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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your ordinary shares in **Regal Hotels International Holdings Limited**, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE AND  
REPURCHASE ORDINARY SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the 2011 Annual General Meeting of Regal Hotels International Holdings Limited (the "Company") to be held at the Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Tuesday, 31st May, 2011 at 11:00 a.m. is appended to this circular. If you do not propose to attend the Meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Meeting or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the Meeting or at any adjourned meeting should you so wish, and in the event that you turn out for such meeting(s) after sending in the proxy form, the proxy shall be deemed to be revoked.

27th April, 2011

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## DEFINITIONS

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*In this circular, the following expressions have the meanings set out below unless the context requires otherwise:*

“2010 Annual Report”	the annual report of the Company for the year ended 31st December, 2010
“2011 AGM”	the annual general meeting of the Company convened to be held on Tuesday, 31st May, 2011 at 11:00 a.m.
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors, presently comprising seven Executive Directors, a Non-Executive Director and three Independent Non-Executive Directors, all as named in the Letter from the Chairman contained in this circular
“Bye-laws”	the bye-laws of the Company
“Century”	Century City International Holdings Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the Stock Exchange
“Century City Group”	Century, Paliburg and the Company, together with their respective subsidiaries (in respect of the Company, not including Regal REIT and its subsidiaries)
“Century Share Option Scheme”	the share option scheme of Century named as “The Century City International Holdings Limited Share Option Scheme”
“CCIHL Group”	Century and Paliburg, together with their respective subsidiaries
“Companies Act”	The Companies Act 1981 of Bermuda
“Company”	Regal Hotels International Holdings Limited, a company incorporated in Bermuda with limited liability, the Ordinary Shares of which are listed on the Stock Exchange
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“controlling shareholders”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and Regal REIT, together with their respective subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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## DEFINITIONS

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“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	20th April, 2011, being the latest practicable date for the purposes of ascertaining certain information in this circular
“listed public companies”	public companies which securities are listed on any securities market in Hong Kong or overseas
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Notice of 2011 AGM”	the notice convening the 2011 AGM appended to this circular
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as set out in the Notice of 2011 AGM
“Ordinary Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Paliburg”	Paliburg Holdings Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the Stock Exchange
“Paliburg Group”	Paliburg and its subsidiaries
“Paliburg Share Option Scheme”	the share option scheme of Paliburg named as “The Paliburg Holdings Limited Share Option Scheme”
“Regal REIT”	Regal Real Estate Investment Trust, a Hong Kong collective investment scheme authorised under section 104 of the SFO, the units of which are listed on the Stock Exchange
“Regal Share Option Scheme”	the share option scheme of the Company named as “The Regal Hotels International Holdings Limited Share Option Scheme”
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors in such manners as set out in Ordinary Resolution 5(A) contained in the Notice of 2011 AGM relating to the repurchase of Ordinary Shares
“Repurchase Proposal”	the proposal with respect to the repurchase of the Ordinary Shares pursuant to the Repurchase Mandate, details of which proposal are set out in “Appendix II — Explanatory Statement on Repurchase of Ordinary Shares” to this circular

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## DEFINITIONS

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“Retiring Directors”	those Directors who, as named under the section headed “Re-election of Directors” in the Letter from the Chairman contained in this circular, will retire at the 2011 AGM pursuant to the Bye-laws
“RHIHL Group”	the Company and its subsidiaries (not including Regal REIT and its subsidiaries)
“RPML”	Regal Portfolio Management Limited, a wholly owned subsidiary of the Company and the manager of Regal REIT
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shareholder(s)”	holder(s) of Ordinary Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholders”	has the meaning ascribed thereto in the Listing Rules
“Takeover Code”	Hong Kong Code on Takeovers and Mergers
“%”	per cent

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## LETTER FROM THE CHAIRMAN

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*Executive Directors:*

LO Yuk Sui (*Chairman and Chief Executive Officer*)  
Belinda YEUNG Bik Yiu (*Chief Operating Officer*)  
Donald FAN Tung  
Jimmy LO Chun To  
LO Po Man  
Kenneth NG Kwai Kai  
Allen WAN Tze Wai

