



ANNOUNCEMENT

This announcement is made in response to various press articles appearing in a number of newspapers today relating to statements concerning the Regal REIT purporting to have been made by an Executive Director of Regal.

The board of directors of Regal has also noted the recent increase in the trading volume of the ordinary shares of Regal and wishes to state that it is not aware of any reasons for such increase, save that, as disclosed in the interim results announcement of Regal dated 18th September, 2006, Regal has been contemplating a separate listing of the Regal REIT involving its five Regal Hotels in Hong Kong.

Shareholders of Regal and other investors should note that the proposal for the separate listing of the Regal REIT may or may not proceed. Accordingly, shareholders of Regal and other investors are reminded to exercise caution when dealing in the securities of Regal.

This announcement is made in response to various press articles appearing in a number of newspapers today (the "Articles") relating to statements concerning Regal Real Estate Investment Trust (the "Regal REIT") purporting to have been made by Miss LO Po Man ("Miss Lo"), an Executive Director of Regal Hotels International Holdings Limited ("Regal"). Certain Articles also reported on statements purporting to have been made by Miss Lo that all "regulatory hurdles" have been cleared.

Regal wishes to clarify that Miss Lo has confirmed that she did not make any such statements as reported in the Articles, except to have mentioned that "major hurdles" (which Miss Lo had meant only to refer to the structuring, planning and related commercial arrangements) relating to the Regal REIT have been resolved and that it is the present intention of Regal to retain a stake of 40% to 60% of the Regal REIT.

The board of directors (the "Board") of Regal has also noted the recent increase in the trading volume of the ordinary shares of Regal and wishes to state that it is not aware of any reasons for such increase, save that, as disclosed in the interim results announcement of Regal dated 18th September, 2006, Regal has been contemplating a separate listing of the Regal REIT involving its five Regal Hotels in Hong Kong. Regal wishes to further clarify that, as of this date, the final detailed structure of the Regal REIT is yet to be finalised and all relevant regulatory approvals are still to be obtained. Further announcement regarding the separate listing proposal will be made as soon as practicable.

Save as disclosed above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Shareholders of Regal and other investors should note that the proposal for the separate listing of the Regal REIT may or may not proceed. Accordingly, shareholders of Regal and other investors are reminded to exercise caution when dealing in the securities of Regal.

Made by the order of the Board of Regal, the Directors (namely Mr. LO Yuk Sui (Chairman and Managing Director), Dr. Francis CHOI Chee Ming, JP (Vice Chairman and Non-Executive Director), Mr. Donald FAN Tung (Executive Director), Ms. Alice KAN Lai Kuen (Independent Non-Executive Director), Mr. Jimmy LO Chun To (Executive Director), Miss LO Po Man (Executive Director), Mr. Kenneth NG Kwai Kai (Executive Director), Mr. NG Siu Chan (Independent Non-Executive Director), Mr. Kai Ole RINGENSON (Non-Executive Director), Mr. WONG Chi Keung (Independent Non-Executive Director) and Ms. Belinda YEUNG Bik Yiu (Executive Director)) of which individually and jointly accept responsibility for the accuracy of this statement.

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

Hong Kong, 26th October, 2006