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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your ordinary shares in **Regal Hotels International Holdings Limited**, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE AND  
REPURCHASE ORDINARY SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the 2012 Annual General Meeting of Regal Hotels International Holdings Limited (the "Company") to be held at the Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Wednesday, 30th May, 2012 at 11:00 a.m. is appended to this circular. If you do not propose to attend the Meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Meeting or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the Meeting or at any adjourned meeting should you so wish, and in the event that you turn out for such meeting(s) after sending in the proxy form, the proxy shall be deemed to be revoked.

30th April, 2012

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## DEFINITIONS

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*In this circular, the following expressions have the meanings set out below unless the context requires otherwise:*

“2011 Annual Report”	the annual report of the Company for the year ended 31st December, 2011
“2012 AGM”	the annual general meeting of the Company convened to be held on Wednesday, 30th May, 2012 at 11:00 a.m.
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors, presently comprising seven Executive Directors, a Non-Executive Director and three Independent Non-Executive Directors, all as named in the Letter from the Chairman contained in this circular
“Bye-laws”	the bye-laws of the Company
“Century”	Century City International Holdings Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the Stock Exchange
“Century City Group”	Century, Paliburg and the Company, together with their respective subsidiaries (in respect of the Company, not including Regal REIT and its subsidiaries)
“Companies Act”	The Companies Act 1981 of Bermuda
“Company”	Regal Hotels International Holdings Limited, a company incorporated in Bermuda with limited liability, the Ordinary Shares of which are listed on the Stock Exchange
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“controlling shareholders”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and Regal REIT, together with their respective subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	24th April, 2012, being the latest practicable date for the purposes of ascertaining certain information in this circular

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## DEFINITIONS

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“listed public companies”	public companies which securities are listed on any securities market in Hong Kong or overseas
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Notice of 2012 AGM”	the notice convening the 2012 AGM appended to this circular
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as set out in the Notice of 2012 AGM
“Ordinary Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Paliburg”	Paliburg Holdings Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the Stock Exchange
“Paliburg Concert Group”	Paliburg and parties acting in concert with it
“Paliburg Group”	Paliburg and its subsidiaries
“Regal REIT”	Regal Real Estate Investment Trust, a Hong Kong collective investment scheme authorised under section 104 of the SFO, the units of which are listed on the Stock Exchange
“Regal REIT Offer”	the possible mandatory unconditional cash offer to acquire all the issued Regal REIT Units (other than those already owned by the Paliburg Concert Group) as contemplated under Note 8 to Rule 26.1 of the Takeovers Code
“Regal REIT Units”	units of Regal REIT
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors in such manners as set out in Ordinary Resolution 5(A) contained in the Notice of 2012 AGM relating to the repurchase of Ordinary Shares
“Repurchase Proposal”	the proposal with respect to the repurchase of Ordinary Shares pursuant to the Repurchase Mandate, details of which proposal are set out in “Appendix II — Explanatory Statement on Repurchase of Ordinary Shares” to this circular
“Retiring Directors”	those Directors who, as named under the section headed “Re-election of Directors” in the Letter from the Chairman contained in this circular, will retire at the 2012 AGM pursuant to the Bye-laws

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## DEFINITIONS

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“RH Share Repurchase Programme”	an on-market programme of repurchases of up to 38,886,400 Ordinary Shares
“RHIHL Group”	the Company and its subsidiaries (not including Regal REIT and its subsidiaries)
“RPML”	Regal Portfolio Management Limited, a wholly owned subsidiary of the Company and the manager of Regal REIT
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shareholder(s)”	holder(s) of Ordinary Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholders”	has the meaning ascribed thereto in the Listing Rules
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“%”	per cent

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LETTER FROM THE CHAIRMAN

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*Executive Directors:*

LO Yuk Sui (*Chairman and Chief Executive Officer*)  
Belinda YEUNG Bik Yiu (*Chief Operating Officer*)  
Donald FAN Tung  
Jimmy LO Chun To  
LO Po Man  
Kenneth NG Kwai Kai  
Allen WAN Tze Wai

