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## PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES

On 3rd June, 2003, the Placing Agent agreed to place, on a fully underwritten basis, 150,000,000 existing Shares at a price of HK\$0.048 per Share on behalf of Guo Yui, a wholly owned subsidiary of Paliburg. The 150,000,000 Shares represent approximately 2.38% of the existing issued ordinary share capital of the Company and approximately 2.31% of the issued ordinary share capital of the Company as enlarged by the Subscription. The Placing is fully underwritten by the Placing Agent, subject to usual force majeure provisions. The Placing Shares will be placed by the Placing Agent to six or more independent professional, institutional and/or individual investors.

On 3rd June, 2003, Guo Yui entered into a conditional agreement with the Company for the subscription of 210,000,000 new Shares at the same price of HK\$0.048 per Share. The 210,000,000 Shares represent approximately 3.33% of the existing issued ordinary share capital of the Company and approximately 3.23% of the issued ordinary share capital of the Company as enlarged by the Subscription.

Paliburg holds through its wholly owned subsidiaries (including Guo Yui) approximately 74.91% 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 74.91% to approximately 72.53% immediately upon completion of the Placing but before completion of the Subscription and will be increased from approximately 72.53% to approximately 73.41% immediately upon completion of the Placing and the Subscription.

The Company intends to use the estimated net proceeds of the Subscription of approximately HK\$10 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 5th June, 2003 pending the release of this announcement. The Company has applied to the Stock Exchange for dealings to resume from 9:30 a.m. on 6th June, 2003.

### PLACING AGREEMENT DATED 3RD JUNE, 2003

#### Vendor:

As at the date of this announcement, Guo Yui holds 155,000,000 Shares, representing approximately 2.46% of the existing issued ordinary share capital of the Company, which comprises 6,297,105,836 Shares. Paliburg holds through its wholly owned subsidiaries (including Guo Yui) approximately 74.91% of the issued ordinary share capital of the Company.

#### Placing Agent and Underwriter:

The Placing Agent is independent of and not connected with Guo Yui. It is 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.

The Placing is unconditional and fully underwritten by the Placing Agent, subject to usual force majeure provisions. The Placing Agent will receive a placement commission of 2% of the gross proceeds of the Placing.

#### Number of Shares to be placed:

150,000,000 existing Shares, representing approximately 2.38% of the existing issued ordinary share capital of the Company and approximately 2.31% of the issued ordinary share capital of the Company as enlarged by the Subscription. The Placing Shares are beneficially owned by Guo Yui.

#### Placing Price:

HK\$0.048 per Share, representing (i) a discount of approximately 5.88% to the closing price of HK\$0.051 per Share quoted on the Stock Exchange on 3rd June, 2003, being the last trading day of the Shares immediately prior to the suspension of trading of the Shares on 5th June, 2003 and (ii) a discount of approximately 7.34% to the average closing price of HK\$0.0518 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including 3rd June, 2003. The Placing Price is determined after arm's length negotiation between Guo Yui and the Placing Agent 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.

#### Placées:

Placement will be made to six or more independent professional, institutional and/or individual investors to be procured by the Placing Agent.

The placées to be procured by the Placing Agent 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.

#### Completion of the Placing:

On 10th June, 2003 (or such later date as the parties may mutually agree).

### SUBSCRIPTION AGREEMENT DATED 3RD JUNE, 2003

#### Subscriber:

Guo Yui, a wholly owned subsidiary of Paliburg

#### Issuer:

The Company

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

210,000,000 new Shares to be subscribed by Guo Yui representing approximately 3.33% of the existing issued ordinary share capital of the Company and approximately 3.23% of the issued ordinary share capital of the Company as enlarged by the Subscription.

#### Subscription Price:

HK\$0.048 per Subscription Share.

#### Costs and Expenses:

The Company will bear all the costs and expenses incurred in respect of the Placing by fully reimbursing to Guo Yui of such costs and expenses. The estimated costs and 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 special general meeting held on 15th February, 2003. 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; 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 Agreement, that is, on or before 16th June, 2003 (or such later date as the parties may mutually agree 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

The directors of the Company consider that the Placing and the Subscription represent a good opportunity to raise capital for the Company while broadening the shareholder and capital base of the Company. The Company intends to use the estimated net proceeds of the Subscription of approximately HK\$10 million for general working capital purposes, including payment of normal operating expenses.

