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## **PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that, based on the unaudited consolidated management accounts of the Group for the financial year ended 31st December, 2011, it is expected that the Group will record a substantially lower profit for the financial year ended 31st December, 2011, as compared to the profit reported for the last financial year ended 31st December, 2010.

As explained in the 2010 Annual Report, the substantial profit recorded in the year of 2010 was mainly attributable to the one-off accounting gain arising from the consolidation of Regal REIT as a subsidiary of the Group in July 2010.

As indicated in the 2011 Interim Report, the operating performance of the Group's core hotel operations has improved substantially, and there were gains of over HK\$600 million from share of profits of jointly controlled entities, principally derived from the sale of certain interest in the Chengdu Project.

However, due to the weak performance of the stock market in Hong Kong in 2011, substantial losses were recorded on the changes in the fair values of the Group's portfolio of financial assets including, in particular, its holding of the convertible bonds of Cosmopolitan International Holdings Limited (stock code: 120). Furthermore, provision for depreciation was required on the Group's hotel properties in Hong Kong, which were held through Regal REIT and consolidated in the financial statements of the Group as fixed assets, for the whole financial year of 2011. Although the fair value losses and depreciation charges are non-cash flow items, they have nevertheless adversely impacted the profit performance of the Group for the year 2011.

The audited consolidated financial statements of the Group for the financial year ended 31st December, 2011 are still being finalised. The final results announcement of the Group for the financial year ended 31st December, 2011 is expected to be published on 20th March, 2012.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by Regal Hotels International Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that, based on the unaudited consolidated management accounts of the Group for the financial year ended 31st December, 2011, it is expected that the Group will record a substantially lower profit for the financial year ended 31st December, 2011, as compared to the profit reported for the last financial year ended 31st December, 2010.

As explained in the annual report of the Company for the financial year ended 31st December, 2010 (the “2010 Annual Report”), the substantial profit recorded in the year of 2010 was mainly attributable to the one-off accounting gain arising from the consolidation of Regal Real Estate Investment Trust (“Regal REIT”) into the Group’s consolidated financial statements as a subsidiary of the Group in July 2010.

For the financial year ended 31st December, 2011, as already indicated in the Company’s interim report for the six months ended 30th June, 2011 (the “2011 Interim Report”), the operating performance of the Group’s core hotel operations has improved substantially. Moreover, there were gains of over HK\$600 million from share of profits of jointly controlled entities, principally derived from the transaction relating to the sale of 70% effective interest in the composite development in Chengdu, Sichuan, the People’s Republic of China (the “Chengdu Project”) held by a 50%-owned jointly controlled entity of the Group in June 2011.

However, due to the weak performance of the stock market in Hong Kong in 2011, substantial losses were recorded on the changes in the fair values of the Group’s portfolio of financial assets including, in particular, its holding of the convertible bonds of Cosmopolitan International Holdings Limited (stock code: 120). Furthermore, provision for depreciation was required on the Group’s hotel properties in Hong Kong, which were held through Regal REIT and consolidated in the financial statements of the Group as fixed assets, for the whole financial year of 2011. Although the fair value losses and depreciation charges are non-cash

flow items, they have nevertheless adversely impacted the profit performance of the Group for the year 2011.

This profit warning announcement is only based on the unaudited consolidated management accounts of the Group for the financial year ended 31st December, 2011, the audit of which is currently being conducted by the Company's independent auditors. The audited consolidated financial statements of the Group for the financial year ended 31st December, 2011 are still being finalised. The final results announcement of the Group for the financial year ended 31st December, 2011 is expected to be published on 20th March, 2012.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 9th March, 2012

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