*Head office and principal place  
of business:*

11th Floor, 68 Yee Wo Street  
Causeway Bay  
Hong Kong

*Registered office:*

Rosebank Centre, 11 Bermudiana Road  
Pembroke, Bermuda

*Non-Executive Director:*

Francis CHOI Chee Ming, GBS, JP (*Vice Chairman*)

*Independent Non-Executive Directors:*

Alice KAN Lai Kuen  
NG Siu Chan  
WONG Chi Keung

30th April, 2012

*To the Shareholders*

Dear Sir or Madam,

**RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE AND  
REPURCHASE ORDINARY SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

The purpose of this circular is to provide the Shareholders with requisite information with respect to the resolutions to be proposed at the forthcoming 2012 AGM relating to the followings:

- (1) the re-election of the Retiring Directors who will retire and, being eligible, have offered themselves for re-election at the 2012 AGM;

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## LETTER FROM THE CHAIRMAN

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- (2) the grant of a general mandate to the Directors for the issue of new Ordinary Shares in such manners as set out in Ordinary Resolutions 5(B) and 5(C) as contained in the Notice of 2012 AGM; and
- (3) the grant of the Repurchase Mandate to the Directors for the Repurchase Proposal.

### **Re-election of Directors**

In accordance with Bye-law 109(A) of the Bye-laws, the Retiring Directors, namely Dr. Francis CHOI Chee Ming, the Vice Chairman and Non-Executive Director, Ms. Belinda YEUNG Bik Yiu, an Executive Director and the Chief Operating Officer, and Mr. Donald FAN Tung and Mr. Jimmy LO Chun To, both Executive Directors, will retire from office by rotation at the 2012 AGM.

The Retiring Directors, being eligible, have offered themselves for re-election at the 2012 AGM.

The re-election of the Retiring Directors at the 2012 AGM will not be for any specific term of office, but the Retiring Directors will be subject to retirement by rotation at least once every three years in accordance with the Bye-laws. The particulars of the Retiring Directors offering for re-election, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix I to this circular.

### **General Mandate to Issue Ordinary Shares**

The Directors wish to seek the approval of the Shareholders (i) to grant a general mandate to the Directors to exercise the powers of the Company to allot and issue new Ordinary Shares up to 20% of the Ordinary Shares in issue as at the date of the passing of the proposed Ordinary Resolution 5(B) as set out in the Notice of 2012 AGM; and (ii) to extend the 20% share issuing mandate to be granted pursuant to Ordinary Resolution 5(B) by adding to such mandate the number of Ordinary Shares repurchased by the Company pursuant to the Repurchase Mandate.

Based on 1,001,418,333 Ordinary Shares in issue as at the Latest Practicable Date and on the assumption that there will be no variation in the issued ordinary share capital of the Company during the period up to the date of 2012 AGM on 30th May, 2012, the Company would be allowed to allot and issue a maximum number of 200,283,666 Ordinary Shares pursuant to the 20% share issuing mandate as set out in Ordinary Resolution 5(B).

There is no immediate plan for the issue by the Company of any new Ordinary Shares pursuant to the 20% share issuing mandate.

### **General Mandate to Repurchase Ordinary Shares**

The Directors wish to seek the approval of the Shareholders to the Repurchase Mandate for the Repurchase Proposal. The explanatory statement regarding the Repurchase Proposal required to be sent to the Shareholders in accordance with the Listing Rules is set out in Appendix II to this circular.

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## LETTER FROM THE CHAIRMAN

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As disclosed in the joint announcement dated 20th April, 2012 made by the Company, the Board has authorised and approved the RH Share Repurchase Programme, for repurchasing not more than 38,886,400 Ordinary Shares on the market. Under the RH Share Repurchase Programme, the maximum price for the repurchases of Ordinary Shares will be HK\$3.80 per Ordinary Share. On the basis that all of the above 38,886,400 Ordinary Shares are repurchased at the maximum price of HK\$3.80 per Ordinary Share, the cash consideration payable by the Company will amount to not more than approximately HK\$147.8 million in aggregate.