*Head office and principal place  
of business:*

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

*Registered office:*

Rosebank Centre, 11 Bermudiana Road  
Pembroke, Bermuda

*Non-Executive Director:*

Francis CHOI Chee Ming, GBS, JP (*Vice Chairman*)

*Independent Non-Executive Directors:*

Alice KAN Lai Kuen  
NG Siu Chan  
WONG Chi Keung

27th April, 2011

*To the Shareholders*

Dear Sir or Madam,

**RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE AND  
REPURCHASE ORDINARY SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

The purpose of this circular is to provide the Shareholders with requisite information with respect to the resolutions to be proposed at the forthcoming 2011 AGM relating to the followings:

- (1) the re-election of the Retiring Directors who will retire and, being eligible, have offered themselves for re-election at the 2011 AGM;
- (2) the grant of a general mandate to the Directors for the issue of new Ordinary Shares in such manners as set out in Ordinary Resolutions 5(B) and 5(C) contained in the Notice of 2011 AGM; and
- (3) the grant of the Repurchase Mandate to the Directors for the Repurchase Proposal.

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## LETTER FROM THE CHAIRMAN

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### **Re-election of Directors**

In accordance with Bye-law 109(A) of the Bye-laws, the Retiring Directors, namely Mr. LO Yuk Sui, the Chairman and Chief Executive Officer, Mr. Kenneth NG Kwai Kai, an Executive Director, and Mr. NG Siu Chan and Mr. WONG Chi Keung, both Independent Non-Executive Directors, will retire from office by rotation at the 2011 AGM.

The Retiring Directors, being eligible, have offered themselves for re-election at the 2011 AGM.

The re-election of the Retiring Directors at the 2011 AGM will not be for any specific term of office, but the Retiring Directors will be subject to retirement by rotation at least once every three years in accordance with the Bye-laws. The particulars of the Retiring Directors offering for re-election, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix I to this circular.

### **General Mandate to Issue Ordinary Shares**

The Directors wish to seek the approval of the Shareholders (i) to grant a general mandate to the Directors to exercise the powers of the Company to allot and issue new Ordinary Shares up to 20% of the Ordinary Shares in issue as at the date of the passing of the proposed Ordinary Resolution 5(B) as set out in the Notice of 2011 AGM; and (ii) to extend the 20% share issuing mandate to be granted pursuant to Ordinary Resolution 5(B) by adding to such mandate the number of Ordinary Shares repurchased by the Company pursuant to the Repurchase Mandate.

Based on 1,001,418,333 Ordinary Shares in issue as at the Latest Practicable Date and on the assumption that there will be no variation in the issued ordinary share capital of the Company during the period up to the date of 2011 AGM on 31st May, 2011, the Company would be allowed to allot and issue a maximum number of 200,283,666 Ordinary Shares pursuant to the 20% share issuing mandate as set out in Ordinary Resolution 5(B).

There is no immediate plan for the issue by the Company of any new Ordinary Shares pursuant to the 20% share issuing mandate.

### **General Mandate to Repurchase Ordinary Shares**

The Directors wish to seek the approval of the Shareholders to the Repurchase Mandate for the Repurchase Proposal. The explanatory statement regarding the Repurchase Proposal required to be sent to the Shareholders in accordance with the Listing Rules is set out in Appendix II to this circular.

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## LETTER FROM THE CHAIRMAN

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### **Notice of 2011 AGM**

The Notice of 2011 AGM is contained in pages 14 to 16 of this circular. Pursuant to Rule 13.39(4) of the Listing Rules and Bye-law 78 of the Bye-laws, voting on all resolutions to be put forth to the Shareholders at the 2011 AGM will be taken by poll. The Company will announce the results of poll voting by way of publication of an announcement in accordance with the requirements under Rule 13.39(5) of the Listing Rules on the websites of the Stock Exchange and the Company, respectively.

### **Recommendation from the Directors**

The Directors consider that the proposed grant of the Repurchase Mandate and the 20% share issuing mandate pursuant to the Ordinary Resolution 5(A) and the Ordinary Resolutions 5(B) and 5(C), respectively, are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of these Ordinary Resolutions to be proposed at the 2011 AGM.

