



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)



2025

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

Allen Wan Tze Wai

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

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

Clarendon House, 2 Church Street

Hamilton HM 11, Bermuda

BRANCH REGISTRAR IN HONG KONG

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Hong Kong

REGISTERED OFFICE

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Hamilton HM 11, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

11th Floor, 68 Yee Wo Street

Causeway Bay, Hong Kong

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DIRECTORS' PROFILE

Mr. Lo Yuk Sui, aged 80; *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 45; *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. Ms. Lo graduated from Duke University with a Bachelor’s Degree in Psychology and 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 The Hong Kong University of Science and Technology and The University of Hong Kong. She has been officially appointed as Member of the Green Technology and Finance Development Committee, Council Member of Hong Kong University of Science and Technology, and serves on Hong Kong’s Chief Executive’s Policy Unit Expert Group and the Green Technology and Finance Development Committee. She is appointed as Chair of the UNESCAP ESNB Finance Task Force and a member of the Executive Committee of ESNB, and she serves as Chair of the Asia Pacific Green Deal for Business Committee. Ms. Lo primarily oversees the operation of the Group’s hotel business and, in addition, oversees corporate investments and business development of the Century City Group. Ms. Lo is the daughter of Mr. Lo Yuk Sui and the sister of Mr. Jimmy Lo Chun To.

Dr. Choi Chee Ming (Alias: Francis), GBS, JP, aged 79; *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 70; *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”).

DIRECTORS' PROFILE (Cont'd)

Professor Japhet Sebastian Law, aged 73; *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 Center 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 is an independent member of the Supervisory Board of Beijing Capital International Airport Company Limited, a company listed on the Stock Exchange. Professor Law 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 53; *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 29 years of experience in accounting and corporate finance field.

Mr. Lo Chun To (Alias: Jimmy), aged 51; *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 71; *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 61; *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, Member of Women's Commission and Co-Convenor of Women Empowerment Fund, Director of CUHK Medical Centre, Director of HKBU Chinese Medicine Hospital, Council Member of The Education University of Hong Kong, Advisor of Our Hong Kong Foundation, and Council Member of The Better Hong Kong Foundation. She was 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 Bison Finance Group Limited). Both companies are listed on the Stock Exchange.

Mr. Wan Tze Wai, Allen, aged 66; *Executive Director* – Appointed to the Board in 2010. Mr. Allen Wan is also an executive director of CCIHL. He has been with the Century City Group for over 31 years and is the Group Financial Controller of the Century City Group. Mr. Wan holds a Bachelor's Degree in Commerce from the University of New South Wales in Australia. He is a member of Hong Kong Institute of Certified Public Accountants and CPA Australia. Mr. Wan has over 43 years of experience in finance and accounting field.

Mr. Wong Chi Keung, aged 70; *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 42 years of experience in finance, accounting and management.

DIRECTORS' PROFILE (Cont'd)

Ms. Yeung Bik Yiu, Belinda, JP, aged 67; *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 Mainland China 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., Mainland China and Hong Kong - on both multi-unit corporate and single-unit hotel property management levels. Ms. Yeung is a member of the Tourism Strategy Committee of the Government of Hong Kong, 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.

CHAIRMAN'S STATEMENT

Dear shareholders,

I am presenting herewith the Interim Report of the Company for the six months ended 30th June, 2025.

FINANCIAL RESULTS

For the six months ended 30th June, 2025, the Group recorded a consolidated loss attributable to shareholders of HK\$677.6 million, while for the corresponding period in 2024, a loss of HK\$1,599.2 million was incurred.

The reduction in the loss between the two comparative periods was mainly due to the fact that in the interim period in 2024, a fair value loss of HK\$932.6 million was incurred on the Group's financial assets at fair value through profit or loss, while a fair value gain of HK\$6.6 million on such financial assets was recorded in the period under review. As explained in the 2024 Interim Report, the fair value loss on the financial assets was mostly related to the Group's investment holdings in Cosmopolitan International Holdings Limited, a listed fellow subsidiary of the Company, which holdings have since been written down to a relatively insignificant value. Moreover, as the Hong Kong Interbank Offered Rates (HIBOR) has dropped significantly since mid-May this year, the finance costs for the first six months in 2025 was lower than the comparative amount in 2024, which also contributed to the reduced loss in the financial results under review.

During the interim period, the Group's operating profit before interest, taxation, depreciation and amortisation amounted to HK\$85.4 million, after already accounting for fair value and impairment losses on properties of HK\$152.3 million, reversing from a loss of HK\$734.8 million in the same period in 2024.

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\$290.2 million (2024 - HK\$291.3 million). Although such depreciation charges have no immediate impact on the Group's cash flow, they have nevertheless adversely affected the Group's 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, 2025, 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, 2025, the underlying adjusted net asset value of the Company would amount to HK\$17.20 per share.

BUSINESS OVERVIEW

HOTELS

MARKET OVERVIEW

Based on a recent report released by the World Bank Group, global growth is slowing due to a substantial rise in trade barriers and the pervasive effects of an uncertain global policy environment. Growth is expected to weaken to 2.3% in 2025, with deceleration in most economies relative to last year, marking the slowest rate of global growth since 2008. For China, its production and demand grew steadily, while employment was generally stable and household income continued to increase. The gross domestic product (GDP) of China in the first half of 2025 was up by 5.3% year on year at constant prices. Hong Kong economy continued to expand solidly in the second quarter of 2025, supported by strong exports performance and improved domestic demand. Its real GDP grew by 3.1% over a year earlier, picking up slightly from the first quarter growth of 3.0%.

CHAIRMAN'S STATEMENT (Cont'd)

In the first half of 2025, Hong Kong welcomed about 23.6 million visitors, representing an increase of 11.7% year-on-year, of which 17.8 million were visitors from Mainland China. Among all visitor arrivals, 47.7% were overnight visitors, with an average length of stay of 3.2 nights. Apart from the growth in Mainland visitors, there were notable increases in the number of visitors from the traditional long haul and short haul markets, as compared to the same period last year. Although the total number of incoming visitors to Hong Kong during this interim period was still behind the peak level of 34.9 million recorded in the first half of 2019, the pace of recovery in the local tourist market during the past few years has been steadily growing.

According to the information published by the Hong Kong Tourism Board, 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 83.0% in 2024 to 85.0% in 2025. However, the average achieved room rate has contracted by 10.8%, resulting in a decrease in the average Revenue per Available Room (RevPAR) of 8.6% 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, complemented with food and beverage and conference facilities catering to Meeting, Incentives, Conference and Exhibition (MICE) businesses, with direct linkage to the Asia World Expo, the 11 Skies compound and the second airport terminal.

Business at this hotel during the interim period remained steady and achieved further improvement in its level of occupancy as well as RevPAR over the comparative period last year. As the second airport terminal will become operational in stages beginning from the third quarter of this year, the operational performance of this hotel should be able to attain substantial enhancement in the course of the coming years.

Most recently, the Group had timely concluded earlier this month an HK\$2.95 billion refinancing for this hotel for a term of 3 years.

The 186-room hotel owned by the Group in Barcelona, Spain, which has been leased to a third-party operator, continued to contribute satisfactory rental revenues.