The RH Share Repurchase Programme will utilise the general mandate relating to the repurchase of Ordinary Shares in force from time to time, as granted and approved by the Shareholders at the general meeting in accordance with the Listing Rules. Pursuant to the general mandate relating to the repurchase of Ordinary Shares currently in force, which was granted by the Shareholders at the annual general meeting of the Company on 31st May, 2011, the Directors are authorised to repurchase up to a maximum of 100,141,833 Ordinary Shares on the market. This repurchase mandate currently in force has not been used since its grant and will expire at the 2012 AGM. If the RH Share Repurchase Programme has not been executed in full before the date of the 2012 AGM, the Repurchase Mandate may be utilised for the purpose of the RH Share Repurchase Programme.

If the RH Share Repurchase Programme is executed in full, a maximum of 38,886,400 Ordinary Shares would be repurchased by the Company, thereby increasing the aggregate proportionate interests of Paliburg in the Company by approximately 2% from approximately 49.37%, as at the Latest Practicable Date, to approximately 51.36%. Pursuant to Rule 32.1 of the Takeovers Code, the above-mentioned increase of the proportionate interests of Paliburg in the issued ordinary share capital of the Company will be treated as an acquisition of shares of the Company for the purposes of the Takeovers Code. As the increase will be within (and not exceed) the 2% creeper band (above its lowest percentage shareholdings in the Company, of approximately 49.37%, in the 12-month period ending on and inclusive of the date of such repurchase) prescribed under Rule 26.1 of the Takeovers Code, no obligations to make a general offer for the Ordinary Shares will arise as a result. The Company does not intend to implement share repurchases to such extent that would result in obligations to make any general offer for Ordinary Shares arising under the Takeovers Code.

Upon repurchases of Ordinary Shares under the RH Share Repurchase Programme, Paliburg's proportionate interests in the voting rights of the Company would increase. Such increase will be treated as an acquisition of voting rights in the Company for the purposes of the Takeovers Code. In the event that the aggregate shareholdings of the Paliburg Concert Group in the issued ordinary share capital of the Company increase to more than 50% as a result of repurchases of Ordinary Shares, the chain principle in Note 8 to Rule 26.1 of the Takeovers Code will apply, and Paliburg would be obliged to make or procure one of its wholly owned subsidiaries to make the Regal REIT Offer (which, if made, would be unconditional) to acquire all the then outstanding Regal REIT Units (other than those already owned by the Paliburg Concert Group, including Century and the Company) in cash under Rule 26.1 of the Takeovers Code.

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## LETTER FROM THE CHAIRMAN

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### **Notice of 2012 AGM**

The Notice of 2012 AGM is contained in pages 12 to 14 of this circular. Pursuant to Rule 13.39(4) of the Listing Rules and Bye-law 78 of the Bye-laws, voting on all resolutions to be put forth to the Shareholders at the 2012 AGM will be taken by poll. The Company will announce the results of poll voting by way of publication of an announcement in accordance with the requirements under Rule 13.39(5) of the Listing Rules on the websites of the Stock Exchange and the Company, respectively.

### **Recommendation from the Directors**

The Directors consider that the proposed grant of the Repurchase Mandate and the 20% share issuing mandate pursuant to the Ordinary Resolution 5(A) and the Ordinary Resolutions 5(B) and 5(C), respectively, are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of these Ordinary Resolutions to be proposed at the 2012 AGM.

Yours faithfully,  
**LO YUK SUI**  
*Chairman*

**(I) Dr. Francis CHOI Chee Ming, GBS, JP (*Vice Chairman and Non-Executive Director*)**

**Dr. Francis Choi**, aged 66, was invited to the Board as Non-Executive Director and elected Vice Chairman in 2004. Dr. Choi holds a Master Degree in Business Administration from the Newport University in the United States of America. He also holds a Ph. D in Business Management from Harbin Institute of Technology, the People's Republic of China, and an Honorary Degree of Doctor of Business Administration from The Hong Kong Polytechnic University. Dr. Choi is the chairman of Early Light International (Holdings) Limited and has extensive business interests in the manufacturing industry and the property sector. He is the Honorary President of the Toys Manufacturers' Association of Hong Kong, Honorary President of the Hong Kong Young Industrialists Council and the Court Member of the Hong Kong Polytechnic University. He is also a Member of National Committee of the Chinese People's Political Consultative Conference. Dr. Choi is also the vice chairman and non-executive director of Town Health International Investments Limited, a company listed on the Stock Exchange. Save as disclosed herein, Dr. Choi has not held any directorships in other listed public companies during the last three years.

