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## **DISCLOSEABLE TRANSACTION DISPOSAL OF SHAREHOLDING INTEREST IN KH INVESTMENT**

On 30 December 2011, the Vendors sold a total of 232,000,000 KH Shares to the Purchaser, representing approximately 45.88% of the existing issued share capital of KH Investment, a listed subsidiary of the Company, at an aggregate cash consideration of HK\$81.2 million by way of private treaty transactions. Completion of the Transaction took place on 30 December 2011 and, as a result, KH Investment ceased to be a subsidiary of the Company.

As certain applicable ratio with respect to the Transaction exceeds 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

### **INTRODUCTION**

On 30 December 2011, the Vendors sold a total of 232,000,000 KH Shares to the Purchaser, representing approximately 45.88% of the existing issued share capital of KH Investment, a listed subsidiary of the Company, at an aggregate cash consideration of HK\$81.2 million by way of private treaty transactions. Completion of the Transaction took place on 30 December 2011 and, as a result, KH Investment ceased to be a subsidiary of the Company.

### **THE TRANSACTION**

Vendors

Aikford Financial Services Limited, a wholly-owned subsidiary of the Company; and

Splendor Glow Limited, also a wholly-owned subsidiary of the Company

Purchaser

New Asia Media Development Limited, a wholly-owned subsidiary of Culture Landmark

Paliburg and Regal are holding 180,000,000 and 374,292,000 ordinary shares of Culture Landmark respectively, representing in aggregate approximately 4.63% of the issued share capital of Culture Landmark as at the date of this announcement. Save as aforesaid, to the best of the knowledge, information and belief of the Board after having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of and not connected with any directors, chief executive or substantial shareholders of the Company under the Listing Rules

Subject Assets

119,032,839 KH Shares sold by Aikford Financial Services Limited; and

112,967,161 KH Shares sold by Splendor Glow Limited;

in aggregate 232,000,000 KH Shares representing approximately 45.88% of the existing issued share capital of KH Investment

Consideration

The aggregate consideration for the Transaction was HK\$81.2 million, payable in cash, based on a purchase price of HK\$0.35 per KH Share, and was paid by the Purchaser to the Vendors upon completion of the Transaction

The consideration for the Transaction of HK\$0.35 per KH Share represents a premium of approximately 41.7% to the last closing price of HK\$0.247 on 21 September 2011 before trading in KH Shares was suspended and a premium of approximately 51.7% to the book net asset

value of HK\$0.2307 per KH Share as of 30 June 2011 (based on KH Investment's unaudited consolidated net asset value of HK\$116,675,000 as at 30 June 2011 and its then issued share capital). The above consideration was determined based on arm's length negotiation between the Vendors and the Purchaser

Completion

The completion of the Transaction took place on 30 December 2011 by way of contract notes exchanged between the Vendors and the Purchaser

## **REASONS AND BENEFITS FOR THE TRANSACTION**

The Group is principally engaged in property development and investment, construction and building related businesses, investment in Regal (together with its subsidiaries, the "**Regal Group**"), and other investments. The Regal Group is engaged in hotel operation and management businesses, hotel ownership through its investment in Regal Real Estate Investment Trust ("**Regal REIT**"), asset management of Regal REIT, property development and investment, and other investments.

The Board considers that the Transaction represents a good opportunity for the Group to realise a majority portion of its investment in KH Investment at a profit and believes that the terms of the Transaction are fair and reasonable and the Transaction is in the interests of the Company and its shareholders as a whole.

## **FINANCIAL EFFECTS OF THE TRANSACTION**

The Group acquired on market 151,000,000 KH Shares in June 2011, 2,280,000 KH Shares in August 2011 and 1,000,000 KH Shares in September 2011, respectively. In addition, the Group acquired an aggregate of 112,967,161 KH Shares under the mandatory cash offers made to the holders of securities of KH Investment. After the close of such mandatory cash offers in September 2011, the Group held in total 267,247,161 KH Shares, representing approximately 52.85% of the existing issued share capital of KH Investment.

After completion of the Transaction, the Group retains 35,247,161 KH Shares (the "**Retained KH Shares**"), representing approximately 6.97% of the existing issued share capital of KH Investment, and KH Investment ceased to be a subsidiary of the Company.