Yours faithfully,  
**LO YUK SUI**  
*Chairman*



**(I) Mr. LO Yuk Sui (*Chairman and Chief Executive Officer*)**

Mr. Lo, aged 66, was appointed as the 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. Mr. Lo was designated as the Chief Executive Officer of the Company in 2007. He is also the chairman and chief executive officer of Century and Paliburg, of which the Company is the listed associate, and the non-executive chairman of RPML, the manager of Regal REIT (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 RHIHL Group. Save as disclosed herein, Mr. Lo has not held any directorships in other listed public companies during the last three years.

Mr. Lo's directorship with the Company is subject to retirement by rotation at least once every three years pursuant to the relevant provisions under the Bye-laws. Mr. Lo does not have a service contract with the Group. He is entitled to normal director's fee in the amount of HK\$100,000 per annum each in acting as a Director and the non-executive chairman of RPML, which was determined based on the duties and responsibilities in respect of such offices and, where required, was previously approved by the Shareholders at general meeting. With respect to his executive role, Mr. Lo is also entitled to receive from the RHIHL Group allocated monthly salary of HK\$292,500, which was determined by reference to industry norm and market conditions and based on the services rendered to the RHIHL Group and, in addition, performance based discretionary bonus, housing accommodation, incentive share options and other related employee benefits and allowances.

As at the Latest Practicable Date, Mr. Lo held the following interests in the securities of the Company, Century and Paliburg within the meaning of Part XV of the SFO:

- (1) interests directly held by Mr. Lo and indirectly, held through his associates, in an aggregate number of 495,120,161 issued Ordinary Shares and derivative interests directly held by Mr. Lo in 20,000,000 new Ordinary Shares through interests in certain share options granted to him under the Regal Share Option Scheme, in aggregate representing approximately 51.44% of the issued ordinary share capital of the Company as at the Latest Practicable Date;
- (2) interests directly held by Mr. Lo and indirectly, held through his associates, in an aggregate number of 1,833,148,770 issued ordinary shares of Century and derivative interests directly held by Mr. Lo in 35,840,000 new ordinary shares of Century through interests in certain share options granted to him under the Century Share Option Scheme, in aggregate representing approximately 57.55% of the issued ordinary share capital of Century as at the Latest Practicable Date; and
- (3) interests directly held by Mr. Lo and indirectly, held through his associates, in an aggregate number of 783,367,817 issued ordinary shares of Paliburg and derivative interests directly held by Mr. Lo in 20,088,000 new ordinary shares of Paliburg through interests in certain share options granted to him under the Paliburg Share Option Scheme, in aggregate representing approximately 71.47% of the issued ordinary share capital of Paliburg as at the Latest Practicable Date.

Details of the directorships of Mr. Lo in the substantial and controlling shareholders of the Company are disclosed under the section headed “Substantial Shareholders’ Interests in Share Capital” in the Report of the Directors contained in the 2010 Annual Report. Mr. Lo is the father of Mr. Jimmy Lo Chun To and Miss Lo Po Man, both being Executive Directors of the Company. Save as disclosed herein, Mr. Lo does not have any other relationships with any Directors, senior management, or substantial or controlling shareholders of the Company.

There is no information that is required to be disclosed by Mr. Lo pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders in relation to the re-election of Mr. Lo.

**(II) Mr. Kenneth NG Kwai Kai (*Executive Director*)**

**Mr. Kenneth Ng**, aged 56, was appointed as an Executive Director in 1998. Mr. Ng joined the Group in 1985 and is in charge of the corporate finance, company secretarial and administrative functions of the Century City Group. Mr. Ng is a Chartered Secretary. He is also an executive director and the chief operating officer of Century, an executive director of Paliburg, and a non-executive director of Cosmopolitan International Holdings Limited, a company listed on the Stock Exchange. Save as disclosed herein, Mr. Ng has not held any directorships in other listed public companies during the last three years.

Mr. Ng’s directorship with the Company is subject to retirement by rotation at least once every three years pursuant to the relevant provisions under the Bye-laws. Mr. Ng does not have a service contract with the Group. He is entitled to normal Director’s fee in the amount of HK\$100,000 per annum in acting as a Director, which was determined based on the duties and responsibilities in respect of such office and was previously approved by the Shareholders at general meeting. With respect to his executive role, Mr. Ng is also entitled to receive from the RHIHL Group allocated monthly salary of HK\$99,450, which was determined by reference to industry norm and market conditions and based on the services rendered to the RHIHL Group and, in addition, performance based discretionary bonus, incentive share options and other related employee benefits and allowances.

