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)

2009 INTERIM ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

	Six months ended 30th June, 2009 (Unaudited)	Six months ended 30th June, 2008 (Unaudited)
	HK$'M	HK$'M
Revenue	**586.8**	750.6
Operating profit/(loss)	**(105.5)**	344.8
Profit for the period	**147.2**	600.1
Basic earnings per ordinary share	**HK14.6 cents**	HK57.8 cents
Interim dividend	**HK2.0 cents**	HK3.0 cents

	As at 30th June, 2009 (Unaudited)	As at 31st December, 2008 (Unaudited)
Adjusted net asset value per ordinary share	**HK$10.72**	HK$10.70

Press Release 8th September, 2009
For Immediate Release

Regal Hotels Announces 2009 Interim Results

Regal Hotels International Holdings Limited (stock code: 078) announced today its interim results for the period ended 30th June, 2009.

FINANCIAL RESULTS

For the six months ended 30th June, 2009, the Group achieved an unaudited consolidated profit attributable to shareholders of HK$147.2 million, which is lower than the comparative profit of HK$600.1 million in 2008. However, it should be noted that the profit attained in the corresponding period last year included fair value gains of approximately HK$358.5 million arising from reclassification of the retained houses in Regalia Bay, Stanley to investment properties.

Due to the slowdown in world-wide economies caused by the global financial crisis and, more recently, the deterrent impact on travelling caused by the H1N1 pandemic, the hotel industry in Hong Kong on the whole has been operating under a difficult environment, particularly in the second quarter of this year. These have had a significant adverse effect on the overall business operations of the Group, as the lessee of the five Regal Hotels in Hong Kong, during the period under review.

For the purpose of reference, supplementary information on the net assets of the Group, compiled on an adjusted basis to reflect more fairly the underlying net assets attributable to the interests held by the Group in Regal Real Estate Investment Trust, is provided in the interim results announcement released today. **The adjusted net asset value per ordinary share is HK$10.72**.

DIVIDEND

The Directors have declared the payment of an interim dividend of HK2.0 cents per ordinary share for the financial year ending 31st December, 2009 (2008 – HK3.0 cents).

REVIEW OF OPERATIONS

HOTELS

Hong Kong

During the initial few months, hotels in Hong Kong were still able to perform relatively better than those in other major cities around the world, mainly benefiting from the continued strong influx of visitors from Mainland China. Since early May, the H1N1 pandemic has severely affected travelling to Hong Kong from all key source markets, including those from United States, Europe, Japan and Mainland China. For the whole of the period under review, there were a total number of 13.7 million visitors to Hong Kong which represented a negative growth of about 3.4% compared on a year-on-year basis, and Mainland China was the only market which still recorded an overall increase.

In the first half of 2009, the average hotel room occupancy rate for all hotels in different categories published by the Hong Kong Tourism Board was 74%, a negative growth of about 10.8%, while the average achieved room rate decreased by about 17.1%, resulting in an overall reduction in RevPAR (Revenue per Available Room) of about 26.2%, as compared with the corresponding period in 2008. The performance of the five Regal Hotels in Hong Kong has likewise been adversely affected under pressure from this very competitive market and, at the operating level, the hotels recorded a drop in RevPAR of about 22.9% from that attained in the comparative period last year.

To maintain the competitiveness of the Regal Hotels as well as to strengthen its overall network and in preparation for future expansion, the Group, as the operator of the hotel business and the owner of the Regal brand, has continued to sponsor extensive marketing program to promote market awareness, brand recognition and client affiliation.

The People's Republic of China

It has been the stated objective of the Group as a whole to expand its hotel portfolio in Mainland China, through hotel ownership and/or hotel management.

In January 2009, the Group announced that it has secured a management contract for the management of a new 350-room five star luxury hotel in Chengdu, the capital city of Sichuan Province. The hotel is now named as the Regal Master Hotel and scheduled for opening in the fourth quarter of this year.

Recently in August 2009, the Group entered into a hotel management agreement with Bosideng Holdings Limited for the Group to manage a five-star luxury hotel being developed by Bosideng in Dezhou, Shandong Province. This 215-room hotel will be named as the Regal Kangbo Hotel and, with its 100-meter height, will pose as the highest building as well as the first five-star international hotel in Dezhou. The hotel is presently scheduled to be opened in the third quarter of 2010.

The Regal Jinfeng Hotel, a 380-room four star business hotel located in Pudong, Shanghai, being another new addition to the hotel network in China under the management of the Group, is now preparing for soft opening later this month.

Together with the two existing managed hotels in Shanghai, there will be altogether four Regal managed hotels under operation in the Mainland by the end of this year. In pursuit of its stated objective, the Group is currently engaged in active discussions on a number of new hotel projects in different cities in China.