Dr. Choi's directorship with the Company is subject to retirement by rotation at least once every three years pursuant to the relevant provisions under the Bye-laws. Dr. Choi does not have a service contract with the Group. He is entitled to normal Director's fee in the amount of HK\$100,000 per annum in acting as a Director. Dr. Choi is also entitled to normal fee in the amount of HK\$50,000 per annum in acting as a member of the Audit Committee of the Company. The normal fees were determined based on the duties and responsibilities in respect of such respective offices, and the Director's fee was previously approved by the Shareholders at general meeting.

As at the Latest Practicable Date, Dr. Choi directly held interests in 50,240,000 issued Ordinary Shares, representing approximately 5.02% of the issued ordinary share capital of the Company as at the Latest Practicable Date, within the meaning of Part XV of the SFO. Dr. Choi does not have any relationships with any Directors, senior management, or substantial or controlling shareholders of the Company.

There is no information that is required to be disclosed by Dr. Choi pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders in relation to the re-election of Dr. Choi.

**(II) Ms. Belinda YEUNG Bik Yiu (*Executive Director and Chief Operating Officer*)**

**Ms. Belinda Yeung**, aged 53, was appointed to the Board as an Executive Director in 2002 and designated as the Chief Operating Officer in 2007. Ms. Yeung joined the Group in 1987. Graduated from Barron Hilton School of Hotel Management, University of Houston, U.S.A., Ms. Yeung has devoted her career in the hospitality industry in U.S.A., Mainland China and Hong Kong — on both multi-unit corporate and single-unit hotel property management levels. As the Chief Operating Officer, she is in charge of the operations of all Regal Hotels in Hong Kong and Mainland China. In addition to her hotel management responsibilities, Ms. Yeung is also responsible for the human resources management of the Century City Group. Ms. Yeung is a member of Election Committee for the Hong Kong Chief Executive Election, Deputy Chairman of Executive Committee of the Federation of Hong Kong Hotel Owners and Chairman of the Advisory Committee of the School of Hotel & Tourism Management of The Hong Kong Polytechnic University. Ms. Yeung has not held any directorships in other listed public companies during the last three years.

Ms. Yeung's directorship with the Company is subject to retirement by rotation at least once every three years pursuant to the relevant provisions under the Bye-laws. Ms. Yeung has a service contract with the RHIHL Group, which does not have a specific length of service and is determinable by either party on 3 months' notice. Under her service contract, she is presently entitled to receive from the RHIHL Group an allocated monthly salary of HK\$163,000, which was determined by reference to industry norm and market conditions and based on the services rendered to the RHIHL Group and, in addition, performance based discretionary bonus and other related employee benefits and allowances. Ms. Yeung is also entitled to normal Director's fee in the amount of HK\$100,000 per annum in acting as a Director. The normal Director's fee was determined based on the duties and responsibilities in respect of such office and was previously approved by the Shareholders at general meeting. Apart from as disclosed above, Ms. Yeung does not have any service contract with other members of the Group.

Ms. Yeung does not hold any interests in the securities of the Company within the meaning of Part XV of the SFO. As at the Latest Practicable Date, Ms. Yeung directly held interests in 200 issued ordinary shares of Century, representing approximately 0.00001% of the issued ordinary share capital of Century as at the Latest Practicable Date, within the meaning of Part XV of the SFO. Save as disclosed herein, Ms. Yeung does not have any other relationships with any Directors, senior management, or substantial or controlling shareholders of the Company.

There is no information that is required to be disclosed by Ms. Yeung pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders in relation to the re-election of Ms. Yeung.

