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**PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES  
RESTORATION OF PUBLIC FLOAT AS REQUIRED UNDER THE LISTING RULES**

On 26th November, 2002, Uni-Alpha and Ever-Long agreed to place, on a fully underwritten basis, 93,000,000 existing Shares and 62,000,000 existing Shares respectively at a price of HK\$0.065 per Share on behalf of Taylor. The aggregate number of 155,000,000 Shares under the Placing represents approximately 2.59% of the existing issued ordinary share capital of the Company and approximately 2.46% of the issued ordinary share capital of the Company as enlarged by the Subscription. The Placing is fully underwritten by each of the Placing Agents, subject to usual force majeure provisions. The Placing Shares will be placed by each of the Placing Agents to more than six independent professional, institutional and/or individual investors.

On 26th November, 2002, Taylor and Guo Yui, both wholly owned subsidiaries of Paliburg, entered into a conditional agreement with the Company for the subscription by each of Taylor and Guo Yui severally of 155,000,000 Shares at the same price of HK\$0.065 per Share. The aggregate number of 310,000,000 new Shares under the Subscription represents approximately 5.18% of the existing issued ordinary share capital of the Company and approximately 4.92% of the issued ordinary share capital of the Company as enlarged by the Subscription.

Paliburg holds through its wholly owned subsidiaries (including Taylor) approximately 79.37% of the issued ordinary share capital of the Company as at the date of this announcement. The shareholding of Paliburg in the issued ordinary share capital of the Company will be reduced from approximately 79.37% to approximately 76.78% immediately upon completion of the Placing but before completion of the Subscription and will be increased from approximately 76.78% to approximately 77.93% immediately upon completion of the Placing and the Subscription.

In connection with the Stanley Transfer (as defined in the Joint Announcement), the Company obtained a waiver from the Stock Exchange of strict compliance with the minimum public float requirement under the Listing Rules for a period of one month from completion of the Stanley Transfer Agreement (as defined in the Joint Announcement) on 31st October, 2002 to end on 30th November, 2002. The Company was informed by Paliburg that Paliburg has irrevocably instructed the security trustee of the SPC Regal Shares (as defined in the Joint Announcement) on 26th November, 2002 for the release of 190,000,000 SPC Regal Shares (representing approximately 3.17% of the existing issued ordinary share capital of the Company and approximately 3.02% of the issued ordinary share capital of the Company as enlarged by the Subscription) on or before 29th November, 2002 to the Issuing SPCs (as defined in the Joint Announcement) involved in the Settlement Proposal (as defined in the Joint Announcement) which are wholly-owned by a charitable trust and the relevant trustee of such trust is unconnected with the Company and Paliburg, any of their respective subsidiaries, directors, chief executive and substantial shareholders, and any of their respective associates so as to restore the required minimum public float of the Shares on or before the end of the waiver period, this being 30th November, 2002. Immediately following the completion of the Placing, the partial release of the SPC Regal Shares described above and the Subscription, the shareholding of Paliburg and its associates in the then issued ordinary share capital of the Company will be reduced to approximately 74.91%. The partial release of the SPC Regal Shares is independent of and not conditional upon the completion of the Placing or the Subscription.

The Company intends to use the estimated net proceeds of the Subscription of approximately HK\$19.9 million for general working capital purposes.

At the request of the Company, trading in its Shares on the Stock Exchange was suspended from 9:30 a.m. on 27th November, 2002 pending the release of this announcement. The Company has applied to the Stock Exchange for dealings to resume from 9:30 a.m. on 28th November, 2002.

**TWO PLACING AGREEMENTS BOTH DATED 26TH NOVEMBER, 2002**

**Vendor:**

Taylor is a substantial shareholder of the Company.

As at the date of this announcement, Taylor holds 1,402,111,870 Shares, representing approximately 23.42% of the existing issued ordinary share capital of the Company, which comprises 5,987,105,836 Shares. Paliburg holds through its wholly owned subsidiaries (including Taylor) approximately 79.37% of the issued ordinary share capital of the Company.

**Placing Agents and Underwriters:**

The Placing Agents are independent of and not connected with Taylor. They are also independent of and not connected with the directors, chief executive or substantial shareholders of the Company and its subsidiaries or any of their respective associates (as defined under the Listing Rules).

The UA Placing and the EL Placing are both unconditional and severally fully underwritten by each of Uni-Alpha and Ever-Long, subject to usual force majeure provisions. Uni-Alpha and Ever-Long will receive a placement commission of 2.5% of the gross proceeds of the UA Placing and the EL Placing respectively.