As at the Latest Practicable Date, Mr. Ng held the following interests in the securities of the Company and Paliburg within the meaning of Part XV of the SFO:

- (1) derivative interests directly held by Mr. Ng in 2,000,000 new Ordinary Shares through interests in certain share options granted to him under the Regal Share Option Scheme, representing approximately 0.20% of the issued ordinary share capital of the Company as at the Latest Practicable Date; and
- (2) interests directly held by Mr. Ng in 75,000 issued ordinary shares of Paliburg and derivative interests directly held by Mr. Ng in 2,176,200 new ordinary shares of Paliburg through interests in certain share options granted to him under the Paliburg Share Option Scheme, in aggregate representing approximately 0.20% of the issued ordinary share capital of Paliburg as at the Latest Practicable Date.

Details of the directorships of Mr. Ng in the substantial and controlling shareholders of the Company are disclosed under the section headed “Substantial Shareholders’ Interests in Share Capital” in the Report of the Directors contained in the 2010 Annual Report. Save as disclosed herein, Mr. Ng does not have any other relationships with any Directors, senior management, or substantial or controlling shareholders of the Company.

Mr. Ng acted as a director of (i) The New China Hong Kong Group Limited (“NCHKG”) and (ii) Villawood Development Limited (“Villawood”) and Hennic Properties Limited (“Hennic”), until the commencement of creditors’ voluntary winding up of NCHKG and the appointment of provisional liquidators of Villawood and Hennic, respectively. Relevant details required to be disclosed pursuant to Rule 13.51(2)(1) of the Listing Rules are set out below:

- (1) NCHKG, of which certain subsidiaries of Century and the Company were financial creditors, is a company incorporated in Hong Kong and is the holding company of an investment and financial services group established in Hong Kong. Due to the Asian financial crisis in 1998, NCHKG experienced financial difficulties. With a view to assisting in the launch of a corporate rescue of NCHKG, Mr. Ng was appointed as a director of NCHKG on 30th September, 1998 and sat on its executive committee. The attempted corporate rescue of NCHKG turned out to be unsuccessful and it went into a creditors’ voluntary winding up on 1st March, 1999. Mr. Ng’s only involvement in the management of NCHKG was principally related to the attempted corporate rescue of NCHKG since his appointment as one of its directors on 30th September, 1998. Except that the winding up process has still not been completed, there is no information accessible by Mr. Ng in his capacity as a past director of NCHKG that could ascertain the actual amounts involved, the possible outcome as well as the current position of NCHKG’s winding up process.
- (2) Villawood, a company incorporated in the British Virgin Islands, and Hennic, a wholly owned subsidiary of Villawood incorporated in Hong Kong, (together, the “Villawood Companies”), are companies within a disposal group classified as held for sale, as disclosed in the published audited consolidated financial statements of each of the CCIHL Group and the Paliburg Group for the years ended 31st December, 2005 to 2010, respectively (collectively, the “Consolidated Financial Statements”). The disposal group comprises Talent Faith Investments Ltd. (“Talent Faith”), the holding company holding 65% shareholding interest in Villawood, and the Villawood Companies (collectively, the “Disposal Group”). The remaining 35% shareholding interests in Villawood are held by two independent third parties. Hennic holds a 70% interest in Beijing Hengfu Plaza Development Co., Ltd. (“Beijing Hengfu”), a joint venture company established in the People’s Republic of China. The Paliburg Group entered into an agreement in 2003 with an independent third party for the disposal of the entire interest in Talent Faith, and the sale consideration has subsequently been fully settled. Consequently, the Paliburg Group no longer holds any beneficial interests in the Disposal Group and, indirectly, in Beijing Hengfu. However, due to delay caused by events beyond the Paliburg Group’s control, the formal transfer of the shareholding interests in Talent Faith has not yet been completed. Relevant details of the Disposal Group were disclosed in the Consolidated Financial Statements. One of the two independent shareholders of Villawood (the “Relevant

Villawood Shareholder”) has petitioned for the winding up of the Villawood Companies, and court orders were granted by the High Court of Hong Kong on 12th May, 2009 for the appointment of provisional liquidators to Villawood and Hennic. The petitions by the Relevant Villawood Shareholder involved claims for advances made to the Villawood Companies in an aggregate amount of approximately HK\$76 million, but the Paliburg Group has no knowledge at the present time of the possible outcome of the winding up process of the Villawood Companies.