Further details on the Regala Skycity Hotel and the hotel 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, 2025, 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, 2025, Regal REIT recorded a consolidated loss before distribution to Unitholders of HK\$508.1 million, as compared to a loss of HK\$19.8 million for the same period in 2024. In the interim period, there was a loss of HK\$517.1 million arising from the decrease in the fair value of Regal REIT's investment property portfolio, based on the market valuations appraised by Regal REIT's principal valuer as of 30th June, 2025, as compared to its last appraised value as of 31st December, 2024. While for the corresponding period last year, a fair value gain of HK\$16.5 million was recorded. If these fair value changes are excluded, Regal REIT would record a core operating profit before distribution to Unitholders for the interim period of HK\$9.0 million, as compared to a loss of HK\$36.3 million for the same period in 2024. The profit attained for the interim period was mainly attributable to the decrease in its financial expenses incurred, due to the significant drop in HIBOR since mid-May this year, as mentioned above.

Apart from the Regala Skycity Hotel, all the other nine hotels of the Group are owned through Regal REIT. These nine hotels include five Regal Hotels and four other hotels operating under the iclub brand. Except for the iclub Wan Chai Hotel, all the other eight hotels owned by Regal REIT are leased to a wholly owned subsidiary of the Company for hotel operations.

HOTEL OPERATIONS

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

Due to the changing travel and spending patterns of the visitors, the operating environment of the overall tourist industry in Hong Kong remained competitive and challenging. Nevertheless, the eight hotels under leases from Regal REIT continued to operate steadily, generating increased aggregate net property income over the comparative period in 2024, albeit still below the determined aggregate base rent paid to Regal REIT.

HOTEL MANAGEMENT

The Regala Skycity Hotel as well as the five Regal Hotels and four iclub Hotels owned by Regal REIT are all managed by Regal Hotels International Limited (RHI), the wholly owned management arm of the Group. 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 hotels in Shanghai and Dezhou operating under the Regal brand.

PROPERTIES

Most property developers in Hong Kong continued to adopt relatively aggressive pricing strategies in the launching of the sale of their new built residential units, mainly due to the continued strain in overall liquidity and the substantial amount of inventory stocks. However, benefiting from the increasing contribution from Mainland home buyers and investors, the influx under the talent attraction schemes, the sharp decline in the interbank rates in Hong Kong since mid-May this year as well as the wealth effect from a buoyant capital market, overall demand for residential properties in Hong Kong remained relatively stable.

Total transaction value of residential property sales in Hong Kong in the first six months of 2025 continued to rise, surpassing the level in the preceding six months. Although there was still pressure on the property prices, the trend of downward adjustment is narrowing. More recently, there are positive signs that the residential sector in Hong Kong may be on the onset of an up cycle, after a long period of consolidation.

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.

CHAIRMAN'S STATEMENT (Cont'd)

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 2025, P&R has sold or entered into contracts to sell a total of 18 apartment units and 1 house (being the house that was previously leased with an option for the lessee to purchase). As of this date, P&R still owns 3 houses and 59 apartment units in this development. Other than one house that will be retained, the remaining 2 houses and 59 apartment units will continue to be marketed for sale.

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.

As regarding the property development business undertaken by the Group itself, The Queens at Queen's Road West is a commercial/residential development that was completed in late 2022. It has a total of 130 residential units with club house and commercial accommodations. The 123 residential units remaining held in The Queens were relaunched for sale in June this year and the market response was very favourable. Up to this date, a total of 120 relaunched residential units have been sold or contracted to be sold, which will generate substantial sales proceeds to the Group.

The Group still holds a total of 8 garden houses in Regalia Bay, a luxury residential development in Stanley jointly developed by the Group in early years. Some of these houses will continue to be disposed of if the price offered is satisfactory.

As mentioned before, as part of its plans for the disposal of non-core assets, the Group had intended to sell the property owned by the Group in London, the United Kingdom as well as the completed renovation-for-sale project held in Lisbon, Portugal.

In July 2025, the Group entered into a conditional agreement with a third-party purchaser for the sale by the Group of its entire equity interests in the wholly owned subsidiary that holds the UK property for a headline purchase price of £19.5 million (equivalent to approximately HK\$204.1 million). Completion of this transaction is conditional, among others, the passing of the relevant resolution by the shareholders of Century City International Holdings Limited, the ultimate listed parent of the Company, as the transaction constituted a very substantial disposal for Century City. Detailed information on this transaction is contained in the joint announcement by the Company dated 29th July, 2025.

Earlier in May 2025, the Group had also entered into an agreement for the divestiture of its entire equity and loan interests in the project company holding the Lisbon property to a group of independent third-party investors for a cash consideration of EUR9.3 million (equivalent to approximately HK\$83.9 million). Completion of this disposal transaction is expected to take place before May 2026.

Further detailed information on the Group's development projects and properties, as well as those undertaken by P&R and Cosmopolitan, is contained in the section headed "Management Discussion and Analysis" in this Interim Report.

AIRCRAFT OWNERSHIP AND LEASING

Due to the change in the financial environment, the Group had further disposed of its remaining investment interests in this business segment in 2024. As the Group's past investments in the aircraft ownership and leasing businesses had been rewarding, the Group may consider reinvesting in this business segment if circumstances are considered appropriate.

OUTLOOK

Against a complex and uncertain macroeconomic backdrop and escalating geopolitical tensions, the overall business outlook for Hong Kong remains very challenging.

With regards to the tourist industry in Hong Kong, although the total number of incoming visitors has been steadily increasing, the travel and consumption habits of the Mainland visitors, which represent the most significant market segment accounting for more than 75% of the total number, have changed towards cultural and in-depth experiences. This has, in turn, resulted in the decline in their average per capita spending.

To cope with the changing travel and spending patterns of the visitors, the Hong Kong Tourism Board is actively pursuing the "tourism is everywhere" concept and the implementation of the Development Blueprint for Hong Kong's Tourism Industry 2.0 in the 2025/26 budget. In May this year, the Hong Kong Government also introduced nine new tourist attractions, designed to cater to a wide range of interests, including eco-tourism, popular photo spots and cultural experiences. In addition, with the opening of the Kai Tak Sports Park and Stadium, Hong Kong has been hosting a series of mega events, which could solidify its position as Asia's premier events and entertainment hub.

From a broader perspective, Hong Kong has a clear path to actively integrate and align with the national development strategies under its functional role as a "super connector" and a "super value-adder". Benefiting from its close ties with China, Hong Kong will be able to overcome the macro challenges and enhance its unique position in the Greater Bay Area as a world class financial centre, major travel hub and key regional service centre.

The HIBOR in the past two months has stayed at a relatively lower level than that encountered in the past few years. It is now also widely expected that the US Federal Reserve may have certain interest rate cuts in the second half of this year, which could bring forth positive impact on the interest rate environment in Hong Kong. In the meanwhile, the directors of the REIT Manager will closely watch out for any appropriate deleveraging opportunities as the investment sentiment gradually revives.

The Group has achieved significant progress in the disposals of some of its assets planned for divesture since the beginning of this year. The Group will continue with its asset disposal programme, with a view to reducing its indebtedness level and to reinforcing its overall financial strength.

LO YUK SUI

Chairman

Hong Kong
27th August, 2025

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"), aircraft ownership and leasing 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 Asia World Expo, the 11 Skies compound as well as the expanded Terminal 2 of the Hong Kong International Airport scheduled to become operational by phases from end 2025 onwards. The hotel licence was issued in November 2021 and the hotel grand opened in April 2023.

