Seller to the Purchaser.

The Completion Notification would be delivered upon satisfaction of the conditions precedent which include, among others, the relevant resolution having been passed by the Century City Shareholders in the Century City SGM to be convened on 22 September 2025. Supposing that all conditions precedent would be fulfilled (or where applicable, waived by the Purchaser) by the date of the Century City SGM and the Completion Notification would be delivered to the Purchaser on the same date, Completion shall take place on 2 October 2025 in accordance with the terms of the Share Purchase Agreement.

LETTER FROM THE REGAL BOARD

Seller's guarantee

Regal agrees to (a) guarantee to the Purchaser and each member of the Purchaser group the due and punctual performance and observance by the Seller of all obligations and liabilities under the Share Purchase Agreement and (b) indemnify the Purchaser and each member of the Purchaser group against all direct or indirect losses and liabilities which it incurs or suffers arising out of or in connection with any failure of the Seller to comply with any of its obligations, or to discharge any of its liabilities, under the Share Purchase Agreement.

Basis of determining the Headline Purchase Price

The consideration (i.e. the Headline Purchase Price of £19,500,000 which is equivalent to approximately £915 per square foot based on internal areas of 21,312 square feet, on a cash-free, debt-free basis) was determined after a competitive process and an arm's length negotiation between the Seller and the Purchaser. In determining the Headline Purchase Price, the Seller has taken several factors into consideration, including (a) the reasons for the SP Transaction as set out in the section headed "REASONS FOR AND BENEFITS OF THE SP TRANSACTION" below, (b) the acquisition price of approximately £22 million paid by the Regal Group for the Property in April 2019, (c) the Property being offered with vacant possession, (d) the prime location of the Property, and (e) transacted prices for comparable freehold commercial properties located in Central London over the past 3 years as provided by a commercial property agent to the Seller ranging from £653 to £1,049 per square foot, based on internal areas of such properties varying between approximately 11,000 and 183,000 square feet.

As further described in the section headed "REASONS FOR AND BENEFITS OF THE SP TRANSACTION" below, the Regal Group has been actively pursuing the disposal of some of its non-core assets with a view to reinforcing its liquidity resources and, in line with its assets disposal plan, the Regal Group has been considering the possible disposal of the Property at a satisfactory price since 2024. To facilitate the marketing and sale of the Property, the Seller engaged certain property agents to assist in identifying and contacting prospective purchasers and promoting the Property to such parties. One of the property agents, being a leading investment and development advisor in Central London and the United Kingdom since 1985, provided the Seller with the relevant transacted prices for comparable freehold commercial properties in Central London as follow for the Seller's reference. To the best of the knowledge, information and belief of Regal Directors, having made all reasonable enquiries, such information relating to the transacted prices for comparable freehold commercial properties in Central London over the past three years were sourced comprehensively from the agent's internal database and represented all relevant data contained therein. As the agent is a leading investment and development advisor in Central London and the United Kingdom since 1985, Regal Directors consider that their reliance on such information is reasonable.

LETTER FROM THE REGAL BOARD

| Address | Transaction date | Net Internal Area (square feet) | Capital Value per square feet | Existing use |
|---|------------------|---------------------------------|-------------------------------|--|
| Norfolk House, 13 Southampton Place, WC1 | April 2025 | 16,752 | £1,049 | Offices and retail |
| York House, 23 Kingsway, WC2 | January 2025 | 51,483 | £653 | Multi-let offices |
| 90 High Holborn, WC1 | October 2024 | 183,000 | £874 | Multi-let offices |
| 77 Kingsway, WC2 | September 2024 | 47,730 | £670 | Multi-let offices |
| 15-23 Lincolns Inn Fields, WC2 | June 2024 | 67,241 | £653 | Single let offices with potential for conversion to residential |
| 51 Lincolns Inn Fields, WC2 | February 2024 | 11,246 | £756 | Acquired by LSE for their own occupation |
| 52 Bedford Row, WC1 | January 2024 | 28,892 | £1,038 | Vacant offices. Acquired by neighbouring owners |
| Kean House, 6 Kean Street, WC2 | October 2023 | 26,005 | £731 | Multi-let, partly refurbished offices |
| South West Wing Bush House, Strand, WC2 | July 2022 | 103,700 | £819 | Acquired by King's College (existing tenant) |
| 22 Kingsway, WC2 | May 2022 | 123,863 | £840 | Planning consent implemented for 313 bed hotel. Acquired by Scape for student accommodation development. |