Save as disclosed herein, there is no information that is required to be disclosed by Mr. Ng pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders in relation to the re-election of Mr. Ng.

**(III) Mr. NG Siu Chan (*Independent Non-Executive Director*)**

**Mr. Ng Siu Chan**, aged 80, was invited to the Board in 2005 and is an Independent Non-Executive Director of the Company. Mr. Ng is also an independent non-executive director of Century and Paliburg. He is a non-executive director of Transport International Holdings Limited, a company listed on the Stock Exchange. Save as disclosed herein, Mr. Ng has not held any directorships in other listed public companies during the last three years.

Mr. Ng’s directorship with the Company is subject to retirement by rotation at least once every three years pursuant to the relevant provisions under the Bye-laws. Mr. Ng does not have a service contract with the Group. He is entitled to normal Director’s fee in the amount of HK\$100,000 per annum in acting as a Director. Mr. Ng is also entitled to normal fee in the amount of HK\$50,000 per annum in acting as a member of the Audit Committee of the Company. The normal fees were determined based on the duties and responsibilities in respect of such respective offices and, where required, were previously approved by the Shareholders at general meeting.

Mr. Ng does not hold any interests in the securities of the Company within the meaning of Part XV of the SFO. As at the Latest Practicable Date, Mr. Ng held the following interests in the securities of Century and Paliburg within the meaning of Part XV of the SFO:

- (1) interests indirectly held by Mr. Ng, through family interests, in 3,521,973 issued ordinary shares of Century, representing approximately 0.11% of the issued ordinary share capital of Century as at the Latest Practicable Date; and
- (2) interests indirectly held by Mr. Ng, through family interests, in 80,474 issued ordinary shares of Paliburg, representing approximately 0.007% of the issued ordinary share capital of Paliburg as at the Latest Practicable Date.

Details of the directorships of Mr. Ng in the substantial and controlling shareholders of the Company are disclosed under the section headed “Substantial Shareholders’ Interests in Share Capital” in the Report of the Directors contained in the 2010 Annual Report. Save as disclosed herein, Mr. Ng does not have any other relationships with any Directors, senior management, or substantial or controlling shareholders of the Company.

There is no information that is required to be disclosed by Mr. Ng pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders in relation to the re-election of Mr. Ng.

The Company has received from Mr. Ng his annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers that Mr. Ng is independent.

**(IV) Mr. WONG Chi Keung (*Independent Non-Executive Director*)**

**Mr. Wong**, aged 56, was invited to the Board in 2004 and is an Independent Non-Executive Director of the Company. He is also an independent non-executive director of Century and Paliburg. 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 Institute of Chartered Secretaries and Administrators and The Chartered Institute of Management Accountants. Mr. Wong is also a responsible officer for asset management, advising on securities and advising on corporate finance for Greater China Capital Limited (formerly known as "Sinox Fund Management Limited") 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. Mr. Wong is also an independent non-executive director and a member of the audit committee of Asia Orient Holdings Limited, Asia Standard International Group Limited, China Nickel Resources Holdings Company Limited, China Ting Group Holdings Limited, ENM Holdings Limited, First Natural Foods Holdings Limited (Provisional Liquidators Appointed) ("FNF"), FU JI Food and Catering Services Holdings Limited (Provisional Liquidators Appointed) ("Fu Ji"), Golden Eagle Retail Group Limited, Ngai Lik Industrial Holdings Limited, PacMOS Technologies Holdings Limited and TPV Technology Limited, all of which are companies listed on the Stock Exchange. He was formerly an independent non-executive director of Great Wall Motor Company Limited and International Entertainment Corporation, both of which are companies listed on the Stock Exchange. Save as disclosed herein, Mr. Wong has not held any directorships in other listed public companies during the last three years. Mr. Wong has over 30 years of experience in finance, accounting and management.