This new hotel embraces a wide range of sustainable features in its building design, construction and operation and was awarded Gold Rating under BEAM Plus Certification and EarthCheck Design Certified Gold Rating. The hotel also received a number of international design awards including the Muse Design Gold Award, Build4Asia Silver Award, A'Design Silver Award and International Property Award.

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.

The 123 residential units remaining held in The Queens were relaunched for sale in June this year and the market response was very favourable. Up to this date, a total of 120 relaunched residential units have been sold or contracted to be sold for an aggregate gross consideration of HK\$898.7 million.

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 project has 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). Demolition works of the existing buildings had been completed in February 2025. Ground investigation and field works had been completed in May 2025.

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

The contracted sale of one garden house in Regalia Bay has been completed in July 2024. The Group still retains 8 garden houses with total gross area of about 3,719 square metres (40,032 square feet), some of which will continue to be disposed of if the price offered is satisfactory.

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.

41 Kingsway, London WC2B 6TP, the United Kingdom

This is a freehold historical building located at a prime location in London, acquired by the Group in 2019. This iconic property has total 9 storeys (including 1 basement) with a total gross floor area of approximately 2,150 square metres (23,140 square feet).

In July 2025, the Group entered into a conditional agreement with a third-party purchaser for the sale of its entire equity interests in the wholly owned subsidiary that holds this property for a headline purchase price of £19.5 million (equivalent to approximately HK\$204.1 million). Completion of this transaction is conditional, among others, the passing of the relevant resolution by the shareholders of Century City International Holdings Limited ("CCIHL"), the ultimate listed parent of the Company, as the transaction constituted a very substantial disposal for CCIHL. Detailed information on this transaction is contained in the joint announcement by the Company dated 29th July, 2025.

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 ground floor. The renovation works have been completed and the relevant usage permits were obtained in August 2024.

Earlier in May 2025, the Group had also entered into an agreement for the divestiture of its entire equity and loan interests in the project company holding the property to a group of independent third-party investors for a cash consideration of EUR9.3 million (equivalent to approximately HK\$83.9 million). A non-refundable deposit of EUR2.3 million has already been received by the Group and a further deposit of EUR0.9 million is due to be paid by the purchasers in November 2025. Completion of this disposal transaction is expected to take place before May 2026.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

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:

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. 7 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. The leasing status of this shopping mall remained steady during the period.

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 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 have 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 77 apartment units have been sold or contracted to be sold for a total sale price of HK\$5,218.5 million, including 18 apartment units and 1 house (being the house that was previously leased with an option for the lessee to purchase) that were contracted to be sold in 2025 for an aggregate gross consideration of HK\$735.4 million. So far, the sale transactions for 19 houses and 61 apartment units with total sale price of HK\$4,439.8 million have been completed. Sale transactions completed during the period included 1 house and 4 apartment units (total sale price of HK\$200.7 million) and the profits derived therefrom accounted for in the results under review.

As of this date, P&R still owns 3 houses and 59 apartment units in this development. Other than one house that will be retained, the remaining 2 houses and 59 apartment units will continue to be marketed for sale.

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 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 the scheme for a commercial/residential development is being finalised.

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, the Group has successfully consolidated 100% ownership interests in the subject properties.

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. Demolition works for the existing buildings at Nos.291-293 Castle Peak Road had been completed.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

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 the PRC, 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 third stage have been sold in prior years. Total proceeds from the sales of the residential units amounted to approximately RMB2,048.3 million (HK\$2,228.8 million).

The sale of the shops with about 4,110 square metres (44,250 square feet) comprised in the third stage 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\$101.4 million). The sale of the 1,387 car parking spaces is continuing and, up to date, 548 car parking spaces have been sold or contracted to be sold, for aggregate sales proceeds of approximately RMB56.3 million (HK\$61.3 million). Most of these sale transactions have already been completed and the revenues accounted for in prior financial years.

The interior construction works of the 325-room hotel have been completed. The Completion Certificate for this hotel property has been obtained in January 2024 and the Real Property Ownership Certificate in January 2025.

The remaining commercial components, also within the third stage of the development, comprised 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). With the formal issue of the Completion Certificate for the last four office towers and the shopping arcade blocks, all the development works for the entire project have virtually been completed. The Cosmopolitan group is now actively planning the sale of these remaining component units, both on en bloc as well as individual units basis.

The presale 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), commenced in 2021. Up to date, 335 office units with a total of about 15,017 square metres (161,643 square feet) have been sold under contracts or subscribed by prospective purchasers, for an aggregate sale consideration of RMB128.9 million (HK\$140.3 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 has also 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\$8.8 million).

Overall, due to the slackened demand, the progress achieved so far on the sale of these office and shop units was relatively slow. The disposal plan of these remaining properties is under active reformulation, having regard to the changing market conditions.

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 have 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\$407.1 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. The overall market conditions in the property sector in Tianjin remained weak, particularly as regards the commercial property segment. The Cosmopolitan group will continue to monitor the market conditions, with a view to launching the sale of the remaining properties when the circumstances are appropriate.

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 has 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 will 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.

The Cosmopolitan group continues to maintain the overall re-forested area. Based on the legal advice obtained, the legitimate interests of the Cosmopolitan group in the relevant re-forestation contract remain valid and effective.

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. The Group recorded for the period under review a net gain in its financial assets investments business.

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, 2025, the unaudited adjusted net asset value of the ordinary shares of the Company would be HK\$17.20 per share, computed as follows:

	As at 30th June, 2025	
	HK\$'million	HK\$ per ordinary share
Book net assets attributable to equity holders of the parent	5,807.7	6.46
Adjustment to restate the Group's hotel property portfolio in Hong Kong at its market value and add back any relevant deferred tax liabilities	9,648.7	10.74
Unaudited adjusted net assets attributable to equity holders of the parent	15,456.4	17.20

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\$181.6 million (2024 - HK\$124.3 million). Net interest payment for the period amounted to HK\$373.3 million (2024 - HK\$449.9 million).

Borrowings and Gearing

As at 30th June, 2025, the Group had cash and bank balances and deposits of HK\$788.3 million (31st December, 2024 - HK\$1,093.8 million) and the Group's borrowings, net of cash and bank balances and deposits, amounted to HK\$14,701.1 million (31st December, 2024 - HK\$14,500.6 million).

As at 30th June, 2025, the gearing ratio of the Group was 60.5% (31st December, 2024 - 58.1%), representing the Group's borrowings, net of cash and bank balances and deposits, of HK\$14,701.1 million (31st December, 2024 - HK\$14,500.6 million), as compared to the total assets of the Group of HK\$24,281.3 million (31st December, 2024 - HK\$24,973.7 million).

On the basis of the adjusted total assets as at 30th June, 2025 of HK\$36,628.3 million (31st December, 2024 - HK\$37,554.8 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 40.1% (31st December, 2024 - 38.6%).

Details of the maturity profile of the borrowings of the Group as of 30th June, 2025 are shown in note 11 to the condensed consolidated financial statements.

Lease Liabilities

As at 30th June, 2025, the Group had lease liabilities of HK\$9.0 million (31st December, 2024 - HK\$10.6 million).

Pledge of Assets

As at 30th June, 2025, the Group's properties under development and certain of the Group's property, plant and equipment, investment properties, right-of-use assets, properties held for sale, time deposits and bank balances in the total amount of HK\$19,484.3 million (31st December, 2024 - HK\$19,871.2 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.

As at 31st December, 2024, the equity interests in the holding company of a property development project was also pledged to secure the other borrowing of the Group, which was released during the period upon the full repayment of the other borrowing.

