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VOLUNTARY ANNOUNCEMENT
MARKET RENTAL REVIEW IN RESPECT OF THE
INITIAL HOTEL PROPERTIES FOR THE YEAR OF 2011

This is a voluntary announcement made by the Company.

Pursuant to the Lease Agreements, a rent review for each of the years from 2011 to 2015 by an independent professional property valuer jointly appointed by the Lessors and the Lessee will take place no later than 30 September of each of the years from 2010 to 2014 respectively, for the purposes of determining the Market Rental Package of the Initial Hotel Properties.

An independent professional property valuer jointly appointed by the Lessors and the Lessee was on 28 June 2010 instructed to conduct a rent review to determine the Market Rental Package for 2011. The Valuer's report on the determination of the Market Rental Package for 2011 was issued on 28 September 2010 and a summary of such determination is set out in this announcement.

Reference is made to the circular of Regal Hotels International Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") dated 21 February 2007 (the "**Circular**") relating to the spin-off of Regal Real Estate Investment Trust, the annual report of the Company for the year ended 31 December 2009 and the interim report of the Company for the six months ended 30 June 2010. Unless stated otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

In contrast to the lease period from the Listing Date to 31 December 2010 where the base rents were predetermined, pursuant to the Lease Agreements, a rent review for each of the years from 2011 to 2015 by an independent professional property valuer jointly appointed by the Lessors and the Lessee will take place no later than 30 September of each of the years from 2010 to 2014 respectively, for the purposes of determining, based on the assumptions and disregards provided in the Lease Agreements:

- (a) the market rent of the Initial Hotel Properties (namely, Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Oriental Hotel and Regal Riverside Hotel) for the relevant years;
- (b) the amount of the security deposit payable by the Lessee, which shall be the highest of: (i) the amount which the valuer determines to be the market rate of security deposit, (ii) 50% of the Floor Rent, and (iii) 50% of the determined annual base rent;
- (c) the manner of payment proposed for the relevant years; and
- (d) the breakdown of the market rent for each of the Initial Hotel Properties under the Lease Agreements for the relevant years

(the **"Market Rental Package"**).

Accordingly, Mr David Faulkner, an independent professional property valuer (the **"Valuer"**) jointly appointed by the Lessors and the Lessee, was on 28 June 2010 instructed to conduct a rent review to determine the Market Rental Package in respect of 2011 (the **"Market Rental Package for 2011"**). The Market Rental Package for 2011 has been determined based on the Valuer's professional opinion on the market situation for 2011 (including the assumptions and disregards provided in the Lease Agreements) and of certain factors relating to each of the Initial Hotel Properties, and with reference to the current market conditions of the hotel and tourism industry in Hong Kong. The Valuer's report on the determination of the Market Rental Package for 2011 was issued on 28 September 2010 and a summary of such determination is as follows:

	Market Rental Package for 2011	Corresponding amount for 2010
(a) Base Rent for Regal Airport Hotel:	HK\$176 million	HK\$240 million
(b) Base Rent for Regal Hongkong Hotel:	HK\$114 million	HK\$167.1 million
(c) Base Rent for Regal Kowloon Hotel:	HK\$115 million	HK\$172.9 million
(d) Base Rent for Regal Oriental Hotel:	HK\$50 million	HK\$68.2 million
(e) Base Rent for Regal Riverside Hotel:	HK\$105 million	HK\$131.8 million
Aggregate amount payable by the Lessee as Base Rent:	HK\$560 million =====	HK\$780 million =====
Variable Rent for the Initial Hotel Properties:	50% of Collective NPI Excess receivable by the relevant Lessors	50% of Collective NPI Excess receivable by the relevant Lessors
Lessee's contribution to the FF&E Reserve:	No contribution required by the Lessee	Two per cent (2%) of the Total Hotel Revenue for each preceding calendar month
Amount of security deposit (third party guarantee):	HK\$280 million	HK\$1 billion

The security deposit of HK\$280 million for 2011 will be paid by the delivery to the Lessors a replacement third party guarantee before or upon expiry on 30 June 2011 of the initial Third Party Guarantee, which is to be effective immediately upon such expiry. Upon expiry of the initial Third Party Guarantee, the cash deposit of HK\$1 billion pledged by the Group as security thereof will be released.

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

Hong Kong, 29 October 2010

As at the date of this announcement, the Board comprises the following members:

Executive Directors:

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

Ms. Belinda YEUNG Bik Yiu
(Chief Operating Officer)

Mr. Donald FAN Tung

Mr. Jimmy LO Chun To

Miss LO Po Man

Mr. Kenneth NG Kwai Kai

Mr. Allen WAN Tze Wai

Non-Executive Director:

Dr. Francis CHOI Chee Ming, GBS, JP
(Vice Chairman)

Independent Non-Executive Directors:

Ms. Alice KAN Lai Kuen

Mr. NG Siu Chan

Mr. WONG Chi Keung