The Headline Purchase Price of £915 per square foot falls towards the upper end of the observed range referred to above which reflects the Property's vacant status and its prime location. Whilst the Headline Purchase Price of £19,500,000 offered by the Purchaser, in £-terms, implies an approximately 11% discount to the original acquisition price of approximately £22 million, the Headline Purchase Price is among the highest and most serious and committed offers that was received during the competitive marketing process undertaken since early 2024. The Purchaser's offer was also the most serious and the most committed offer received.

In light of the above, the Regal Directors consider that the terms of the SP Transaction (including the total consideration) are on normal commercial terms and fair and reasonable and in the interests of Regal and its shareholders as a whole.

LETTER FROM THE REGAL BOARD

INFORMATION ON THE TARGET COMPANY AND THE PROPERTY

The Target Company is incorporated in the United Kingdom and is wholly-owned by the Seller. It is principally engaged in property holding and holds the Property, a freehold building located at 41 Kingsway, London, United Kingdom.

Set out below is the financial information of the Target Company for the two years ended 31 December 2023 and 2024:

| | For the year ended 31 December 2023 | For the year ended 31 December 2024 |
|----------------------|--|--|
| Loss before taxation | HK\$1.1 million | HK\$1.6 million |
| Loss after taxation | HK\$1.1 million | HK\$1.6 million |

As at 31 December 2024, the carrying amount of the Property at the Target Company, the shareholder's loan owing from the Target Company to the Seller and the net liabilities of the Target Company were approximately HK\$226.4 million, approximately HK\$233.2 million and approximately HK\$5.4 million, respectively.

In 2019, the Regal Group acquired the entire issued shares of the holding company of the Property, which has 9 storeys (including 1 basement) with a total gross floor area of approximately 2,150 square metres (23,140 square feet). The Property is currently not occupied. Vacant possession of the Property will be delivered on Completion.

FINANCIAL EFFECT

Upon completion of the SP Transaction, the Target Company will cease to be a subsidiary of Regal and the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of Regal.

Regal would expect to record an accounting gain before tax and non-controlling interests of approximately HK\$15.5 million (before expenses) as a result of the SP Transaction, which was derived from (i) a foreign currency exchange gain of approximately HK\$18.7 million on the carrying amount of the Property at the Regal Group level based on an exchange rate of HK\$10.7 to £1 against the exchange rate as at 31 December 2024 of HK\$9.74 to £1 and (ii) the release of an exchange equalisation reserve debit balance of approximately HK\$3.2 million to the consolidated statement of profit or loss primarily in relation to the carrying amount of the Property converted to HK\$ as at 31 December 2024. Such gain would be subject to audit by the auditors of Regal.

LETTER FROM THE REGAL BOARD

Assuming, among other things, the SP Transaction had been completed on 31 December 2024, the consolidated total assets of the Regal Group as at 31 December 2024 would decrease by approximately HK\$0.1 million from HK\$24,973.7 million to HK\$24,973.6 million and the consolidated total liabilities of the Regal Group as at 31 December 2024 would decrease by approximately HK\$0.1 million from HK\$16,758.8 million to HK\$16,758.7 million, respectively on a pro forma basis.

REASONS FOR AND BENEFITS OF THE SP TRANSACTION

In 2019, the Regal Group acquired the entire issued shares of the holding company of the Property, which has been recorded as property, plant and equipment on the Regal Group's financial statements. Initially, the Regal Group had intended to develop the Property into a hotel. However, following the outbreak of the Covid-19 pandemic in 2020 which significantly disrupted the global and Hong Kong economies, the changes in the overseas business environment and the intensified geopolitical tension that cast uncertainty over international trade and relations, the Regal Group decided to reassess the prospects of its overseas investments and concluded that it would be appropriate to focus primarily on its core hotel and property businesses in Hong Kong. As stated in the interim report for the six months ended 30 June 2024 and the annual report for the year ended 31 December 2024 of the Regal Group, the Regal Group has been actively pursuing the disposal of some of its non-core assets with a view to reinforcing its liquidity resources and that, in line with its assets disposal plan, the Regal Group might consider divesting the Property if a satisfactory offer is received.