Mr. Wong's directorship with the Company is subject to retirement by rotation at least once every three years pursuant to the relevant provisions under the Bye-laws. Mr. Wong does not have a service contract with the Group. He is entitled to normal Director's fee in the amount of HK\$100,000 per annum in acting as a Director. Mr. Wong is also entitled to normal fee in the amount of HK\$100,000 per annum in acting as the chairman of the Audit Committee of the Company. The normal fees were determined based on the duties and responsibilities in respect of such respective offices and, where required, were previously approved by the Shareholders at general meeting.

Mr. Wong does not hold any interests in the securities of the Company within the meaning of Part XV of the SFO. Details of the directorships of Mr. Wong in the substantial and controlling shareholders of the Company are disclosed under the section headed “Substantial Shareholders’ Interests in Share Capital” in the Report of the Directors contained in the 2010 Annual Report. Save as disclosed herein, he does not have any relationship with any Directors, senior management, or substantial or controlling shareholders of the Company.

Information required to be disclosed relating to Mr. Wong pursuant to Rule 13.51(2)(1) of the Listing Rules are set out below:

- (1) FNF is a company of which Mr. Wong has been an independent non-executive director and a chairman since 26th November, 2007 and 9th October, 2009 respectively. Based on the published information, FNF was incorporated in Bermuda on 27th July, 2001 and is an investment holding company. Its subsidiaries are principally engaged in the processing and trading of food products mainly including frozen and functional food products.

The shares of FNF are listed on the Stock Exchange (stock code: 1076) and have been suspended from trading upon the request of FNF since 15th December, 2008. On 6th January, 2009, FNF presented a winding-up petition (the “Petition”) to the High Court of Hong Kong and Messrs. Stephen Liu Yiu Keung and David Yen Ching Wai of Ernst & Young Transactions Limited were appointed joint and several provisional liquidators of FNF. The Petition was filed with the High Court of Hong Kong on 7th January, 2009 to effect the appointment.

As at the date of the Petition, the total amount of outstanding bank loans was approximately HK\$235 million, excluding a disputed claim arising from a notice of early termination of a US\$ interest swap agreement served by a commercial bank with a carrying amount exceeding US\$15.9 million.

A resumption proposal was submitted to the Stock Exchange on 6th October, 2010 (i.e. before the expiration of the third stage of the delisting procedures) (the “Resumption Proposal”), however, it was rejected by the Listing Committee of the Stock Exchange (the “Listing Committee”) on 5th November, 2010 because the Resumption Proposal had not completely satisfied Rule 13.24 of the Listing Rules and decided to cancel the listing status of FNF in accordance with Practice Note 17 to the Listing Rules (the “Listing Decision”). An application for review of the Listing Decision was subsequently filed to the Listing (Review) Committee of the Stock Exchange (the “Listing (Review) Committee”) on 15th November, 2010. After considering the written submission to the Listing (Review) Committee dated 21st February, 2011 and the review hearing held on 15th March, 2011, the Listing (Review) Committee decided to uphold the Listing Decision (the “Review Decision”). On 28th March, 2011, an application to the Listing Appeals Committee of the Stock Exchange (the “Listing Appeals Committee”) seeking a review of the Review Decision was filed and FNF is waiting for the reply from the Listing Appeals Committee in this regard. The hearing of the winding-up petition against FNF has been further adjourned to 18th July, 2011.

- (2) Fu Ji, a company incorporated in the Cayman Islands with limited liabilities and its shares listed on the Stock Exchange (stock code: 1175), of which Mr. Wong has been an independent non-executive director since 22nd November, 2004, presented a petition to the High Court of Hong Kong to wind up Fu Ji, and the petition was filed with the High Court of Hong Kong on 19th October, 2009 and provisional liquidators were appointed on the same date. Based on the information published by Fu Ji in its 2008 annual report, it is a holding company and its subsidiaries are principally engaged in the provision of catering services, operations of Chinese restaurants and theme restaurants and production and sales of convenience food products and other related businesses. Trading in the shares and convertible bonds of Fu Ji has remained suspended on the Stock Exchange since 29th July, 2009. According to Mr. Wong, except that the winding up process has not been completed, he has no knowledge at the present time of the amount involved, the possible outcome as well as the current position of Fu Ji's winding up process.