REGAL REAL ESTATE INVESTMENT TRUST

The Group holds approximately 74.0% of the issued units of Regal REIT, which owns the five Regal Hotels in Hong Kong. For the six months ended 30th June, 2009, Regal REIT attained an unaudited consolidated profit of approximately HK$187.5 million. The distributable income available for distribution to holders of the units for the period amounted to approximately HK$280.5 million, which was equivalent to approximately HK$0.092 per each unit entitled to the distribution. Regal REIT has recently declared a distribution of HK$0.085 per unit for the six months ended 30th June, 2009, which represents a distribution of approximately 92.4% of the available distributable income and an increase of about 2.4% over the HK$0.083 per unit distributed for the comparative period in 2008.

With the completion of the second stage of the Asset Enhancement Program at Regal Riverside Hotel in June 2009, the hotel has added 280 new Regal iClub rooms to its room inventory, now boasting a total of 1,138 available rooms. In early July this year, the renovation and upgrade of one additional floor with 51 guest rooms in Regal Kowloon Hotel to club floor standard was also completed. Other notable capital additions projects that were completed during the period under review included the renovation of the new Chinese restaurant, Regal Court, in Regal Kowloon Hotel and the coffee shop, Café Neo, in Regal Oriental Hotel.

For 2009 interim results and further information on Regal REIT, please refer to Regal REIT's press release and full set of interim results announcement.

REGAL PORTFOLIO MANAGEMENT LIMITED

Regal Portfolio Management Limited is a wholly-owned subsidiary of the Group and acts as the REIT Manager providing asset management services to Regal REIT. REIT Manager's fees received for the period amounted to approximately HK$32.4 million, a major part of which was in the form of new units issued by Regal REIT.

PROPERTIES

Hong Kong

Regalia Bay, Stanley

Despite the general economic slowdown, the property market in Hong Kong rebounded substantially in the first half of the year, particularly in the luxury residential sector, which was largely attributable to the immensely increased market liquidity and the low interest rate environment. The Group sold three of its house units during the period under review at satisfactory price levels and the profits derived have been reflected in the interim financial results.

Since the half year end date, the Group has further disposed of four additional house units at increasingly higher prices and the profits derived will be accounted for in the second half of the year. At present, the Group still owns a total of 24 house units, of which 10 houses are under lease for rental income.

The People's Republic of China

Development Project in the Central Business District of Beijing

This development project is held through a Sino-foreign joint venture entity that is 59%-owned by Hang Fok Properties Limited, an associate that is in turn 50% each held by the Group and Paliburg Holdings Limited. The joint venture entity is now in the course of finalising with the Beijing Municipal Bureau of Land and Resources the terms of the contract for the grant of the primary development rights for the Phase II land.

Development Project in Xindu District, Chengdu, Sichuan Province

This development project is 50% beneficially owned by each of the Group and Cosmopolitan International Holdings Limited. The project site is composed of two separate land parcels. One of the parcels is planned to be developed into a hotel and commercial complex with a maximum gross floor area of about 180,000 square meters above ground together with a maximum of about 50,000 square meters of commercial and auxiliary services and car parking areas below ground. The other parcel is designated for residential development with a permitted maximum gross floor area of about 315,000 square meters. The Planning Permits for Construction Land for the proposed development have been obtained and detailed planning work is in progress. The project is anticipated to be completed in phases within the next few years.

OTHER INVESTMENTS

The Group presently holds substantial interests in the convertible bonds issued by Cosmopolitan group and, in addition, certain of the issued ordinary shares of Cosmopolitan. Assuming that all the outstanding convertible bonds and options on convertible bonds granted by the Cosmopolitan group, including those held by the Group, are fully converted and/or exercised and converted, the Group can come to own up to approximately 32.8% of the enlarged share capital of Cosmopolitan.

OUTLOOK

Due to the uncertainty over the timing of a general economic revival and the continuing concern over the impact of the H1N1 pandemic, business conditions for the travel industry in Hong Kong in the remaining part of 2009 will continue to be challenging. However, recently there are some signs of a stabilising U.S. economy and when the measures to fight the spread of the H1N1 pandemic in Mainland China are easing gradually, there could be pent-up demand from both business and leisure travellers to Hong Kong and the hotel market in Hong Kong should be able to recover steadily in pace with the overall revival in the global economies.

As regards the Group's property business, it is expected that the luxury residential properties in Hong Kong will remain in strong demand, as the supply will be relatively limited. The Group may further dispose of some of the remaining house units in Regalia Bay if the offered prices are considered satisfactory, which could generate significant profits as well as cash resources to fund future business development.

The Group as a whole is devoted to expand its hotel network in China and is planning to increase its hotel portfolio to more than 20 owned and/or managed hotels in the first and second tier cities of China within the next few years.

While the global economic environment may still be volatile, the Group is nonetheless maintaining a sound financial position and is well-prepared for market changes. Overall, the Directors are optimistic that the Group will be able to sustain further continuing growth.

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For further information, please refer to the full set of Regal's interim results announcement released today.

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