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**MAJOR TRANSACTION**

**EXTENSION OF TERMS OF CONVERTIBLE BONDS IN  
COSMOPOLITAN INTERNATIONAL HOLDINGS LIMITED**

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A letter from the Board is set out on pages 6 to 16 of this circular.

18 December 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:*

“Apex Team”	Apex Team Limited, a wholly-owned subsidiary of Cosmo
“associates”	has the meaning as defined in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (other than Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CB2010(s)”	the zero coupon guaranteed convertible bonds (whose due date was previously extended to 14 February 2013 and is proposed to be further extended to 30 September 2013 pursuant to the CB2010 Extension) issued by Fancy Gold in 2007 in an aggregate principal amount of HK\$205 million and held as to HK\$141.45 million by Valuegood as at the Latest Practicable Date
“CB2010 Conversion Share(s)”	the new Cosmo Share(s) falling to be issued upon the exercise of the conversion rights attached to the CB2010s
“CB2010 Extension”	the transactions contemplated under the CB2010 Extension Agreement including among others the proposed further extension of the maturity date of the CB2010s to 30 September 2013
“CB2010 Extension Agreement”	the deed of variation dated 16 November 2012 (as supplemented by a supplemental deed dated 12 December 2012) entered into between Valuegood, Fancy Gold and Cosmo in respect of the CB2010 Extension
“CB2013(A)”	the zero coupon guaranteed convertible bonds (originally due on 14 February 2013 and is proposed to be extended to 30 September 2013 pursuant to the CB2013(A) Extension) issued by Apex Team in 2008 to Jumbo Pearl in the principal amount of HK\$100 million
“CB2013(A) Extension”	the proposed extension of the maturity date of the CB2013(A) held by Jumbo Pearl to 30 September 2013
“CB2013(A) Extension Agreement”	the deed of variation dated 16 November 2012 entered into between Jumbo Pearl, Apex Team and Cosmo in respect of the CB2013(A) Extension

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## DEFINITIONS

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“CB2013(A) Subscription Agreement”	the agreement dated 6 December 2007 entered into among Jumbo Pearl, Sun Joyous, Apex Team and Cosmo in respect of the subscription of the CB2013(A) and the granting of the Option(A)
“CB2013(B)”	the zero coupon guaranteed convertible bonds (originally due on 14 February 2013 and is proposed to be extended to 30 September 2013 pursuant to the CB2013(B) Extension) issued by Apex Team in 2008 to Time Crest in the principal amount of HK\$100 million
“CB2013(B) Extension”	the proposed extension of the maturity date of the CB2013(B) held by Time Crest to 30 September 2013
“CB2013(B) Extension Agreement”	the deed of variation dated 16 November 2012 entered into between Time Crest, Apex Team and Cosmo in respect of the CB2013(B) Extension
“CB2013(B) Subscription Agreement”	the agreement dated 6 December 2007 entered into among Time Crest, Well Mount, Apex Team and Cosmo in respect of the subscription of the CB2013(B) and the granting of the Option(B)
“CB2013 Conversion Share(s)”	the new Cosmo Share(s) falling to be issued upon the exercise of the conversion rights attached to the CB2013s
“CB2013 Extension”	the CB2013(A) Extension and the CB2013(B) Extension collectively
“CB2013 Extension Agreements”	the CB2013(A) Extension Agreement and the CB2013(B) Extension Agreement collectively
“CB2013 Subscription Agreements”	the CB2013(A) Subscription Agreement and the CB2013(B) Subscription Agreement collectively
“CB2013s”	the CB2013(A) and the CB2013(B) collectively
“Company”	Century City International Holdings Limited, a company incorporated in Bermuda with limited liability and whose issued Shares are listed on the Main Board of the Stock Exchange (Stock Code: 355)
“Cosmo”	Cosmopolitan International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (Stock Code: 120)
“Cosmo CBs”	the CB2010s and CB2013s collectively