The Regal Directors believe that the SP Transaction represents a good opportunity to realise the value of the Property at a reasonable price. It is estimated that the Regal Group will receive gross proceeds (before expenses) of approximately HK\$208.7 million and net proceeds (after expenses) of approximately HK\$202 million from the SP Transaction and it intends to apply such proceeds to reduce its indebtedness.

The terms of the Share Purchase Agreement were determined after a competitive process and arm's length negotiations between the parties thereto and are on normal commercial terms. Each of the Regal Directors considers that the terms of the SP Transaction (including the total consideration) are on normal commercial terms and fair and reasonable and in the interests of Regal and its shareholders as a whole.

INFORMATION ON REGAL AND THE SELLER

The Century City Group is principally engaged in property development and investment, construction and building related businesses, hotel ownership, hotel operation and management, asset management, aircraft ownership and leasing business and other investments including financial assets investments.

LETTER FROM THE REGAL BOARD

The Paliburg Group is principally engaged in property development and investment, construction and building related businesses, hotel ownership, hotel operation and management, asset management, aircraft ownership and leasing business and other investments including financial assets investments.

The Regal Group is principally engaged in hotel ownership business 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 P&R, aircraft ownership and leasing business and other investments including financial assets investments.

The Seller is a wholly-owned subsidiary of Regal (which in turn is a listed subsidiary of Century City and Paliburg) and is principally engaged in investment holding.

As at the Latest Practicable Date, Century City indirectly held approximately 62.3% of the total issued shares of Paliburg, whereas Paliburg indirectly held 69.3% of the total issued shares of Regal.

INFORMATION ON THE PURCHASER

To the best of the knowledge, information and belief of Regal Directors, having made all reasonable enquiries, the Purchaser is an investment company incorporated in the United Kingdom with limited liability. The directors of the Purchaser are Artur Süsskind (Germany), Harry Habermann (Germany), Dr. Leo Rokeach (Germany), Robert Stafler (London) and Ashley Marks (London), and its business is led by its London-based directors. The single largest and ultimate beneficial owner of the Purchaser is Harry Habermann holding a 45% interest in the Purchaser. He is also the single largest and ultimate beneficial owner of the freehold property and the operations of a boutique hotel located in the same vicinity as the Property.

To the best of the knowledge, information and belief of Regal Directors, having made all reasonable enquiries, the Purchaser and all its ultimate beneficial owners and directors are third parties fully independent of Regal and its connected persons.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios for Regal in respect of the SP Transaction exceeds 25% and all applicable percentage ratios are less than 75%, the SP Transaction constitutes a major transaction for Regal and is subject to the reporting, announcement, circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 5.02A(5) of the Listing Rules, a valuation of a property interest is not required if the carrying amount of a property interest in Regal being disposed of is below 1% of the Regal Group’s total assets and the total carrying amount of property interests not valued does not exceed 10% of the Regal Group’s total assets. As at the date of the Share Purchase Agreement, the carrying amount of the Property at the Regal Group of HK\$189.9 million as at 31 December 2024 was approximately 0.76% of the Regal Group’s total assets of HK\$24,973.7 million as at 31 December 2024. Since the Target Company has no other property interest (other than the Property), the total carrying amount of other property interests not valued did not exceed 10% of the Regal Group’s total assets as at 31 December 2024. Therefore, a valuation report of the Property is not required.