**(III) Mr. Donald FAN Tung (*Executive Director*)**

**Mr. Donald Fan**, aged 55, was appointed to the Board as an Executive Director in 2002. Mr. Fan is a qualified architect. He has been with the Group since 1987 and is primarily in charge of the property investment and development businesses and the hotel project works of the RHIHL Group. Mr. Fan is also an executive director of Century, an executive director and the chief operating officer of Paliburg and a non-executive director of RPML. Mr. Fan is involved in the property development, architectural design and project management functions as well as overseeing the building construction business of the Paliburg Group. Mr. Fan acted as a non-executive director of KH Investment Holdings Limited (“KH Investment”), a company listed on the Growth Enterprise Market of the Stock Exchange, since mid September 2011 (when KH Investment was a listed subsidiary of Century) until he resigned from such position in early March 2012. Save as disclosed herein, Mr. Fan has not held any directorships in other listed public companies during the last three years.

Mr. Fan’s directorship with the Company is subject to retirement by rotation at least once every three years pursuant to the relevant provisions under the Bye-laws. Mr. Fan does not have a service contract with the Group. He is entitled to normal director’s fee in the amount of HK\$100,000 per annum each in acting as a Director and a non-executive director of RPML. The normal director’s fees were determined based on the duties and responsibilities in respect of such offices and, where required, were previously approved by the Shareholders at general meeting. With respect to his executive role, Mr. Fan is also entitled to receive from the RHIHL Group an allocated monthly salary of HK\$62,400, which was determined by reference to industry norm and market conditions and based on the services rendered to the RHIHL Group and, in addition, performance based discretionary bonus and other related employee benefits and allowances.

Mr. Fan does not hold any interests in the securities of the Company within the meaning of Part XV of the SFO. As at the Latest Practicable Date, Mr. Fan directly held interests in 556 issued ordinary shares of Paliburg, representing approximately 0.00005% of the issued ordinary share capital of Paliburg as at the Latest Practicable Date, within the meaning of Part XV of the SFO. Details of the directorships of Mr. Fan in the substantial and controlling shareholders of the Company are disclosed under the section headed “Substantial Shareholders’ Interests in Share Capital” in the Report of Directors contained in the 2011 Annual Report. Save as disclosed herein, Mr. Fan does not have any other relationships with any Directors, senior management, or substantial or controlling shareholders of the Company.

There is no information that is required to be disclosed by Mr. Fan pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders in relation to the re-election of Mr. Fan.

**(IV) Mr. Jimmy LO Chun To (Executive Director)**

**Mr. Jimmy Lo**, aged 38, was appointed to the Board as an Executive Director in 1999. He is also an executive director of Century and Paliburg and a non-executive director of RPML. Mr. Lo graduated from Cornell University, New York, U.S.A. with a Degree in Architecture. Apart from his involvement with the design of the RHIHL Group's property and hotel projects, he undertakes responsibilities in the business development function of the Century City Group. Save as disclosed herein, Mr. Lo has not held any directorships in other listed public companies during the last three years.

Mr. Lo's directorship with the Company is subject to retirement by rotation at least once every three years pursuant to the relevant provisions under the Bye-laws. Mr. Lo does not have a service contract with the Group. He is entitled to normal director's fee in the amount of HK\$100,000 per annum each in acting as a Director and a non-executive director of RPML. The normal director's fees were determined based on the duties and responsibilities in respect of such offices and, where required, were previously approved by the Shareholders at general meeting. With respect to his executive role, Mr. Lo is also entitled to receive from the RHIHL Group an allocated monthly salary of HK\$29,250, which was determined by reference to industry norm and market conditions and based on the services rendered to the RHIHL Group and, in addition, performance based discretionary bonus and other related employee benefits and allowances.

Mr. Lo does not hold any interests in the securities of the Company within the meaning of Part XV of the SFO. As at the Latest Practicable Date, Mr. Lo held the following interests in the securities of Century and Paliburg within the meaning of Part XV of the SFO:

- (1) interest directly held by Mr. Lo in 251,735 issued ordinary shares of Century, representing approximately 0.01% of the issued ordinary share capital of Century as at the Latest Practicable Date; and
- (2) interests directly held by Mr. Lo in 2,274,600 issued ordinary shares of Paliburg, representing approximately 0.20% of the issued ordinary share capital of Paliburg as at the Latest Practicable Date.