Save as disclosed herein, there is no other information that is required to be disclosed by Mr. Wong pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders in relation to the re-election of Mr. Wong.

The Company has received from Mr. Wong his annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers that Mr. Wong is independent.

This is the explanatory statement to provide requisite information to you for your consideration of the Repurchase Proposal, as required by the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange. The Ordinary Shares are listed on the Stock Exchange.

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, there were 1,001,418,333 Ordinary Shares in issue.

Subject to the passing of the Ordinary Resolution 5(A) as set out in the Notice of 2011 AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 100,141,833 Ordinary Shares, on the assumption that there will be no variation in the issued ordinary share capital of the Company during the period up to the date of the 2011 AGM. The aggregate nominal amount of Ordinary Shares which may be repurchased under the Repurchase Mandate will not exceed 10% of that of the Ordinary Shares in issue at the date of the 2011 AGM.

The Repurchase Mandate will be valid for the period from the date of passing the Ordinary Resolution 5(A) until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting is required by the Bye-laws or the Companies Act or any other applicable law of Bermuda to be held; and (iii) the revocation or variation of the authority given under the Ordinary Resolution 5(A) by an ordinary resolution of the Shareholders in general meeting.

### **2. REASONS FOR REPURCHASES**

The Directors believe that the Repurchase Proposal is in the interests of the Company and its Shareholders. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per share or may otherwise be in the interests of the Company, and will only be made when the Directors believe that such purchases will benefit the Company and its Shareholders.

### **3. FUNDING OF REPURCHASES**

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company's funds legally available for such purpose in accordance with the Company's Memorandum of Association and Bye-laws and the laws of Bermuda. Any shares repurchased under the Repurchase Mandate must be funded out of the capital paid up on the repurchased shares or the funds of the Company which would otherwise be available for dividend or distribution, or out of the proceeds of a fresh issue of shares. Any premium payable on the repurchase must be provided for out of the funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account.



It is not expected that there would be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the 2010 Annual Report) even if the proposed repurchases were to be carried out in full at any time during the proposed repurchase period. Nevertheless, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**4. SHARE PRICES**

The highest and lowest prices at which the Ordinary Shares have traded on the Stock Exchange in each of the previous twelve months and in April 2011 (up to the Latest Practicable Date) were as follows:

	<b>Ordinary Shares</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
April 2010	3.170	2.950
May 2010	3.000	2.520
June 2010	3.220	2.620
July 2010	3.160	2.950
August 2010	3.080	2.800
September 2010	3.380	2.940
October 2010	3.440	3.050
November 2010	3.290	2.950
December 2010	3.200	2.870
January 2011	3.260	3.050
February 2011	3.470	3.050
March 2011	3.650	3.000
From 1st April, 2011 to the Latest Practicable Date	3.590	3.460

**5. DISCLOSURE OF INTERESTS**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates have any present intention to sell any Ordinary Shares to the Company under the Repurchase Proposal if the same is approved by the Shareholders. No other connected persons of the Company have notified the Company that they have a present intention to sell Ordinary Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Ordinary Resolution 5(A) in accordance with the Listing Rules and the laws of Bermuda.

As at the Latest Practicable Date, Paliburg, the listed subsidiary of Century (of which Mr. Lo Yuk Sui is the chairman and controlling shareholder), held approximately 49.37% shareholding interests in the issued ordinary share capital of the Company.

In the event that the Repurchase Mandate granted to the Directors pursuant to the Repurchase Proposal were to be carried out in full, the shareholding interests of Paliburg would increase to approximately 54.86% of the issued ordinary share capital of the Company, assuming there are no other changes in the capital structure of the Company. Pursuant to Rule 32 of the Takeover Code, such resultant increase in shareholding interests would be treated as an acquisition of voting rights for the purpose of the Takeover Code. Accordingly, Paliburg might become obliged to make a mandatory offer for the Ordinary Shares as and when the 2% creeper under Rule 26 of the Takeover Code is exceeded or to make a mandatory offer for the issued units of Regal REIT if Paliburg acquired statutory control of the Company under the chain principle in Rule 26 of the Takeover Code. Save as aforesaid and based on information known to date, the Directors are not aware of any consequences which may arise under the Takeover Code even if the Repurchase Mandate were exercised in full. Nevertheless, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, trigger off any potential consequences under the Takeover Code.