LETTER FROM THE REGAL BOARD

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

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

A closely allied group of the Regal Shareholders in aggregate holding approximately 53.7% of the issued share capital of Regal as at the Latest Practicable Date have provided written shareholders' approval to approve the SP Transaction pursuant to Rule 14.44 of the Listing Rules, provided that such approval shall only become effective upon the resolution to approve the SP Transaction having been duly passed at the Century City SGM. The closely allied group of the Regal Shareholders (which are all wholly-owned subsidiaries of Paliburg) comprises (i) Guo Yui Investments Limited which owns approximately 30.2% of the issued share capital of Regal, (ii) Taylor Investments Ltd. which owns approximately 17.1% of the issued share capital of Regal and (iii) Glaser Holdings Limited which owns approximately 6.4% of the issued share capital of Regal.

Accordingly, no general meeting will be convened by Regal to consider or approve the SP Transaction. Further announcement will be made by Regal when the written shareholders' approval to approve the SP Transaction pursuant to Rule 14.44 of the Listing Rules becomes effective.

Completion of the SP Transaction is conditional upon the satisfaction or, if applicable, waiver of the relevant conditions precedent. Accordingly, the SP Transaction may or may not proceed. Holders of securities and potential investors of Regal are reminded to exercise caution when dealing in the securities of Regal.

ADDITIONAL INFORMATION

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

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

1. FINANCIAL INFORMATION OF THE REGAL GROUP

Financial information of the Regal Group for each of the three years ended 31 December 2022, 2023 and 2024 were set out in the relevant annual reports of Regal published on the Stock Exchange's website (<http://www.hkexnews.hk>) and the Regal's website (www.regal.com.hk). Please also see below links to the relevant annual reports:

- Annual report of Regal for the year ended 31 December 2024 (pages 75 to 190):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0428/2025042803567.pdf>
- Annual report of Regal for the year ended 31 December 2023 (pages 74 to 182):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042603885.pdf>
- Annual report of Regal for the year ended 31 December 2022 (pages 73 to 182):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042702330.pdf>

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

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 July 2025, being the latest practicable date for the purpose of this statement of indebtedness, the Regal Group had outstanding borrowings of approximately HK\$15,546.4 million which represented (i) bank loans of HK\$15,527.8 million secured by certain of the Regal Group's properties held for sale, property, plant and equipment, investment properties, right-of-use assets, properties under development, time deposits and bank balances; and (ii) lease liabilities of HK\$18.6 million.

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

As at the close of business on 31 July 2025, the Regal Group had contingent liabilities relating to the corporate guarantees provided in respect of attributable share of banking facilities granted to certain subsidiaries of a joint venture of approximately HK\$1,987.5 million which were utilised to the extent of HK\$1,699.0 million, and an associate of a joint venture of approximately HK\$200.0 million which were utilised to the extent of HK\$194.7 million, respectively.

In addition, a corporate guarantee has been given to a bank by Regal Group for a performance bond issued by the bank in relation to a property development contract undertaken by Regal Group amounting to HK\$15.0 million as at 31 July 2025.

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

Save as disclosed above and apart from intra-group liabilities, the Regal Group did not, as at the close of business on 31 July 2025, have any material outstanding (i) debt securities, whether issued and outstanding, authorised or otherwise created but unissued, or term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Regal Group or by third parties) or unsecured; (ii) other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured; (iii) mortgage or charges; or (iv) guarantees or other contingent liabilities.

3. WORKING CAPITAL

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

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

4. MATERIAL ADVERSE CHANGE

The Regal Directors confirm that there has been no material adverse change in the financial or trading position of the Regal Group since 31 December 2024, the date to which the latest published audited consolidated accounts of the Regal Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE REGAL GROUP

The economy of Hong Kong is on a path of gradual but uneven recovery. While Hong Kong will continue to face challenges due to the increased global economic uncertainties, it is also endowed with many development opportunities as it actively aligns with the national development strategies of China. Hong Kong is committed to consolidate and enhance its status as an international financial, shipping and trade centre. At the same time, it is proceeding forward with the Northern Metropolis as its growth engines and to deepen its collaboration with the Greater Bay Area. It can be anticipated that as Hong Kong further integrates with the national development of China, it will be able to benefit from a series of supportive measures from the Central Government.