Details of the directorships of Mr. Lo in the substantial and controlling shareholders of the Company are disclosed under the section headed "Substantial Shareholders' Interests in Share Capital" in the Report of Directors contained in the 2011 Annual Report. Mr. Lo is the son of Mr. LO Yuk Sui, the Chairman and Chief Executive Officer of the Company, and the brother of Miss LO Po Man, an Executive Director of the Company. Save as disclosed herein, Mr. Lo does not have any other relationships with any Directors, senior management, or substantial or controlling shareholders of the Company.

There is no information that is required to be disclosed by Mr. Lo pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders in relation to the re-election of Mr. Lo.

This is the explanatory statement to provide requisite information to you for your consideration of the Repurchase Proposal, as required by the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange. The Ordinary Shares are listed on the Stock Exchange.

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, there were 1,001,418,333 Ordinary Shares in issue.

Subject to the passing of the Ordinary Resolution 5(A) as set out in the Notice of 2012 AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 100,141,833 Ordinary Shares, on the assumption that there will be no variation in the issued ordinary share capital of the Company during the period up to the date of the 2012 AGM. The aggregate nominal amount of Ordinary Shares which may be repurchased under the Repurchase Mandate will not exceed 10% of that of the Ordinary Shares in issue at the date of the 2012 AGM.

The Repurchase Mandate will be valid for the period from the date of passing the Ordinary Resolution 5(A) until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting is required by the Bye-laws or the Companies Act or any other applicable law of Bermuda to be held; and (iii) the revocation or variation of the authority given under the Ordinary Resolution 5(A) by an ordinary resolution of the Shareholders in general meeting.

### **2. REASONS FOR REPURCHASES**

The Directors believe that the Repurchase Proposal is in the interests of the Company and its Shareholders. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per share or may otherwise be in the interests of the Company, and will only be made when the Directors believe that such purchases will benefit the Company and its Shareholders.

### **3. FUNDING OF REPURCHASES**

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company's funds legally available for such purpose in accordance with the Company's Memorandum of Association and Bye-laws and the laws of Bermuda. Any shares repurchased under the Repurchase Mandate must be funded out of the capital paid up on the repurchased shares or the funds of the Company which would otherwise be available for dividend or distribution, or out of the proceeds of a fresh issue of shares. Any premium payable on the repurchase must be provided for out of the funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account.

It is not expected that there would be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the 2011 Annual Report) even if the proposed repurchases were to be carried out in full at any time during the proposed repurchase period. Nevertheless, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**4. SHARE PRICES**

The highest and lowest prices at which the Ordinary Shares have traded on the Stock Exchange in each of the previous twelve months and in April 2012 (up to the Latest Practicable Date) were as follows:

	<b>Ordinary Shares</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
April 2011	3.590	3.420
May 2011	3.530	3.220
June 2011	3.450	3.100
July 2011	3.330	3.150
August 2011	3.200	2.500
September 2011	2.790	2.110
October 2011	2.640	2.000
November 2011	2.600	2.300
December 2011	2.550	2.230
January 2012	2.700	2.370
February 2012	3.080	2.620
March 2012	3.010	2.620
From 1st April, 2012 to the Latest Practicable Date	3.250	2.570

**5. DISCLOSURE OF INTERESTS**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates have any present intention to sell any Ordinary Shares to the Company under the Repurchase Proposal if the same is approved by the Shareholders. No other connected persons of the Company have notified the Company that they have a present intention to sell Ordinary Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Ordinary Resolution 5(A) in accordance with the Listing Rules and the laws of Bermuda.

As at the Latest Practicable Date, Paliburg, the listed subsidiary of Century (of which Mr. Lo Yuk Sui is the chairman and controlling shareholder), held approximately 49.37% shareholding interests in the issued ordinary share capital of the Company.

In the event that the Repurchase Mandate granted to the Directors pursuant to the Repurchase Proposal were to be carried out in full, the shareholding interests of Paliburg in the Company would increase to approximately 54.86% of the issued ordinary share capital of the Company, assuming there are no other changes in the capital structure of the Company. As mentioned in the preceding Letter from the Chairman contained in this circular, pursuant to Rule 32.1 of the Takeovers Code, such resultant increase in shareholding interests would be treated as an acquisition of voting rights for the purpose of the Takeovers Code. Accordingly, Paliburg might become obliged to make a mandatory offer for the Ordinary Shares as and when the 2% creeper under Rule 26 of the Takeovers Code is exceeded or to make a mandatory offer for the issued units of Regal REIT if Paliburg acquired statutory control of the Company under the chain principle in Rule 26 of the Takeovers Code. Save as aforesaid and based on information known to date, the Directors are not aware of any consequences which may arise under the Takeovers Code even if the Repurchase Mandate were exercised in full. The Directors have no intention to exercise the Repurchase Mandate to such extent as would, in the circumstances, trigger off a mandatory offer for the Ordinary Shares under the Takeovers Code.