Capital Commitments

Details of the capital commitments of the Group as at 30th June, 2025 are shown in note 16 to the condensed consolidated financial statements.

Contingent Liabilities

Details of the contingent liabilities of the Group as at 30th June, 2025 are shown in note 15 to the condensed consolidated financial statements.

Share Capital

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

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

DIVIDEND

The Directors have resolved not to declare an interim dividend for the financial year ending 31st December, 2025 (2024 - Nil).

EVENT AFTER THE REPORTING PERIOD

Details of the significant event of the Group after the reporting period are set out in note 18 to the condensed consolidated financial statements.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES OR ASSOCIATES

During the period under review, there were no material acquisitions or disposals of subsidiaries or associates of the Company.

STAFF AND REMUNERATION POLICY

The Group employs approximately 1,450 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 norm.

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 benefits plans maintained by the Group include a mandatory provident fund scheme as well as medical and life 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, 2025

		Six months ended 30th June, 2025 (Unaudited)	Six months ended 30th June, 2024 (Unaudited)
	Notes	HK\$'million	HK\$'million
REVENUE	2, 3	905.6	863.4
Cost of sales		(593.7)	(552.4)
Gross profit		311.9	311.0
Other income and gains, net	3	33.8	157.6
Fair value gains/(losses) on financial assets at fair value through profit or loss, net		6.6	(932.6)
Fair value losses on investment properties, net		(135.9)	(91.1)
Impairment loss on properties under development		–	(40.0)
Impairment loss on properties held for sale		(16.4)	–
Impairment loss on investments in associates		(0.2)	(0.3)
Property selling and marketing expenses		(0.5)	(1.1)
Administrative expenses		(113.9)	(138.3)
OPERATING PROFIT/(LOSS) BEFORE DEPRECIATION		85.4	(734.8)
Depreciation	4	(297.4)	(302.2)
OPERATING LOSS		(212.0)	(1,037.0)
Finance costs	5	(410.5)	(511.8)
Share of profits and losses of:			
Joint ventures		(93.8)	(119.4)
An associate		(0.2)	1.4
LOSS BEFORE TAX	4	(716.5)	(1,666.8)
Income tax	6	(15.6)	1.8
LOSS FOR THE PERIOD BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS		(732.1)	(1,665.0)
Attributable to:			
Equity holders of the parent		(677.6)	(1,599.2)
Non-controlling interests		(54.5)	(65.8)
		(732.1)	(1,665.0)
LOSS PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted		HK\$(0.82)	HK\$(1.84)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June, 2025

	Six months ended 30th June, 2025 (Unaudited)	Six months ended 30th June, 2024 (Unaudited)
	HK\$'million	HK\$'million
LOSS FOR THE PERIOD BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	(732.1)	(1,665.0)
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	(50.1)	10.5
Transfer from hedging reserve to profit or loss	2.9	(3.9)
	(47.2)	6.6
Exchange differences on translation of foreign operations	53.2	(19.8)
Share of other comprehensive income/(loss) of:		
A joint venture	17.5	(13.1)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	23.5	(26.3)
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)	(4.6)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	23.2	(30.9)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(708.9)	(1,695.9)
Attributable to:		
Equity holders of the parent	(642.5)	(1,631.7)
Non-controlling interests	(66.4)	(64.2)
	(708.9)	(1,695.9)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June, 2025

		30th June, 2025 (Unaudited)	31st December, 2024 (Audited)
	Notes	HK\$'million	HK\$'million
NON-CURRENT ASSETS			
Property, plant and equipment		4,808.7	5,139.8
Investment properties		1,003.5	1,100.1
Right-of-use assets		12,121.6	12,257.9
Properties under development		401.0	399.9
Investments in joint ventures		2,285.3	2,259.3
Investments in associates		8.9	9.3
Financial assets at fair value through profit or loss		318.2	416.3
Other loan		857.0	857.0
Debtors and deposits	9	6.4	6.8
Derivative financial instruments		–	9.9
Deferred tax assets		47.7	47.7
Intangible asset		3.6	3.6
Total non-current assets		21,861.9	22,507.6
CURRENT ASSETS			
Asset held for sale		209.9	–
Properties held for sale		988.9	994.9
Inventories		20.4	21.2
Debtors, deposits and prepayments	9	347.9	274.8
Financial assets at fair value through profit or loss		59.1	77.2
Derivative financial instruments		–	0.3
Tax recoverable		4.9	3.9
Restricted cash		265.4	351.4
Pledged time deposits and bank balances		296.4	291.7
Time deposits		7.3	31.5
Cash and bank balances		219.2	419.2
Total current assets		2,419.4	2,466.1
CURRENT LIABILITIES			
Creditors, deposits received and accruals	10	(397.6)	(379.5)
Contract liabilities		(89.4)	(63.0)
Lease liabilities		(5.4)	(7.8)
Interest bearing bank borrowings	11	(5,017.6)	(4,912.4)
Other borrowing		–	(73.0)
Derivative financial instruments		(4.8)	–
Tax payable		(30.3)	(33.0)
Total current liabilities		(5,545.1)	(5,468.7)
NET CURRENT LIABILITIES		(3,125.7)	(3,002.6)
TOTAL ASSETS LESS CURRENT LIABILITIES		18,736.2	19,505.0

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

As at 30th June, 2025

		30th June, 2025 (Unaudited)	31st December, 2024 (Audited)
	Notes	HK\$'million	HK\$'million
NON-CURRENT LIABILITIES			
Creditors and deposits received	10	(53.6)	(53.6)
Lease liabilities		(3.6)	(2.8)
Interest bearing bank borrowings	11	(10,471.8)	(10,609.0)
Derivative financial instruments		(54.0)	(0.7)
Deferred tax liabilities		(629.8)	(624.0)
Total non-current liabilities		(11,212.8)	(11,290.1)
Net assets		7,523.4	8,214.9
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital		89.9	89.9
Reserves		5,717.8	6,342.9
		5,807.7	6,432.8
Perpetual securities		1,732.9	1,732.9
Non-controlling interests		(17.2)	49.2
Total equity		7,523.4	8,214.9

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June, 2025

Attributable to equity holders of the parent														
	Equity component of													
	Issued capital (Unaudited) HK\$'m	Share premium account (Unaudited) HK\$'m	Capital redemption reserve (Unaudited) HK\$'m	Convertible notes of a joint venture (Unaudited) HK\$'m	Hedging reserve (Unaudited) HK\$'m	Capital reserve (Unaudited) HK\$'m	Property revaluation reserve (Unaudited) HK\$'m	Fair value reserve (Unaudited) HK\$'m	Exchange equalisation reserve (Unaudited) HK\$'m	Retained profits (Unaudited) HK\$'m	Total (Unaudited) HK\$'m	Perpetual securities (Unaudited) HK\$'m	Non-controlling interests (Unaudited) HK\$'m	Total equity (Unaudited) HK\$'m
At 1st January, 2025	89.9	404.7	17.7	434.5	1.3	740.6	10.3	(87.6)	(106.2)	4,927.6	6,432.8	1,732.9	49.2	8,214.9
Loss for the period	-	-	-	-	-	-	-	-	-	(677.6)	(677.6)	-	(54.5)	(732.1)
Other comprehensive income/(loss) for the period:														
Cash flow hedges	-	-	-	-	(35.3)	-	-	-	-	-	(35.3)	-	(11.9)	(47.2)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	53.2	-	53.2	-	-	53.2
Share of other comprehensive income/(loss) of a joint venture	-	-	-	-	-	-	-	(0.3)	17.5	-	17.2	-	-	17.2
Total comprehensive income/(loss) for the period	-	-	-	-	(35.3)	-	-	(0.3)	70.7	(677.6)	(642.5)	-	(66.4)	(708.9)
Share of a joint venture	-	-	-	-	-	17.4	-	-	-	-	17.4	-	-	17.4
At 30th June, 2025	89.9	404.7	17.7	434.5	(34.0)	758.0	10.3	(87.9)	(35.5)	4,250.0	5,807.7	1,732.9	(17.2)	7,523.4

