

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES

On 21st February, 2002, the Placing Agent agreed to place, on an underwritten basis, 150,000,000 existing Shares at a price of HK\$0.14 per Share on behalf of Taylor and Taylor entered into a conditional agreement with the Company for the subscription of 90,000,000 new Shares at the same price per Share. The 150,000,000 Shares represent approximately 3.81% of the existing issued ordinary share capital of the Company and approximately 3.72% 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 more than six independent professional, institutional and/or individual investors.

Paliburg holds through its wholly owned subsidiaries (including Taylor) approximately 72.75% 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 72.75% to approximately 68.95% immediately upon completion of the Placing but before completion of the Subscription and will be increased from approximately 68.95% to approximately 69.64% immediately upon completion of the Placing and the Subscription.

The Company intends to use the estimated net proceeds of the Subscription of approximately HK\$12.3 million for general working capital purposes.

At the request of the Company, trading in its Shares on the Stock Exchange was suspended from 10:00 a.m. on 22nd February, 2002. The Company has applied to the Stock Exchange for dealings to resume from 10:00 a.m. on 25th February, 2002.

PLACING AGREEMENT DATED 21ST FEBRUARY, 2002

Vendor:

Taylor is a substantial shareholder of the Company.

As at the date of this announcement, Taylor holds 1,462,111,870 Shares, representing approximately 37.12% of the existing issued ordinary share capital of the Company, which comprises 3,938,772,503 Shares. Paliburg holds through its wholly owned subsidiaries (including Taylor) approximately 72.75% of the issued ordinary share capital of the Company.

Placing Agent and Underwriter:

The Placing Agent is independent of and not connected with Taylor. 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 (as defined under the Listing Rules).

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

Number of Shares to be placed:

150,000,000 existing Shares, representing approximately 3.81% of the existing issued ordinary share capital of the Company. The Placing Shares are beneficially owned by Taylor.

Placing Price:

HK\$0.14 per Share, representing (i) a discount of approximately 9.09% to the closing price of HK\$0.154 per Share quoted on the Stock Exchange on 21st February, 2002, being the last trading day of the Shares immediately prior to the suspension of trading of the Shares on 22nd February, 2002 and (ii) a discount of approximately 6.91% to the average closing price of HK\$0.1504 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including 21st February, 2002. The Placing Price is determined after arm's length negotiation between Taylor and the Placing Agent and the board of directors of the Company considers that the Placing Price is fair and reasonable.

Placees:

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

The placees 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 (as defined under the Listing Rules).

Completion of the Placing:

On 27th February, 2002 (or such later date as the parties may mutually agree).

SUBSCRIPTION AGREEMENT DATED 21ST FEBRUARY, 2002

Subscriber:

Taylor

Issuer:

The Company

Number of new Shares to be subscribed for:

90,000,000 new Shares to be subscribed by Taylor representing approximately 2.28% of the existing ordinary issued share capital of the Company and approximately 2.23% of the issued ordinary share capital of the Company as enlarged by the Subscription.

Subscription Price:

HK\$0.14 per Subscription Share. The Company will bear all the costs and expenses incurred in respect of the Placing attributable to the same number of Placing Shares as the Subscription Shares, by reimbursement to Taylor of such portion of costs and expenses, and those incurred in respect of the Subscription. The estimated expenses for the Placing and the Subscription to be borne by the Company will be approximately HK\$0.3 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, 2001. 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 7th March, 2002 (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

In view of the current market conditions, the directors of the Company consider 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\$12.3 million for general working capital purposes.

PALIBURG'S INTEREST IN THE COMPANY

The shareholding of Paliburg in the issued ordinary share capital of the Company will be reduced from approximately 72.75% to approximately 68.95% immediately upon completion of the Placing but before completion of the Subscription and will be increased from approximately 68.95% to approximately 69.64% immediately upon completion of the Placing and the Subscription.

RESUMPTION OF TRADING

At the request of the Company, trading in its Shares on the Stock Exchange was suspended from 10:00 a.m. on 22nd February, 2002. The Company has applied to the Stock Exchange for dealings to resume from 10:00 a.m. on 25th February, 2002.

DEFINITIONS

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

"Company"	Regal Hotels International Holdings Limited, a 72.75% owned subsidiary of Paliburg incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
"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 shares of which are listed on the Stock Exchange
"Placing"	the placement of 150,000,000 existing Shares to independent investors at the Placing Price
"Placing Agent"	Uni-Alpha Securities Limited
"Placing Agreement"	the placing and underwriting agreement dated 21st February, 2002 between Taylor and the Placing Agent in respect of the Placing
"Placing Price"	the placing price of HK\$0.14 per Share
"Placing Shares"	150,000,000 existing Shares
"Shares"	ordinary shares of HK\$0.10 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 Taylor
"Subscription Agreement"	the subscription agreement dated 21st February, 2002 between the Company and Taylor in respect of the Subscription
"Subscription Price"	the subscription price of HK\$0.14 per Share
"Subscription Shares"	90,000,000 new Shares
"Taylor"	Taylor Investments Ltd., a wholly owned subsidiary of Paliburg incorporated in the British Virgin Islands
"HK\$"	Hong Kong dollars

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

Hong Kong, 22nd February, 2002