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## DEFINITIONS

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“Cosmo CBs Extension”	the CB2010 Extension and the CB2013 Extension collectively
“Cosmo Group”	Cosmo and its subsidiaries
“Cosmo Share(s)”	ordinary share(s) of par value HK\$0.0002 each in the capital of Cosmo
“Directors”	the directors of the Company
“Fancy Gold”	Fancy Gold Limited, a wholly-owned subsidiary of Cosmo
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jumbo Pearl”	Jumbo Pearl Investments Limited, a wholly-owned subsidiary of Paliburg
“Latest Practicable Date”	12 December 2012, being the latest practicable date for ascertaining certain information in this circular before printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(A)”	the option granted by Apex Team to Sun Joyous to subscribe for the Optional CB(A) with a principal amount of up to HK\$100 million pursuant to the CB2013(A) Subscription Agreement
“Option(A) Extension”	the proposed extension of the expiry date of the Option(A) to 2 July 2013
“Option(A) Extension Agreement”	the supplemental agreement to the CB2013(A) Subscription Agreement dated 16 November 2012 entered into between Sun Joyous, Jumbo Pearl, Apex Team and Cosmo in respect of the Option(A) Extension
“Option(B)”	the option granted by Apex Team to Well Mount to subscribe for the Optional CB(B) with a principal amount of up to HK\$100 million pursuant to the CB2013(B) Subscription Agreement
“Option(B) Extension”	the proposed extension of the expiry date of the Option(B) to 2 July 2013

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## DEFINITIONS

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“Option(B) Extension Agreement”	the supplemental agreement to the CB2013(B) Subscription Agreement dated 16 November 2012 entered into between Well Mount, Time Crest, Apex Team and Cosmo in respect of the Option(B) Extension
“Option(s)”	the Option(A) and/or the Option(B)
“Optional CB(A)”	the zero coupon guaranteed convertible bonds to be issued by Apex Team to Sun Joyous upon exercise of the Option(A) with a principal amount of up to HK\$100 million
“Optional CB(B)”	the zero coupon guaranteed convertible bonds to be issued by Apex Team to Well Mount upon exercise of the Option(B) with a principal amount of up to HK\$100 million
“Optional CBs”	the Optional CB(A) and the Optional CB(B) collectively
“Options Extension”	the Option(A) Extension and the Option(B) Extension collectively
“Options Extension Agreement(s)”	the Option(A) Extension Agreement and/or the Option(B) Extension Agreement
“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)
“Paliburg Directors”	the directors of Paliburg
“Paliburg Group”	Paliburg and its subsidiaries, for the purposes of this circular excluding the Regal Group
“percentage ratios”	the percentage ratios calculated based on the requirements under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China
“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)
“Regal Group”	Regal and its subsidiaries
“Regal REIT”	Regal Real Estate Investment Trust, a Hong Kong collective investment scheme authorised under section 104 of the SFO, the issued units of which are listed on the Main Board of the Stock Exchange (Stock Code: 1881)

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## DEFINITIONS

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“Regal Shares”	ordinary shares of par value HK\$0.10 each in the capital of Regal
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	holders of Shares
“Shares”	ordinary shares of par value HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sun Joyous”	Sun Joyous Investments Limited, a wholly-owned subsidiary of Paliburg
“Time Crest”	Time Crest Investments Limited, a wholly-owned subsidiary of Regal
“Valuegood”	Valuegood International Limited, a wholly-owned subsidiary of Regal
“Well Mount”	Well Mount Investments Limited, a wholly-owned subsidiary of Regal

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## LETTER FROM THE BOARD

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世紀城市國際控股有限公司  
**Century City**

**International Holdings Limited**

(Incorporated in Bermuda with limited liability)

(Stock Code: 355)

*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

*Registered Office:*

26 Burnaby Street

Hamilton HM 11

Bermuda

*Head Office and*

*Principal Place of Business:*

11th Floor

68 Yee Wo Street

Causeway Bay

Hong Kong

18 December 2012

*To the Shareholders*

Dear Sir or Madam,

### MAJOR TRANSACTION

### EXTENSION OF TERMS OF CONVERTIBLE BONDS IN COSMOPOLITAN INTERNATIONAL HOLDINGS LIMITED

#### INTRODUCTION

As set out in the joint announcements of the Company, Paliburg and Regal dated 16 November 2012 and 12 December 2012, the relevant subsidiaries of the Paliburg Group and the Regal Group entered into the CB2013 Extension Agreements and the CB2010 Extension Agreement to, among others, extend the terms of the Cosmo CBs. Paliburg and Regal are subsidiaries of the Company.

The Cosmo CBs Extension constitutes a major transaction for the Company subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules. The Cosmo CBs Extension has been approved by a closely allied group of Shareholders by way of written approval.

The purpose of this circular is to provide you with further information in relation to the Cosmo CBs Extension.



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## LETTER FROM THE BOARD

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### CB2013 EXTENSION

#### Background

In 2008, Jumbo Pearl (a wholly-owned subsidiary of Paliburg) and Time Crest (a wholly-owned subsidiary of Regal) subscribed for the CB2013(A) and the CB2013(B) respectively each in a principal amount of HK\$100 million. The prevailing maturity date of the CB2013s is 14 February 2013.