For the six months ended 30th June, 2025

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30th June, 2025

	Six months ended 30th June, 2025 (Unaudited)	Six months ended 30th June, 2024 (Unaudited)
	HK\$'million	HK\$'million
Net cash flows from operating activities	181.6	124.3
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to investment properties	(7.9)	(1.8)
Purchases of items of property, plant and equipment	(17.0)	(59.0)
Proceeds from disposal of items of property, plant and equipment	–	348.0
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	(0.1)	(0.6)
Distribution from financial assets at fair value through profit or loss	44.1	1.8
Advances to a joint venture	(172.4)	(150.3)
Repayment from a joint venture	89.8	282.1
Interest received	11.1	42.7
Dividend received from unlisted investments	4.7	8.5
Increase in other loan	–	(9.8)
Placement of pledged time deposits and bank balances	(4.7)	(22.7)
Release of restricted cash	16.5	0.3
Net cash flows from investing activities	44.5	439.2
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of new bank loans	21.8	760.8
Repayment of bank loans	(79.4)	(1,323.9)
Repayment of other borrowing	(73.0)	–
Interest paid	(384.7)	(493.4)
Payment of loan and other costs	(1.0)	(8.5)
Principal portion of lease payments	(4.8)	(5.9)
Distribution to holders of perpetual securities	–	(57.2)
Release of restricted cash	67.5	–
Placement of restricted cash	–	(19.5)
Net cash flows used in financing activities	(453.6)	(1,147.6)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

For the six months ended 30th June, 2025

		Six months ended 30th June, 2025 (Unaudited)	Six months ended 30th June, 2024 (Unaudited)
	Note	HK\$'million	HK\$'million
NET DECREASE IN CASH AND CASH EQUIVALENTS		(227.5)	(584.1)
Cash and cash equivalents at beginning of period		450.7	987.1
Effect of foreign exchange rate changes, net		3.3	(2.6)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		<u>226.5</u>	<u>400.4</u>
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	12	<u>226.5</u>	<u>400.4</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting Policies and Basis of Preparation

The condensed consolidated financial statements for the six months ended 30th June, 2025 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, 2024. The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31st December, 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial statements.

Amendments to HKAS 21

Lack of Exchangeability

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

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the condensed consolidated financial statements.

The Group had a net loss attributable to owners of the parent of HK\$677.6 million (2024 - HK\$1,599.2 million) for the period ended 30th June, 2025 and net current liabilities of HK\$3,125.7 million (31st December, 2024 - HK\$3,002.6 million) and net assets of HK\$7,523.4 million (31st December, 2024 - HK\$8,214.9 million) as at 30th June, 2025. The Group had total non-pledged time deposits, cash and bank balances of HK\$226.5 million (31st December, 2024 - HK\$450.7 million) as at 30th June, 2025. The Group also had a positive net cash flows from operating activities of HK\$181.6 million (2024 - HK\$124.3 million) for the period ended 30th June, 2025.

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, 2025, 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, in Hong Kong and overseas, up to the current date;
- (iii) the plan for disposal of certain non-core assets, including certain overseas properties of the Group;
- (iv) the refinancing of the bank loan secured by the Regala Skycity Hotel concluded subsequent to the reporting period; and
- (v) 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 six 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;
- (e) the aircraft ownership and leasing segment* engages in the aircraft ownership and leasing for rental income; and
- (f) the others segment mainly comprises sale of food products, operation and management of restaurants, the provision of housekeeping and related services and provision of construction engineering services.

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 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.

- * As at 30th June, 2024, the Group owned two aircraft engines with a net carrying amount of HK\$57.6 million and average lease rental yield at 7.0%. All of the Group's aircraft engines were disposed of during the year ended 31st December, 2024.

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		Aircraft ownership and leasing		Others		Eliminations		Consolidated	
	Six months ended 30th June, 2025	2024	Six months ended 30th June, 2025	2024	Six months ended 30th June, 2025	2024	Six months ended 30th June, 2025	2024	Six months ended 30th June, 2025	2024	Six months ended 30th June, 2025	2024	Six months ended 30th June, 2025	2024	Six months ended 30th June, 2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(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	HK\$'m	HK\$'m
Segment revenue:																
Sales to external customers	849.9	814.7	-	-	11.4	9.0	(0.5)	1.3	-	11.8	44.8	26.6	-	-	905.6	863.4
Intersegment sales	0.1	0.1	46.3	46.7	1.3	1.2	-	-	-	-	90.1	87.1	(137.8)	(135.1)	-	-
Total	850.0	814.8	46.3	46.7	12.7	10.2	(0.5)	1.3	-	11.8	134.9	113.7	(137.8)	(135.1)	905.6	863.4
Segment results before depreciation	234.3	236.5	(6.6)	(6.5)	(122.4)	(83.4)	4.7	(928.8)	-	78.2	2.1	1.8	-	-	112.1	(702.2)
Depreciation	(293.4)	(296.9)	-	-	(2.0)	(2.0)	-	-	-	(2.2)	(2.0)	(1.1)	-	-	(297.4)	(302.2)
Segment operating results	(59.1)	(60.4)	(6.6)	(6.5)	(124.4)	(85.4)	4.7	(928.8)	-	76.0	0.1	0.7	-	-	(185.3)	(1,004.4)
Unallocated interest income and unallocated non-operating and corporate gains															8.3	16.0
Unallocated non-operating and corporate expenses, net															(35.2)	(48.9)
Finance costs (other than interest on lease liabilities)															(410.3)	(511.5)
Share of profits and losses of:																
Joint ventures	-	-	-	-	(93.8)	(119.4)	-	-	-	-	-	-	-	-	(93.8)	(119.4)
An associate	-	-	-	-	(0.2)	1.4	-	-	-	-	-	-	-	-	(0.2)	1.4
Loss before tax															(716.5)	(1,666.8)
Income tax															(15.6)	1.8
Loss for the period before allocation between equity holders of the parent and non-controlling interests															(732.1)	(1,665.0)
Attributable to:																
Equity holders of the parent															(677.6)	(1,599.2)
Non-controlling interests															(54.5)	(65.8)
															(732.1)	(1,665.0)

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, 2025 (Unaudited)	Six months ended 30th June, 2024 (Unaudited)
	HK\$'million	HK\$'million
<u>Revenue</u>		
<i>Revenue from contracts with customers</i>		
Hotel operations and management services	819.8	782.3
Construction and construction related income	11.0	–
Other operations	36.0	28.9
<i>Revenue from other sources</i>		
Rental income:		
Hotel properties	20.5	21.1
Investment properties	17.4	16.6
Aircraft	–	11.8
Others	1.4	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	0.2	0.8
Dividend income from listed investments	0.1	0.5
Total	905.6	863.4