To reinforce the role of Hong Kong as an international tourism hub, the Culture, Sports and Tourism Bureau announced in December 2024 the Development Blueprint for Hong Kong's Tourism Industry 2.0 (Blueprint 2.0), setting forth strategies primarily to enrich and develop Hong Kong's tourism products and initiatives with local and international characteristics as well as to enhance the service quality and support of its tourism industry on all fronts. In addition, major infrastructure projects, such as the Kai Tak Sports Park and the Three-runway System (3RS) at the Hong Kong International Airport, have also been completed in 2024 to support the launch of the Blueprint 2.0. The completion of the 3RS signifies a significant advancement in the development of Hong Kong as an aviation hub, which aims to handle 120 million passengers and 10 million tons of cargo annually by 2035.

Stepping into 2025, the local tourist market continued to show signs of recovery. During the Lunar New Year golden week, Hong Kong received about 1.3 million visitors. For the whole month of January 2025, there was a total of about 4.7 million visitors, with around 3.7 million coming over from the Mainland, marking annual increases of 24.0% and 25.0%, respectively. These are both new record highs since the pandemic times. Hong Kong has always been a vibrant and resilient city. Through its own committed initiatives and the strong support from the Central Government, it is expected that the tourism industry in Hong Kong will be able to achieve a prosperous and sustainable development.

As one of the major hotel owners in Hong Kong, the directors of the REIT Manager are optimistic that Regal REIT will be able to benefit from the anticipated revival of the local tourist and hotel businesses and that its operating results would gradually improve in the coming years.

Apart from the Regal Group's core investments in hotels, which are principally held through Regal REIT, the Regal Group also holds significant investments in real estate and financial assets. Faced with a complicated economic environment and the impact of continuingly high interest rates, the operating conditions for many businesses in Hong Kong have been relatively challenging. To reinforce its liquidity resources, the Regal Group is actively progressing with the disposals of some of its non-core assets.

The Regal Group believes in the resilience of Hong Kong's economy and is hopeful that, as the local economic conditions improve, the Regal Group will be able to regain its growth momentum.

1. RESPONSIBILITY STATEMENT

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

2. REGAL DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

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

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

(i) Interest in Regal — Long Positions

| Name of Directors | Class of shares held | Number of shares held | | | Total (Approximate percentage of total number of the issued share capital of Regal) |
|----------------------------|----------------------|-----------------------|------------------------------------|--------------------|--|
| | | Beneficial owner | Nature of interest | | |
| | | | Interest of corporation controlled | Interest of spouse | |
| | | | | | |
| Mr. LO Yuk Sui | Ordinary (issued) | 24,200 | 622,855,261 (Note c) | 260,700 | 623,140,161 (69.33%) |
| Ms. LO Po Man | Ordinary (issued) | 569,169 | — | — | 569,169 (0.06%) |
| Dr. Francis CHOI Chee Ming | Ordinary (issued) | 50,240,00 | — | — | 50,240,000 (5.59%) |
| Mr. Kelvin LEUNG So Po | Ordinary (issued) | 200 | — | — | 200 (0.000%) |
| Mr. Allen WAN Tze Wai | Ordinary (issued) | 10,200 | — | — | 10,200 (0.001%) |

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

(A) Century City

| Name of Directors | Class of shares held | Beneficial owner | Number of shares held | | Total (Approximate percentage of total number of the issued share capital of Century City) |
|---------------------------|----------------------|------------------|------------------------------------|--------------------|---|
| | | | Nature of interest | Interest of spouse | |
| | | | Interest of corporation controlled | | |
| 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%) |
| Mr. Allen WAN Tze Wai | Ordinary (issued) | 24,000 | — | — | 24,000 (0.001%) |
| Ms. Belinda YEUNG Bik Yiu | Ordinary (issued) | 200 | — | — | 200 (0.000%) |

(B) Paliburg

| Name of Directors | Class of shares held | Beneficial owner | Number of shares held | | Total (Approximate percentage of total number of the issued share capital of Paliburg) |
|-------------------------|----------------------|------------------|------------------------------------|--------------------|---|
| | | | Nature of interest | Interest of spouse | |
| | | | Interest of corporation controlled | | |
| 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%) |
| Mr. Allen WAN Tze Wai | Ordinary (issued) | 200 | — | — | 200 (0.000%) |

