

Press Release

For Immediate Release

January 30, 2007

**Regal Hotels Signed Letter of Intent
to Develop “Hotel and related Project” in Shenyang**

Regal Hotels International Limited, a wholly-owned subsidiary of Regal Hotels International Holdings Limited (stock code: 078), today announced that it has signed a Letter of Intent (LOI) with Cosmopolitan International Holdings Limited (stock code: 120) to participate in a large scale development project in Shenyang City, involving the development of hotels, service apartments, shopping, exhibition, entertainment and recreational facilities (the “Hotel and related Project”).

On January 22, 2007, Cosmopolitan announced that it had entered into an overall development cooperation framework agreement with Shenyang Menrong Economic District in relation to the development of a new urban community with a total planning site area of about 6.7 sq. km. in Caozhong District, Shenyang City, Liaoning Province, the People’s Republic of China (the “Development Project”) which comprises large scale residential development as well as the above mentioned “Hotel and related Project” which includes shopping, exhibition, entertainment and recreational facilities, complemented with hotels and service apartments. The relevant government authority is agreeable to adopt the master urban plan for the “Development Project” to be submitted by Cosmopolitan Group. The parties have agreed that once the detailed provisions regarding the “Development Project” have been finalized, they will enter into a legally binding definitive agreement.

Under the LOI, Regal has expressed its interest in participating in the “Hotel and related Project”. Regal will assist in the overall planning of the “Development Project” and will act as the consultant of and will prepare feasibility and market studies and schematic designs on the “Hotel and related Project”. Regal will also have the right of first refusal to invest in 55% interest (or such other percentage as may be mutually agreed) in the “Hotel and related Project” based on a total consideration equivalent to the pro-rata original investment costs corresponding to the “Hotel and

related Project”, subject to Cosmopolitan Group having entered into a legally binding agreement with the relevant government authorities.

Mr Donald Fan, Executive Director of Regal Group said, “Regal is pleased to have the opportunity to be involved in the planning, design and development of a new large scale “Hotel and related Project” in a good location in Shenyang, one of the key cities in North Eastern China with great growth potential. Currently, Regal Hotels Group manages two first class hotels in Shanghai and is developing one large comprehensive project with a super five-star hotel in Beijing. This Shenyang project will be a strategic and important step to further enhance our Hotel portfolio and brand presence in the fast emerging PRC market.”

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