**Number of Shares to be placed:**

155,000,000 existing Shares, representing approximately 2.59% of the existing issued ordinary share capital of the Company and approximately 2.46% of the issued ordinary share capital of the Company as enlarged by the Subscription. The Placing Shares are beneficially owned by Taylor.

**Placing Price:**

HK\$0.065 per Share, representing (i) a discount of approximately 8.45% to the closing price of HK\$0.071 per Share quoted on the Stock Exchange on 26th November, 2002, being the last trading day of the Shares immediately prior to the suspension of trading of the Shares on 27th November, 2002 and (ii) a discount of approximately 8.19% to the average closing price of HK\$0.0708 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including 26th November, 2002. The Placing Price is determined after arm's length negotiation between Taylor and the Placing Agents and the board of directors of the Company considers that the Placing Price is fair and reasonable based on the market price of the Shares.

**Places:**

The UA Placing and the EL Placing will each be made to more than six independent professional, institutional and/or individual investors to be procured by the Placing Agents.

The places to be procured by the Placing Agents are independent of and not connected with the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates (as defined under the Listing Rules).

**Completion of the Placing:**

The Placing is expected to be effected on 28th November, 2002 with completion to be on or before 2nd December, 2002 (or such later date as the parties may mutually agree in writing).

**SUBSCRIPTION AGREEMENT DATED 26TH NOVEMBER, 2002**

**Subscribers:**

Taylor and Guo Yui, both wholly owned subsidiaries of Paliburg

**Issuer:**

The Company

**Number of new Shares to be subscribed for:**

155,000,000 new Shares to be subscribed by each of Taylor and Guo Yui severally. The aggregate number of 310,000,000 new Shares to be subscribed by Taylor and Guo Yui represents approximately 5.18% of the existing issued ordinary share capital of the Company and approximately 4.92% of the issued ordinary share capital of the Company as enlarged by the Subscription.

**Subscription Price:**

HK\$0.065 per Subscription Share.

**Costs and Expenses:**

The Company will bear all the costs and expenses incurred in respect of the Placing and the Subscription by fully reimbursing to Taylor and/or Guo Yui of such costs and expenses. The estimated expenses for the Placing and the Subscription to be borne by the Company will be approximately HK\$0.2 million.

**Mandate to issue the new Shares:**

The Subscription Shares are to be issued under the general mandate to allot, issue and deal with Shares granted to the directors of the Company at the Company's annual general meeting held on 12th June, 2002. The Company has not issued any Shares pursuant to such mandate prior to the Subscription.

**Ranking of the new Shares:**

The Subscription Shares, when fully paid, will rank pari passu in all respects with the Shares in issue at the time of the issue and allotment of the Subscription Shares.

**Conditions of the Subscription:**

The Subscription is conditional upon:

1. completion of the Placing which is expected to be on or before 2nd December, 2002; and
2. the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

**Completion of the Subscription:**

Completion of the Subscription will take place upon the fulfilment of all conditions listed above and within 14 days from the date of the Placing Agreements, that is, on or before 9th December, 2002 (or such later date as the parties may mutually agree in writing and always subject to full compliance with the Listing Rules), failing which the Subscription shall cease and terminate.

**REASON FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS OF THE SUBSCRIPTION**

In view of the current market conditions, the directors of the Company consider that both the Placing and the Subscription represent a good opportunity to raise capital for the Company while broadening the shareholder base and the capital base of the Company. The Company intends to use the estimated net proceeds of the Subscription of approximately HK\$19.9 million for general working capital purposes.

**PALIBURG'S INTEREST IN THE COMPANY AND RESTORATION OF PUBLIC FLOAT AS REQUIRED UNDER THE LISTING RULES**

The shareholding of Paliburg in the issued ordinary share capital of the Company will be reduced from approximately 79.37% to approximately 76.78% immediately upon completion of the Placing but before completion of the Subscription and will be increased from approximately 76.78% to approximately 77.93% immediately upon completion of the Placing and the Subscription.