(C) Cosmopolitan International Holdings Limited (“Cosmopolitan”)

| Name of Directors | Class of shares held | Number of shares held | | | | Total (Approximate percentage of total number of the issued share capital of Cosmopolitan) |
|----------------------|----------------------|-----------------------|------------------------------------|--------|----------------------------|---|
| | | Beneficial owner | Nature of interest | | Interest of spouse | |
| | | | Interest of corporation controlled | | | |
| | | | | | | |
| Mr. LO Yuk Sui | Ordinary | — | 871,504,279 | — | 871,504,279 | |
| | (i) (issued) | | (Note d) | | | |
| | (ii) (unissued) | — | 1,591,775,147 | — | 1,591,775,147 | |
| | | | (Note e) | | | |
| | | | | Total: | 2,463,279,426 (183.88%) | |
| | Preference | — | 229,548,733 | — | 229,548,733 | |
| | (issued) | | (Note e) | | (99.99%) | |
| Ms. LO Po Man | Ordinary | 414,000 | — | — | 414,000 | |
| | (issued) | | | | (0.03%) | |
| Mr. Jimmy LO Chun To | Ordinary | 680,730 | — | — | 680,730 | |
| | (issued) | | | | (0.05%) | |

(D) Regal REIT

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

(E) 8D International (BVI) Limited

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

Notes:

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

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

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

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

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

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

- (d) The interests in 706,851,215 issued ordinary shares of Cosmopolitan were held through wholly owned subsidiaries of P&R, which is owned as to 50% each by Paliburg and Regal through their respective wholly owned subsidiaries. The interests in the other 111,319,732 issued ordinary shares of Cosmopolitan were held through wholly owned subsidiaries of Regal. The interests in the other 53,333,332 issued ordinary shares of Cosmopolitan were held through wholly owned subsidiaries of Paliburg. Paliburg, in which Century City held through its wholly owned subsidiary 62.28% shareholding interests, held through its wholly owned subsidiary 69.25% shareholding interests in Regal. Mr. Lo held 67.43% shareholding interests in Century City.
- (e) The interests in 1,272,070,219 unissued ordinary shares of Cosmopolitan were held through wholly owned subsidiaries of P&R, which is owned as to 50% each by Paliburg and Regal through their respective wholly owned subsidiaries. The interests in the other 213,038,264 unissued ordinary shares of Cosmopolitan were held through wholly owned subsidiaries of Regal. The interests in the other 106,666,664 unissued ordinary shares of Cosmopolitan were held through wholly owned subsidiaries of Paliburg. Paliburg, in which Century City held through its wholly owned subsidiary 62.28% shareholding interests, held through its wholly owned subsidiary 69.25% shareholding interests in Regal. Mr. Lo held 67.43% shareholding interests in Century City.
- The interests in 229,548,733 unissued ordinary shares of Cosmopolitan are derivative interests held through interests in 229,548,733 convertible preference shares of Cosmopolitan, convertible into new ordinary shares of Cosmopolitan on a one to one basis (subject to adjustments in accordance with the terms of the convertible preference shares).
- The interests in 1,362,226,414 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\$136,222,641.4 issued by Cosmopolitan. The convertible notes are convertible into new ordinary shares of Cosmopolitan at a conversion price of HK\$0.10 per ordinary share (subject to adjustments in accordance with the terms of the convertible notes).
- (f) The interests in 2,439,613,739 issued units of Regal REIT were held through wholly owned subsidiaries of Regal. The interests in 732,363 issued units of Regal REIT were held through wholly owned subsidiaries of Paliburg. The interests in 2,687,000 issued units of Regal REIT were held through wholly owned subsidiaries of Century City. Paliburg, in which Century City held through its wholly owned subsidiary 62.28% shareholding interests, held through its wholly owned subsidiary 69.25% shareholding interests in Regal. Mr. Lo held 67.43% shareholding interests in Century City.
- (g) 400 shares were held through companies controlled by Century City, in which Mr. Lo held 67.43% shareholding interests, and 600 shares were held through a company controlled by Mr. Lo.