The Group has been informed by the Purchaser that it will be required to make an unconditional mandatory general offer for all the outstanding securities of KH Investment not owned or agreed to be purchased by it and the parties acting in concert with it (the “Offer”). Aikford Financial Services Limited has undertaken to the Purchaser that it will not accept the Offer in respect of the Retained KH Shares and shall not dispose of, transfer or encumber the Retained KH Shares until the Offer is closed.

The carrying value of the 232,000,000 KH Shares in the book of the Group is approximately HK\$58 million. It is expected that the Group will recognise a gain of approximately HK\$26 million as a result of the Transaction and the fair value change of the Retained KH Shares for the year ending 31 December 2011. The quantum of the actual gain is subject to audit by the Company’s auditors.

## **USE OF PROCEEDS**

It is expected that the proceeds from the Transaction will be applied for the Group’s general working capital purpose.

## **INFORMATION ON KH INVESTMENT**

The principal activity of KH Investment is investment holding and the principal activities of its subsidiaries and jointly controlled entity are engaged in film production and distribution, the provision of artist management services and the provision of infrared thermal imaging and thermography solutions and consultancy services.

The financial information of KH Investment, as extracted from its annual report for the two years ended 31 December 2009 and 2010, are as follows:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2010</b>	<b>2009</b>
	<b>HK\$’000</b>	<b>HK\$’ 000</b>
Turnover	21,790	7,198
Loss before tax	(136,961)	(27,724)
(Loss) / profit after tax	(52,453)	26,099

## **INFORMATION ON THE PURCHASER**

The Purchaser is a wholly-owned subsidiary of Culture Landmark. Based on information contained in the latest published annual report of Culture Landmark for the year ended 31 March 2011, the principal activity of Culture Landmark is investment holding and the principal activities of its subsidiaries are engaged in hotel and restaurant operations, property investment, entertainment business and collection of copyright fees for both content distribution and infrastructure in respect of karaoke music products in the PRC.

## **LISTING RULES IMPLICATIONS**

Immediately before completion of the Transaction, the Group held approximately 52.85% of the existing issued share capital of KH Investment. After the completion of the Transaction, the Group retains approximately 6.97% of the existing issued share capital of KH Investment and KH Investment ceased to be a subsidiary of the Company.

As certain applicable ratio with respect to the Transaction exceeds 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context indicates or specifies otherwise, the following defined expressions have the respective meanings set out below:

“Board”	the board of directors of the Company
“Company”	Century City International Holdings Limited, a company incorporated in Bermuda with limited liability and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (stock code: 355)
“Culture Landmark”	Culture Landmark Investment Limited, a company incorporated in Bermuda with limited liability and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (stock code: 674)
“GEM”	Growth Enterprise Market of the Stock Exchange

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“KH Investment”	KH Investment Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and whose issued ordinary shares are listed on the GEM of the Stock Exchange (stock code: 8172)
“KH Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of KH Investment
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“Paliburg”	Paliburg Holdings Limited, a company incorporated in Bermuda with limited liability and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (stock code: 617) and a 60.3% owned listed subsidiary of the Group
“PRC”	the People’s Republic of China
“Purchaser”	New Asia Media Development Limited, a wholly-owned subsidiary of Culture Landmark
“Regal”	Regal Hotels International Holdings Limited, a company incorporated in Bermuda with limited liability and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (stock code: 78) and a 49.4% owned listed associate of the Group

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the sale and purchase of a total of 232,000,000 KH Shares between the Vendors and the Purchaser at an aggregate cash consideration of HK\$81.2 million through private treaty transactions
“Vendors”	Aikford Financial Services Limited and Splendor Glow Limited, both wholly-owned subsidiaries of the Company

**By Order of the Board**  
**Century City International Holdings Limited**  
Eliza Lam Sau Fun  
*Secretary*

Hong Kong, 30 December 2011

As at the date of this announcement, the Board comprises the following members:

**Executive Directors:**

Mr. LO Yuk Sui

*(Chairman and Chief Executive Officer)*

Mr. Kenneth NG Kwai Kai

*(Chief Operating Officer)*

Mr. Donald FAN Tung

Mr. Kelvin LEUNG So Po

Mr. Jimmy LO Chun To

Miss LO Po Man

**Independent Non-Executive Directors:**

Mr. Anthony CHUANG

Mr. NG Siu Chan

Mr. WONG Chi Keung