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, 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	<u>819.8</u>	<u>2.2</u>	<u>44.8</u>	<u>866.8</u>
Geographical markets				
Hong Kong	817.9	2.2	44.8	864.9
Mainland China	1.9	–	–	1.9
Total	<u>819.8</u>	<u>2.2</u>	<u>44.8</u>	<u>866.8</u>
Timing of revenue recognition				
At a point in time	163.9	–	–	163.9
Over time	655.9	2.2	44.8	702.9
Total	<u>819.8</u>	<u>2.2</u>	<u>44.8</u>	<u>866.8</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 30th June, 2024

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	778.6	–	–	778.6
Management services	3.7	–	–	3.7
Other operations	–	2.3	26.6	28.9
Total	<u>782.3</u>	<u>2.3</u>	<u>26.6</u>	<u>811.2</u>
Geographical markets				
Hong Kong	780.1	2.3	26.6	809.0
Mainland China	2.2	–	–	2.2
Total	<u>782.3</u>	<u>2.3</u>	<u>26.6</u>	<u>811.2</u>
Timing of revenue recognition				
At a point in time	158.1	–	0.1	158.2
Over time	624.2	2.3	26.5	653.0
Total	<u>782.3</u>	<u>2.3</u>	<u>26.6</u>	<u>811.2</u>

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, 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
Revenue from contracts with customers				
External customers	819.8	2.2	44.8	866.8
Intersegment sales	–	–	90.1	90.1
Sub-total	819.8	2.2	134.9	956.9
Intersegment adjustments and eliminations	–	–	(90.1)	(90.1)
Total	819.8	2.2	44.8	866.8

For the six months ended 30th June, 2024				
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
Revenue from contracts with customers				
External customers	782.3	2.3	26.6	811.2
Intersegment sales	–	–	87.1	87.1
Sub-total	782.3	2.3	113.7	898.3
Intersegment adjustments and eliminations	–	–	(87.1)	(87.1)
Total	782.3	2.3	26.6	811.2

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

	Six months ended 30th June, 2025 (Unaudited)	Six months ended 30th June, 2024 (Unaudited)
	HK\$'million	HK\$'million
<u>Other income and gains, net</u>		
Bank interest income	5.2	9.6
Other interest income	28.9	69.3
Dividend income from unlisted investments	4.7	8.5
Loss on disposal of unlisted investments included in financial assets at fair value through profit or loss	(5.5)	–
Gain on disposal of items of property, plant and equipment	–	69.2
Others	0.5	1.0
Total	33.8	157.6

4. Loss Before Tax

The Group's loss before tax includes the following items:

	Six months ended 30th June, 2025 (Unaudited)	Six months ended 30th June, 2024 (Unaudited)
	HK\$'million	HK\$'million
Depreciation of property, plant and equipment	158.2	161.6
Depreciation of right-of-use assets	139.2	140.6
	297.4	302.2

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

5. Finance Costs

	Six months ended 30th June, 2025 (Unaudited)	Six months ended 30th June, 2024 (Unaudited)
	HK\$'million	HK\$'million
Interest on bank loans	386.2	493.2
Interest on other borrowing	0.2	–
Interest on lease liabilities	0.2	0.3
Amortisation of debt establishment costs	20.1	20.7
Total interest expenses on financial liabilities not at fair value through profit or loss	406.7	514.2
Fair value changes on derivative financial instruments – cash flow hedges (transfer from hedging reserve)	2.9	(3.9)
Other loan costs	0.9	1.6
Subtotal	410.5	511.9
Less: Finance costs capitalised	–	(0.1)
Total	410.5	511.8

6. Income Tax

	Six months ended 30th June, 2025 (Unaudited)	Six months ended 30th June, 2024 (Unaudited)
	HK\$'million	HK\$'million
Current – Hong Kong Charge for the period	12.5	8.5
Current – Overseas Charge for the period	–	1.2
Deferred	3.1	(11.5)
Total tax charge/(credit) for the period	15.6	(1.8)

The provision for Hong Kong profits tax has been calculated by applying the applicable tax rate of 16.5% (2024 - 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.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

The share of tax credit attributable to a joint venture amounting to HK\$1.9 million (2024 - tax charge of HK\$46.8 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, 2025, nor has any dividend been proposed since the end of the reporting period (2024 - Nil).

8. Loss Per Ordinary Share Attributable to Equity Holders of the Parent

(a) Basic loss per ordinary share

The calculation of basic loss per ordinary share for the period ended 30th June, 2025 is based on the loss for the period attributable to equity holders of the parent of HK\$677.6 million (2024 - HK\$1,599.2 million), adjusted for the accrued distribution related to perpetual securities of HK\$56.9 million (2024 - distribution related to perpetual securities of HK\$57.2 million), and on the weighted average of 898.8 million (2024 - 898.8 million) ordinary shares of the Company outstanding during the period.

(b) Diluted loss per ordinary share

No adjustment was made to the basic loss per ordinary share for the periods ended 30th June, 2025 and 2024 as the Company had no potentially dilutive ordinary shares outstanding and therefore no diluting events existed throughout the periods.

9. Debtors, Deposits and Prepayments

Included in the balance is an amount of HK\$109.9 million (31st December, 2024 - HK\$105.9 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, 2025 (Unaudited)	31st December, 2024 (Audited)
	HK\$'million	HK\$'million
Outstanding balances with ages:		
Within 3 months	92.7	88.3
4 to 6 months	7.1	6.5
7 to 12 months	7.0	7.6
Over 1 year	12.0	15.5
	<hr/>	<hr/>
	118.8	117.9
Impairment	(8.9)	(12.0)
	<hr/>	<hr/>
Total	109.9	105.9
	<hr/>	<hr/>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

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\$34.5 million (31st December, 2024 - HK\$12.8 million) and an amount due from an associate of a joint venture of HK\$2.0 million (31st December, 2024 - Nil), 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\$38.7 million (31st December, 2024 - HK\$72.2 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, 2025 (Unaudited)	31st December, 2024 (Audited)
	HK\$'million	HK\$'million
Outstanding balances with ages:		
Within 3 months	35.4	68.6
4 to 6 months	1.2	3.2
7 to 12 months	1.9	–
Over 1 year	0.2	0.4
Total	<u>38.7</u>	<u>72.2</u>

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\$12.7 million (31st December, 2024 - HK\$12.7 million), HK\$22.7 million (31st December, 2024 - HK\$22.7 million) and HK\$34.9 million (31st December, 2024 - HK\$6.0 million), respectively, and as at 31st December, 2024, an amount due to an associate of a joint venture of HK\$1.8 million, 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, 2025 (Unaudited)		31st December, 2024 (Audited)	
	Maturity	HK\$'million	Maturity	HK\$'million
Current				
Bank loans – secured	2025 - 2026	5,017.6	2025	4,912.4
Non-current				
Bank loans – secured	2026 - 2031	10,471.8	2026 - 2031	10,609.0
Total		<u>15,489.4</u>		<u>15,521.4</u>

	30th June, 2025 (Unaudited)	31st December, 2024 (Audited)
	HK\$'million	HK\$'million
Analysed into:		
Bank loans repayable:		
Within one year	5,017.6	4,912.4
In the second year	8,538.3	5,137.2
In the third to fifth years, inclusive	1,928.5	5,464.9
Beyond five years	5.0	6.9
Total	<u>15,489.4</u>	<u>15,521.4</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 periodic basis. As at 30th June, 2025, 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.

