

Press Release

For Immediate Release

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Regal Hotels International Further Expands in China – Acquisition of a prime development site in Chengdu through land auction

Regal Hotels International Holdings Limited (stock code:078), one of the largest hotel groups in Hong Kong, is pleased to announce that the Group has successfully acquired a prime development site in Chengdu, Sichuan Province, China in a land auction today.

As the provincial capital of Sichuan Province, Chengdu has been an important tourist and commercial hub in the south western China. The site is prominently located along two major roadways in the Xindu District (新都區) of Chengdu with a total construction site area of about 111,868 sq. m., planned for hotel, commercial and residential development. Regal successfully acquired this prime site in a land auction held by the Bureau of Land Resources, Chengdu today at the price of RMB213 million.

The Group plans to develop on the site a five star hotel together with related commercial areas with a total gross floor area of about 185,000 sq. m. and residential accommodation with a total gross floor area of 315,500 sq. m. It is expected that construction work will commence in early 2008 and targeted to be completed in stages from late 2009.

It has always been the Group's stated corporate strategy to further expand its business in China. While the acquisition of this prime site in Chengdu marks an important step in its expansion program, there are currently a number of other acquisition proposals in China in the pipeline that are in various stages of negotiation.

For media enquiries, please contact:

Ms Shirley Chu, Group Director of Communications
Tel: 2837 1963 Fax: 2890 5073
Email: shirley.chu@RegalHotel.com