Furthermore, the Directors have no intention to exercise the Repurchase Mandate to such extent as would cause the public float to fall below 25% or such other minimum percentage as prescribed by the Listing Rules from time to time.

## 6. SECURITIES PURCHASES MADE BY THE COMPANY

The Company has repurchased a total of 4,162,000 Ordinary Shares on the Stock Exchange during the six months preceding the Latest Practicable Date, details of which are as follows:

Date of Repurchase	Number of Ordinary Shares repurchased	Price per Ordinary Share	
		Highest HK\$	Lowest HK\$
15/11/2010	370,000	3.190	3.160
16/11/2010	524,000	3.160	3.110
17/11/2010	586,000	3.160	3.110
06/12/2010	88,000	3.150	3.130
07/12/2010	446,000	3.190	3.110
08/12/2010	262,000	3.150	3.130
30/12/2010	320,000	2.950	—
31/12/2010	1,000,000	3.060	3.010
11/01/2011	300,000	3.150	—
12/01/2011	<u>266,000</u>	3.180	3.170
Total:	<u>4,162,000</u>		

Save as disclosed herein, the Company has not purchased any of its Ordinary Shares (whether on the Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

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**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at the Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Tuesday, 31st May, 2011 at 11:00 a.m. for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and the Auditors for the year ended 31st December, 2010.
2. To declare a final dividend for the year ended 31st December, 2010 of HK8.5 cents per ordinary share.
3. To elect Directors.
4. To appoint Auditors and authorise the Board of Directors to fix their remuneration.
5. To consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

(A) **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period of all the powers of the Company to purchase ordinary shares of HK\$0.10 each in the capital of the Company (“Ordinary Shares”), subject to and in accordance with all applicable laws and the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Ordinary Shares which may be purchased by the Company pursuant to paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the Ordinary Shares in issue at the date of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Notice, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
  - (i) the conclusion of the next Annual General Meeting of the Company;
  - (ii) the expiration of the period within which the next Annual General Meeting is required by the Bye-laws of the Company or The Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; and

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(iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders in general meeting.”

(B) “**THAT** the exercise by the Directors during the Relevant Period (as defined in Resolution 5(A) set out in the Notice of this Meeting) of all the powers of the Company to issue, allot and dispose of additional Ordinary Shares (including making and granting offers, agreements and options which would or might require Ordinary Shares to be issued, allotted or disposed of, whether during or after the end of the Relevant Period) be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to a rights issue where Ordinary Shares are offered to shareholders on a fixed record date in proportion to their then holdings of Ordinary Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong), the additional Ordinary Shares issued, allotted or disposed of (including Ordinary Shares agreed conditionally or unconditionally to be issued, allotted or disposed of, whether pursuant to an option or otherwise) shall not in aggregate exceed 20% of the aggregate nominal amount of the Ordinary Shares in issue at the date of this Resolution, and the said approval shall be limited accordingly.”

(C) “**THAT** the general mandate granted to the Directors under Resolution 5(B) above be and is hereby extended by the addition of an amount representing the aggregate nominal amount of Ordinary Shares purchased by the Company pursuant to the general mandate approved in Resolution 5(A) above.”

By Order of the Board  
**Regal Hotels International Holdings Limited**  
**Eliza Lam Sau Fun**  
*Secretary*

Hong Kong, 27th April, 2011

**Notes:**

1. A shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
2. The proxy form must be deposited with the Company’s branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the Meeting or any adjournment thereof.

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3. The Register of Ordinary Shareholders of the Company will be closed from Friday, 27th May, 2011 to Tuesday, 31st May, 2011, both days inclusive, during which period no transfers of ordinary shares of the Company will be effected. In order to qualify for the proposed final dividend and be entitled to attend and vote at the Meeting, all transfers of ordinary shares, duly accompanied by the relevant share certificates, must be lodged with the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at the address set out above, not later than 4:30 p.m. on Thursday, 26th May, 2011.
  
4. A circular of the Company containing further details relating to the re-election of Directors and an explanatory statement or information regarding Resolutions 5(A), 5(B) and 5(C) above will be sent to the Company's shareholders together with the 2010 Annual Report of the Company.