### PREVIOUS FUND RAISING EXERCISES

During the twelve months prior to the date of this announcement, the Company had carried out two fund raising exercises.

On 15th October, 2002, Richtech issued HK\$50 million Convertible Bonds to Faith Master Limited, an independent third party not connected with any of the directors, chief executive and substantial shareholders of the Company and its subsidiaries and any of their respective associates. As mentioned in the announcement of the Company dated 16th September, 2002, the Company stated its intention to use the net proceeds of approximately HK\$50 million receivable from the issue of the HK\$50 million Convertible Bonds substantially for reduction of bank indebtedness as referred to in an announcement dated 10th September, 2002 of the Company relating to its entering into of a standstill agreement with bank creditors. Such net proceeds were subsequently applied by the Company for the reduction of bank indebtedness as disclosed. Details in respect of the Convertible Bonds and related matters were disclosed in the announcements of the Company dated 16th September, 2002, 15th October, 2002, 16th January, 2003 and 29th January, 2003 and the circular of the Company dated 30th January, 2003.

On 9th December, 2002, Guo Yui and Taylor each subscribed for 155,000,000 Shares, i.e. an aggregate number of 310,000,000 Shares, at a price of HK\$0.065 per Share, following the completion of the placing, through placing agents, of 155,000,000 Shares held by Taylor at a price of HK\$0.065 per Share on 2nd December, 2002. As mentioned in the announcement of the Company dated 27th November, 2002, the Company stated its intention to use the net proceeds of approximately HK\$20 million receivable from the subscription for 310,000,000 Shares for general working capital purposes. Such net proceeds were subsequently so applied by the Company for general working capital purposes, including payment of normal operating expenses. Details relating to the placing of 155,000,000 Shares and the subscription for 310,000,000 Shares were disclosed in the announcement of the Company dated 27th November, 2002.

### PALIBURG'S INTEREST IN THE COMPANY

The shareholding of Paliburg in the issued ordinary share capital of the Company will be reduced from approximately 74.91% to approximately 72.53% immediately upon completion of the Placing but before completion of the Subscription and will be increased from approximately 72.53% to approximately 73.41% immediately upon completion of the Placing and the Subscription.

### SUSPENSION AND 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 5th June, 2003 pending the release of this announcement. The Company has applied to the Stock Exchange for dealings to resume from 9:30 a.m. on 6th June, 2003.

### DEFINITIONS

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

"associates"	has the meaning as ascribed in the Listing Rules
"Company"	Regal Hotels International Holdings Limited, a subsidiary of Paliburg incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange, in which Paliburg holds approximately 74.91% shareholding interests
"Convertible Bonds"	5% Guaranteed Convertible Bonds due 2004 convertible into Shares of Regal issued by Richtech and guaranteed by Regal
"Guo Yui"	Guo Yui Investments Limited, a wholly owned subsidiary of Paliburg incorporated in the British Virgin Islands with limited liability
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"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 placement of 150,000,000 existing Shares by the Placing Agent to independent investors at the Placing Price
"Placing Agent"	Uni-Alpha Securities Limited
"Placing Agreement"	The placing and underwriting agreement dated 3rd June, 2003 between Guo Yui and the Placing Agent in respect of the Placing
"Placing Price"	the placing price of HK\$0.048 per Share
"Placing Shares"	150,000,000 existing Shares
"Richtech"	Richtech Holdings Limited, a wholly owned subsidiary of the Company incorporated in Hong Kong with limited liability
"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 of the Subscription Shares by Guo Yui
"Subscription Agreement"	the subscription agreement dated 3rd June, 2003 between the Company and Guo Yui in respect of the Subscription
"Subscription Price"	the subscription price of HK\$0.048 per Share
"Subscription Shares"	210,000,000 new Shares
"substantial shareholders"	has the meaning as ascribed in the Listing Rules
"Taylor"	Taylor Investments Ltd., a wholly owned subsidiary of Paliburg incorporated in the British Virgin Islands with limited liability
"HK\$"	Hong Kong dollars

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

Hong Kong, 5th June, 2003