Furthermore, the Directors have no intention to exercise the Repurchase Mandate to such extent as would cause the public float to fall below 25% or such other minimum percentage as prescribed by the Listing Rules from time to time.

#### **6. SECURITIES PURCHASES MADE BY THE COMPANY**

The Company has not purchased any Ordinary Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

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**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at the Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Wednesday, 30th May, 2012 at 11:00 a.m. for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and the Auditors for the year ended 31st December, 2011.
2. To declare a final dividend for the year ended 31st December, 2011 of HK9.0 cents per ordinary share.
3. To elect Directors.
4. To appoint Auditors and authorise the Board of Directors to fix their remuneration.
5. To consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

(A) **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period of all the powers of the Company to purchase ordinary shares of HK\$0.10 each in the capital of the Company (“Ordinary Shares”), subject to and in accordance with all applicable laws and the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Ordinary Shares which may be purchased by the Company pursuant to paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the Ordinary Shares in issue at the date of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
  - (i) the conclusion of the next Annual General Meeting of the Company;
  - (ii) the expiration of the period within which the next Annual General Meeting is required by the Bye-laws of the Company or The Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; and

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(iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders in general meeting.”

(B) “**THAT** the exercise by the Directors during the Relevant Period (as defined in Resolution 5(A) set out in the Notice of this Meeting) of all the powers of the Company to issue, allot and dispose of additional Ordinary Shares (including making and granting offers, agreements and options which would or might require Ordinary Shares to be issued, allotted or disposed of, whether during or after the end of the Relevant Period) be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to a rights issue where Ordinary Shares are offered to shareholders on a fixed record date in proportion to their then holdings of Ordinary Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong), the additional Ordinary Shares issued, allotted or disposed of (including Ordinary Shares agreed conditionally or unconditionally to be issued, allotted or disposed of, whether pursuant to an option or otherwise) shall not in aggregate exceed 20% of the aggregate nominal amount of the Ordinary Shares in issue at the date of this Resolution, and the said approval shall be limited accordingly.”

(C) “**THAT** the general mandate granted to the Directors under Resolution 5(B) above be and is hereby extended by the addition of an amount representing the aggregate nominal amount of Ordinary Shares purchased by the Company pursuant to the general mandate approved in Resolution 5(A) above.”

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

Hong Kong, 30th April, 2012

**Notes:**

1. A shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
2. The proxy form must be deposited with the Company’s branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, (the “Branch Registrar”) at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the Meeting or any adjournment thereof.

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3. The Register of Ordinary Shareholders of the Company will be closed during the following periods, within which no transfers of shares will be effected:
  - (i) from Monday, 28th May, 2012 to Wednesday, 30th May, 2012, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the Meeting. In order to be entitled to attend and vote at the Meeting, all transfers of Ordinary Shares, duly accompanied by the relevant share certificates, must be lodged with the Branch Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Friday, 25th May, 2012; and
  - (ii) from Wednesday, 6th June, 2012 to Friday, 8th June, 2012, both days inclusive, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfers of Ordinary Shares, duly accompanied by the relevant share certificates, must be lodged with the Branch Registrar at the address set out above no later than 4:30 p.m. on Tuesday, 5th June, 2012.
4. A circular of the Company containing further details relating to the re-election of Directors and an explanatory statement or information regarding Resolutions 5(A), 5(B) and 5(C) above will be sent to the Company's shareholders together with the 2011 Annual Report of the Company.
5. In the event that a typhoon signal no. 8 (or above) or a black rainstorm warning is in effect on the day of the Meeting, Shareholders are requested to call the Company's hotline at (852) 2894-7511 on that day to enquire about the arrangements of the Meeting.