On 10th August, 2021, Regal REIT group, through its wholly-owned subsidiaries, Bauhinia Hotels Limited and Rich Day Investments Limited, entered into a 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"), for a term of five years to August 2026. The 2021 IH Facilities are secured by four of the five Initial Hotels, namely, the Regal Airport Hotel, the Regal Hongkong Hotel, the Regal Oriental Hotel and the Regal Riverside Hotel. As at 30th June, 2025, the 2021 IH Facilities had an outstanding amount of HK\$4,999.5 million, representing the full amount of the term loan facility and an amount of HK\$499.5 million under the revolving loan facility.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

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, 2025, the outstanding amount of the 2022 RKH Facility was HK\$2,800.0 million, after instalment repayment of HK\$50.0 million each in June 2023, June 2024 and June 2025, 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 18th July, 2024, a new term loan facility of HK\$416.5 million (the "2024 WC Facility") was arranged with a new lender, similarly secured by the iclub Wan Chai Hotel, which was used primarily to refinance the previous term loan facility of HK\$405.0 million that matured in July 2024. The 2024 WC Facility carries interest based on Hong Kong Interbank Offered Rate ("HIBOR") and has a loan maturity of December 2027. As at 30th June, 2025, 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 17th October, 2023, Regal REIT group arranged, through its wholly-owned subsidiary, a new bilateral term loan facility of HK\$749.5 million, secured by the iclub Sheung Wan Hotel (the "2023 SW Facility") to replace the then term and revolving loan facilities of HK\$790.0 million. The 2023 SW Facility bears HIBOR-based interest with a four-year term to October 2027. As at 30th June, 2025, 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 new bilateral term loan facility of HK\$755.0 million and secured by the iclub Fortress Hill Hotel (the "2023 FH Facility") to replace the then term and revolving loan facilities of HK\$825.0 million. The 2023 FH Facility bears HIBOR-based interest and has a term of five years to November 2028. As at 30th June, 2025, 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 15th November, 2023, Regal REIT group arranged, through its wholly-owned subsidiary, a new term loan facility of HK\$650.0 million, secured by the iclub To Kwa Wan Hotel (the "2023 TKW Facility"), with a term of two years to November 2025 and bearing HIBOR-based interest, to replace the then term loan facility of HK\$621.0 million. As at 30th June, 2025, the outstanding amount of the 2023 TKW Facility was HK\$650.0 million, representing the full amount of the term loan.

As at 30th June, 2025, the outstanding loan facilities bore interest at the HIBOR plus an interest margin ranging from 1.05% per annum to 1.80% per annum (31st December, 2024 - ranging from 1.05% per annum to 1.80% per annum).

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

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, 2025, the Group's other bank borrowings bore interest at HIBOR plus an interest margin ranging from 1.55% per annum to 2.35% per annum except for a bank loan of HK\$40.9 million, which bore interest at Euro Interbank Offered Rate ("EURIBOR") plus 0.95% per annum. All interest bearing bank borrowings were denominated in Hong Kong dollars except for a bank loan of HK\$40.9 million which was denominated in Euro.

As at 31st December, 2024, the Group's other bank borrowings bore interest at HIBOR plus an interest margin ranging from 1.55% per annum to 2.35% per annum except for a bank loan of HK\$40.4 million, which bore interest at EURIBOR plus 0.95% per annum. All interest bearing bank borrowings were denominated in Hong Kong dollars except for a bank loan of HK\$40.4 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 14 to the condensed consolidated financial statements.

12. Note to the Condensed Consolidated Statement of Cash Flows

Cash and cash equivalent balances

	Six months ended 30th June, 2025 (Unaudited)	Six months ended 30th June, 2024 (Unaudited)
	HK\$'million	HK\$'million
Cash and bank balances	219.2	228.6
Non-pledged time deposits with an original maturity of less than three months when acquired	7.3	171.8
Cash and cash equivalents	226.5	400.4

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

13. 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, 2025 (Unaudited)	Six months ended 30th June, 2024 (Unaudited)
	HK\$'million	HK\$'million
Fellow subsidiaries:		
Management fees	18.9	19.9
Service fees in respect of security systems and products and other software	0.2	0.2
Repairs and maintenance fees and construction fees	–	11.0
An associate:		
Advertising and promotion fees (including cost reimbursements)	0.8	1.5
A joint venture:		
Gross interest income	23.7	42.8
Estate management fee income	0.3	0.3
	<u>23.7</u>	<u>42.8</u>

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, 2024.

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

	30th June, 2025 (Unaudited)	31st December, 2024 (Audited)
	HK\$'million	HK\$'million
Due from fellow subsidiaries	34.5	12.8
Due to a joint venture	(22.7)	(22.7)
Due to associates	(12.7)	(12.7)
Due to fellow subsidiaries	(34.9)	(6.0)
Loans to a joint venture	2,403.3	2,320.7
Due from a joint venture	57.6	57.6
Due from associates	83.7	83.5
Due from/(to) an associate of a joint venture	2.0	(1.8)
Other loan	857.0	857.0
	<u>2,403.3</u>	<u>2,320.7</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

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

	Six months ended 30th June, 2025 (Unaudited)	Six months ended 30th June, 2024 (Unaudited)
	HK\$'million	HK\$'million
Short term employee benefits	12.8	14.5
Staff retirement scheme contributions	0.9	1.0
Total compensation paid to key management personnel	13.7	15.5

14. Pledge of Assets

As at 30th June, 2025, the Group's properties under development and certain of the Group's property, plant and equipment, investment properties, right-of-use assets, properties held for sale, time deposits and bank balances in the total amount of HK\$19,484.3 million (31st December, 2024 - HK\$19,871.2 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.

As at 31st December, 2024, the equity interests in the holding company of a property development project was also pledged to secure the other borrowing of the Group, which was released during the period upon the full repayment of the other borrowing.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

15. Contingent Liabilities

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

	30th June, 2025 (Unaudited)	31st December, 2024 (Audited)
	HK\$'million	HK\$'million
Corporate guarantees provided in respect of attributable share of banking facilities granted to certain subsidiaries of a joint venture	1,987.5	1,987.5
Corporate guarantee provided in respect of a banking facility granted to an associate of a joint venture	200.0	200.0

At 30th June, 2025, the banking facilities granted to certain subsidiaries and an associate of a joint venture subject to corporate guarantees given on a several basis to banks by the Group were utilised to the extent of HK\$1,746.4 million (31st December, 2024 - HK\$1,815.9 million) and HK\$194.7 million (31st December, 2024 - HK\$194.7 million), respectively.

In addition, a corporate guarantee has been given to a bank by the Group for a performance bond issued by the bank in relation to a property development contract undertaken by the Group amounting to HK\$15.0 million (31st December, 2024 - HK\$15.0 million).

Furthermore, a corporate guarantee has been given to a bank by the 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 (31st December, 2024 - HK\$93.0 million) issued by the Inland Revenue Department of Hong Kong SAR 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 condensed consolidated financial statements.

