

HARLEQUIN

HOTELS & RESORTS

Statement

As we have previously informed you, Harlequin has been working with a number of parties to explore restructuring options for both investors and Harlequin's overseas companies to ensure effective delivery of investments. Harlequin is now in advanced discussions with Regulatory Legal Solicitors ("R Legal") which represents both the Harlequin Investor Group ("HIG") and individual investors to work towards securing a plan to protect the future of Harlequin and its investors.

Whilst it is fair to say that the parties have not always seen eye to eye in recent months, it is clear that the parties acknowledge that conflict is counterproductive and seek to avoid such conflict. The intention to achieve the best outcome for investors has to be the priority. Therefore, all investors need to be focused on a sensible solution which deals with all types of investors.

The final plan will give investors transparency and a greater say on how funds are raised and spent on construction. Once the plan is agreed and implemented, it is envisaged that the main source of funds for construction will be monies from completions and external finance. In order for this to happen, investors and financiers need to feel confident in the future of Harlequin.

Harlequin is confident that the final plan will satisfy investor requirements and provide investors with long term security moving forwards. Once all of the details have been agreed, the plan will be presented jointly at investor meetings. By the end of July, we aim to publish the dates of these meetings.

Harlequin and R Legal will keep investors regularly updated throughout the process.

Yours sincerely



Dave Ames
Harlequin Hotels & Resorts

11th July 2013