In connection with the Stanley Transfer (as defined in the Joint Announcement), the Company obtained a waiver from the Stock Exchange of strict compliance with the minimum public float requirement under the Listing Rules for a

period of one month from completion of the Stanley Transfer Agreement (as defined in the Joint Announcement) on 31st October, 2002 to end on 30th November, 2002. The Company was informed by Paliburg that Paliburg has irrevocably instructed the security trustee of the SPC Regal Shares (as defined in the Joint Announcement) on 26th November, 2002 for the release of 190,000,000 SPC Regal Shares (representing approximately 3.17% of the existing issued ordinary share capital of the Company and approximately 3.02% of the issued ordinary share capital of the Company as enlarged by the Subscription) on or before 29th November, 2002 to the Issuing SPCs (as defined in the Joint Announcement) involved in the Settlement Proposal (as defined in the Joint Announcement) which are wholly-owned by a charitable trust and the relevant trustee of such trust is unconnected with the Company and Paliburg, any of their respective subsidiaries, directors, chief executive and substantial shareholders, and any of their respective associates so as to restore the required minimum public float of the Shares on or before the end of the waiver period, this being 30th November, 2002. Immediately following the completion of the Placing, the partial release of the SPC Regal Shares described above and the Subscription, the shareholding of Paliburg and its associates in the then issued ordinary share capital of the Company will be reduced to approximately 74.91%. The partial release of the SPC Regal Shares is independent of and not conditional upon the completion of the Placing or the Subscription.

**Effect on Shareholding Structure of Regal**

	Existing Shareholding		After the Placing (expected to be on 28th November, 2002)		After partial release of the SPC Regal Shares (expected to be on or before 29th November, 2002)		After the Subscription (expected to be on or before 9th December, 2002)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
	million		million		million		million	
Paliburg and its associates	4,752.1	79.37	4,597.1	76.78	4,407.1	73.61	4,717.1	74.91
Issuing SPCs	—	—	—	—	190.0	3.17	190.0	3.02
Other shareholders	1,235.0	20.63	1,390.0	23.22	1,390.0	23.22	1,390.0	22.07
Total	5,987.1	100.00	5,987.1	100.00	5,987.1	100.00	6,297.1	100.00

**RESUMPTION OF TRADING**

At the request of the Company, trading in its Shares on the Stock Exchange was suspended from 9:30 a.m. on 27th November, 2002 pending the release of this announcement. The Company has applied to the Stock Exchange for dealings to resume from 9:30 a.m. on 28th November, 2002.

**DEFINITIONS**

As used in this announcement, the following words and phrases have the same meanings assigned:

"Company"	Regal Hotels International Holdings Limited, a 79.37% owned subsidiary of Paliburg incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
"EL Placing"	the placement of an aggregate amount of 62,000,000 existing Shares to independent investors at the Placing Price through Ever-Long as the placing agent
"Ever-Long"	Ever-Long Securities Co. Ltd.
"Guo Yui"	Guo Yui Investments Limited, a wholly owned subsidiary of Paliburg and incorporated in the British Virgin Islands
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Joint Announcement"	the joint announcement dated 2nd August, 2002 made by Century City International Holdings Limited, Paliburg and the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Paliburg"	Paliburg Holdings Limited, a company incorporated in Bermuda with limited liability and the ordinary shares of which are listed on the Stock Exchange
"Placing"	the UA Placing and the EL Placing, i.e. placement of an aggregate amount of 155,000,000 existing Shares to independent investors at the Placing Price
"Placing Agents"	Uni-Alpha and Ever-Long
"Placing Agreements"	the placing and underwriting agreement dated 26th November, 2002 entered into between Taylor and Uni-Alpha relating to the UA Placing and the placing and underwriting agreement dated 26th November, 2002 entered into between Taylor and Ever-Long relating to the EL Placing
"Placing Price"	the placing price of HK\$0.065 per Share
"Placing Shares"	an aggregate amount of 155,000,000 existing Shares
"Shares"	ordinary shares of HK\$0.01 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription by each of Taylor and Guo Yui of 155,000,000 Subscription Shares, i.e. an aggregate number of 310,000,000 Subscription Shares, at the Subscription Price pursuant to the Subscription Agreement
"Subscription Agreement"	the subscription agreement dated 26th November, 2002 entered into between the Company, Taylor and Guo Yui in respect of the Subscription
"Subscription Price"	the subscription price of HK\$0.065 per Share
"Subscription Shares"	an aggregate number of 310,000,000 new Shares
"Taylor"	Taylor Investments Ltd., a wholly owned subsidiary of Paliburg and incorporated in the British Virgin Islands
"UA Placing"	the placement of an aggregate amount of 93,000,000 existing Shares to independent investors at the Placing Price through Uni-Alpha as the placing agent
"Uni-Alpha"	Uni-Alpha Securities Limited
"HK\$"	Hong Kong dollars

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

Hong Kong, 27th November, 2002