As at 30th June, 2025, 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, 2024 - 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.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

16. Capital Commitments

At 30th June, 2025, the Group's share of maximum capital commitment as agreed for P&R in respect of its property development projects amounted to HK\$4,200.0 million (31st December, 2024 - HK\$4,200.0 million) (the "P&R Capital Commitment"). At 30th June, 2025, shareholder's loans in an aggregate amount of HK\$2,403.3 million (31st December, 2024 - HK\$2,320.7 million) have been contributed, of which HK\$1,901.9 million (31st December, 2024 - HK\$1,819.3 million) has been provided under the P&R Capital Commitment, which was interest free except for an amount of HK\$96.4 million bearing interest at 3.5% per annum (31st December, 2024 - HK\$107.0 million bearing interest at 3.5% per annum). The balance of the shareholders loans of HK\$501.4 million (31st December, 2024 - HK\$501.4 million) was interest-free. In addition, a total amount of HK\$1,941.1 million (31st December, 2024 - HK\$2,010.6 million) has been provided as guarantees, on a several basis, for banking facilities granted to certain subsidiaries, of which HK\$1,746.4 million (31st December, 2024 - HK\$1,815.9 million) have been provided under the P&R Capital Commitment and an associate of P&R of HK\$194.7 million (31st December, 2024 - HK\$194.7 million), respectively.

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, 2025 (Unaudited)	31st December, 2024 (Audited)
	HK\$'million	HK\$'million
Contracted, but not provided for	<u>55.5</u>	<u>55.4</u>

In addition to the above share of a joint venture's own capital commitments, the Group had the following capital commitments at the end of the reporting period:

	30th June, 2025 (Unaudited)	31st December, 2024 (Audited)
	HK\$'million	HK\$'million
Contracted, but not provided for:		
Property development projects	<u>—</u>	<u>—</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

17. 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, 2025

	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	27.5	–	–	27.5
Listed debt investments	–	6.7	–	6.7
Unlisted equity investments	–	–	58.4	58.4
Unlisted fund investments	–	–	259.6	259.6
Unlisted debt investments	–	24.9	0.2	25.1
Total	27.5	31.6	318.2	377.3

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

Assets measured at fair value as at 31st December, 2024

	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 assets at fair value through profit or loss:				
Listed equity investments	42.3	–	–	42.3
Listed debt investments	–	6.6	–	6.6
Unlisted equity investments	–	–	59.2	59.2
Unlisted fund investments	–	–	356.9	356.9
Unlisted debt investments	–	28.3	0.2	28.5
Derivative financial instruments	–	10.2	–	10.2
Total	42.3	45.1	416.3	503.7

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

	2025 (Unaudited) HK\$'million	2024 (Unaudited) HK\$'million
Financial assets at fair value through profit or loss – unlisted investments:		
At 1st January	416.3	582.5
Purchases	0.1	0.6
Distributions	(44.1)	(1.8)
Disposals	(85.9)	–
Total losses recognised in profit or loss, net	31.8	(57.6)
At 30th June	318.2	523.7

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

Liabilities measured at fair value as at 30th June, 2025

	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	–	58.8	–	58.8

Liabilities measured at fair value as at 31st December, 2024

	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	–	0.7	–	0.7

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 (2024 - 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 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.

18. Event After the Reporting Period

On 29th July, 2025, the Group entered into a share purchase agreement with an independent third party to dispose of the entire issued share capital of Waterman House Investments Limited (the "Target Company"), a wholly owned subsidiary of the Company, for a headline purchase price of £ 19.5 million (equivalent to approximately HK\$204.1 million). The Target Company is the sole legal and beneficial owner of Waterman House, a property located at 41 Kingsway, London, United Kingdom. Further details of the transaction are contained in the Company's announcement dated 29th July, 2025.

19. Approval of the Unaudited Condensed Consolidated Financial Statements

These unaudited condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 27th August, 2025.

DIRECTORS' INTERESTS IN SHARE CAPITAL

As at 30th June, 2025, 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, 2025)
					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%)
		Dr. Francis Choi Chee Ming	Ordinary (issued)	50,240,000	–	–	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%)
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%)
		Mr. Allen Wan Tze Wai	Ordinary (issued)	24,000	–	–	24,000 (0.001%)
		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, 2025)
				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%)
		Mr. Allen Wan Tze Wai	Ordinary (issued)	200	–	–	200 (0.000%)
4.	Cosmopolitan International Holdings Limited ("Cosmopolitan")	Mr. Lo Yuk Sui	Ordinary (i) (issued)	–	871,504,279 (Note d)	–	871,504,279
			(ii) (unissued)	–	1,591,775,147 (Note e)	–	1,591,775,147
						Total:	2,463,279,426 (198.71%)
			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 (0.05%)

	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, 2025)
				Personal interests	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 706,851,215 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 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 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 1,362,226,414 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 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, 2025, 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, 2025, 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, 2025
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%

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, 2025, 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, 2025 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. Allen Wan Tze Wai is a director of CCIHL.
- (5) 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

The 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, 2024 is set out below:

Name of Director

Details of change

Independent Non-Executive Director:

Mr. Wong Chi Keung

- Resigned as an independent non-executive director of Yuan Heng Gas Holdings Limited, a company listed on the Stock Exchange, with effect from 1st August, 2025.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules. The updated biographical details of the Directors of the Company are set out in the preceding section headed "Directors' Profile".

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, 2025 are set out below:

Name of Affiliated Companies		Principal Amount of Advances (HK\$'million)	Interest Receivable (HK\$'million)	Guarantee given for Banking Facilities	
				(i) Principal Amount of Banking Facilities (HK\$'million)	(ii) Amount of Banking Facilities Drawdown (HK\$'million)
8D International (BVI) Limited	(A)	13.7	–	Nil	Nil
8D Matrix Limited	(B)	68.9	–	Nil	Nil
P&R Holdings Limited	(C)	<u>2,403.3</u>	<u>(D) 57.6</u>	<u>(E)(i) 2,187.5</u>	<u>(E)(ii) 1,941.1</u>
Total: (A) to (E)(i)					<u>4,731.0</u>
				(A) to (D) & (E)(ii)	<u>4,484.6</u>

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 Mainland China. 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\$96.4 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 facilities of, in aggregate, HK\$1,941.1 million made available to six wholly owned subsidiaries and an associate of P&R 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 facilities granted to certain wholly owned subsidiaries of P&R is set out in note 16 to the condensed consolidated financial statements.

Calculated on the basis shown above, as at 30th June, 2025, the aggregate amount of financial assistance provided to and bank guarantees given for affiliated companies by the Group in the respective sums of (a) HK\$4,731.0 million (based on the total available amount of the banking facilities) and (b) HK\$4,484.6 million (based on the total amount of banking facilities drawdown) represented (a) 19.5% and (b) 18.5% of the consolidated total assets of the Group of HK\$24,281.3 million, calculated by reference to its latest unaudited condensed consolidated financial statements for the six months ended 30th June, 2025.

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, 2025, which were discloseable 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	4,344.7	2,169.3
Current assets	6,855.4	3,423.5
Current liabilities	(3,737.0)	(1,868.0)
Non-current liabilities	(7,577.7)	(3,651.1)
	(114.6)	73.7
Non-controlling interests	(283.4)	(141.6)
Net liabilities attributable to equity holders of the parent	(398.0)	(67.9)

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, 2025, 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, 2025.

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, 2025. The Company did not hold any treasury shares as at 30th June, 2025.

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, 2025, in conjunction with the external auditor. The review report of the external auditor is set out on page 60 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 50, which comprises the condensed consolidated statement of financial position of Regal Hotels International Holdings Limited (the “Company”) and its subsidiaries as at 30th June, 2025 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

27th August, 2025