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

(b) Substantial shareholders' interests

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

| Name of substantial shareholder | Number of issued ordinary shares held | Number of underlying (unissued) ordinary shares held | Total number of ordinary shares (issued and underlying (unissued)) held | Approximate percentage of issued ordinary shares as at the Latest Practicable Date |
|--|--|---|--|---|
| YSL Int'l (<i>Note i</i>) | 622,855,261 | — | 622,855,261 | 69.30% |
| Grand Modern Investments Limited (“Grand Modern”) (<i>Note ii</i>) | 622,855,261 | — | 622,855,261 | 69.30% |
| Century City (<i>Note iii</i>) | 622,855,261 | — | 622,855,261 | 69.30% |
| Century City BVI Holdings Limited (“CCBVI”) (<i>Note iv</i>) | 622,855,261 | — | 622,855,261 | 69.30% |
| Paliburg (<i>Note v</i>) | 622,433,861 | — | 622,433,861 | 69.25% |
| Paliburg Development BVI Holdings Limited (<i>Note vi</i>) | 622,433,861 | — | 622,433,861 | 69.2% |
| Guo Yui Investments Limited (<i>Note vi</i>) | 271,140,466 | — | 271,140,466 | 30.17% |
| Paliburg BVI Holdings Limited (<i>Note vi</i>) | 230,870,324 | — | 230,870,324 | 25.69% |
| Taylor Investments Ltd. (<i>Note vi</i>) | 154,232,305 | — | 154,232,305 | 17.16% |
| Glaser Holdings Limited (<i>Note vi</i>) | 58,682,832 | — | 58,682,832 | 6.53% |
| H.P. Nominees Limited (<i>Note vi</i>) | 55,480,885 | — | 55,480,885 | 6.17% |

Notes:

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

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

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

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

- (1) Mr. Lo is a director of YSL Int'l.
- (2) Mr. Lo, Ms. Lo Po Man and Mr. Jimmy Lo Chun To are directors of Grand Modern.
- (3) Mr. Lo, Ms. Lo Po Man, Mr. Kelvin Leung So Po, Mr. Jimmy Lo Chun To, Mr. Kenneth Ng Kwai Kai, Ms. Winnie Ng and Mr. Wong Chi Keung are directors of Century City and Paliburg.
- (4) Mr. Allen Wan Tze Wai is a director of Century City.
- (5) Mr. Lo, Ms. Lo Po Man, Mr. Jimmy Lo Chun To and Mr. Kenneth Ng Kwai Kai are directors of all the abovementioned wholly owned subsidiaries of Century City and Paliburg.

3. DIRECTORS' COMPETING INTERESTS

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

4. DIRECTOR'S SERVICE CONTRACTS

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

5. DIRECTORS' OTHER INTEREST

As at the Latest Practicable Date, none of the Regal Directors had any direct or indirect interest in any assets which have, since 31 December 2024, being the date to which the latest published audited financial statements of the Regal Group were made up, been acquired or disposed of by or leased to any member of the Regal Group or were proposed to be acquired or disposed of by or leased to, any member of the Regal Group.

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

6. LITIGATION

As at the Latest Practicable Date:

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

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

7. MATERIAL CONTRACTS

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

- (a) the Share Purchase Agreement; and
- (b) the second supplemental agreement dated 3 September 2024 entered into among Long Profits Investments Limited (a wholly-owned subsidiary of Regal) as lender, Cosmopolitan as guarantor and Bizwise Investments Limited (a wholly-owned subsidiary of Cosmopolitan) as borrower in relation to the amendments of certain terms of the facilities agreement dated 4 August 2016 entered into among Long Profits Investments Limited, Cosmopolitan and Bizwise Investments Limited (as amended and supplemented from time to time) in relation to the provision of the reduced loan facilities of an aggregate amount of HK\$857 million.

8. GENERAL

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

9. DOCUMENTS ON DISPLAY

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

- (a) the memorandum of association and bye-laws of Regal;
- (b) the annual reports of Regal for the three years ended 31 December 2022, 2023 and 2024;
- (c) the material contracts referred in section headed “Material contracts” above; and
- (d) this circular.