#### CB2013 Extension Agreements

On 16 November 2012 (after trading hours):

- (1) Jumbo Pearl, Apex Team (a wholly-owned subsidiary of Cosmo) and Cosmo entered into the CB2013(A) Extension Agreement to extend the maturity date of the CB2013(A) to 30 September 2013, and the conversion period of the CB2013(A) will accordingly be extended to 16 September 2013, being 14 days prior to the extended maturity date of the CB2013(A); and
- (2) Time Crest, Apex Team and Cosmo entered into the CB2013(B) Extension Agreement to extend the maturity date of the CB2013(B) to 30 September 2013, and the conversion period of the CB2013(B) will accordingly be extended to 16 September 2013, being 14 days prior to the extended maturity date of the CB2013(B).

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, save for the Paliburg Group's and the Regal Group's interests set out in the paragraph headed "Shareholding structure of Cosmo" and the information set out in "Other relationships between the Group, the Paliburg Group, the Regal Group and the Cosmo Group", Apex Team and Cosmo are parties independent of the Company and its connected persons.

The CB2013(A) Extension shall become unconditional upon fulfilment of the following conditions: (i) the Company having obtained approval for the CB2013 Extension Agreements by the Shareholders; (ii) Regal having obtained approval for the CB2013(B) Extension Agreement by Regal's independent shareholders; (iii) Cosmo having obtained approval for the CB2013 Extension Agreements and the Options Extension Agreements by Cosmo's independent shareholders; (iv) the Stock Exchange's consent in respect of the change of terms of the CB2013(A) pursuant to the CB2013(A) Extension Agreement; and (v) if required, the Stock Exchange granting the listing of and permission to deal in the Cosmo Shares falling to be issued pursuant to the exercise of the conversion rights attached to the CB2013(A) (as varied by the CB2013(A) Extension Agreement). The CB2013(B) Extension shall become unconditional upon fulfilment of the following conditions: (i) the Company having obtained approval for the CB2013 Extension Agreements by the Shareholders; (ii) Regal having obtained approval for the CB2013(B) Extension Agreement by Regal's independent shareholders; (iii) Cosmo having obtained approval for the CB2013 Extension Agreements and the Options Extension Agreements by Cosmo's independent shareholders; (iv) the Stock Exchange's consent in respect of the change of terms of the CB2013(B) pursuant to the CB2013(B) Extension Agreement; and (v) if required, the Stock Exchange granting the listing of and permission to deal in the Cosmo Shares falling to be issued pursuant to the exercise of the conversion rights attached to the

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## LETTER FROM THE BOARD

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CB2013(B) (as varied by the CB2013(B) Extension Agreement). If the conditions are not fulfilled on or before 14 February 2013 (being the prevailing maturity date of the CB2013s) or such later date as may be agreed by the parties, the CB2013 Extension Agreements will lapse and terminate. The CB2013 Extension Agreements have been approved by a closely allied group of Shareholders by way of written approval.

If the CB2013 Extension does not become unconditional by the long-stop date of the CB2013 Extension Agreements, the CB2013s will be subject to conversion at the option of the holders of the CB2013s on or before 31 January 2013 and any unconverted CB2013s will be subject to redemption by Apex Team in accordance with their terms at 128.01% of the outstanding principal amount of the CB2013s upon the maturity date on 14 February 2013.

### Major terms of the CB2013s

Apart from the extension of the maturity date of the CB2013s and the redemption premium calculated based on a fixed yield-to-maturity of 5% per annum (compounded semi-annually) of the CB2013s, all terms of the CB2013s remain unchanged from the original terms of the CB2013s issued by Apex Team. Set out below are the major terms of the CB2013s.

- Principal amount : (i) CB2013(A): HK\$100 million  
(ii) CB2013(B): HK\$100 million
- Conversion : The holders of the CB2013s can exercise the conversion rights attached to the CB2013s to convert the outstanding principal amounts of the CB2013s in whole or in part into CB2013 Conversion Shares at any time until a date falling 14 days prior to the extended maturity date of the CB2013s.
- No conversion shall take place if as a result of such conversion, Cosmo will not be able to meet the public float requirement under the Listing Rules.
- Prevailing conversion price : HK\$0.06 per CB2013 Conversion Share, subject to adjustment for share consolidation, share subdivision, reclassification of shares into other securities, capitalisation issues, capital distributions, rights issues, and certain other dilutive events, including a downward adjustment to the effect that should Cosmo issue new Cosmo Shares (or securities convertible into new Cosmo Shares) for cash or non-cash consideration per Cosmo Share which is less than the prevailing conversion price, the conversion price shall be adjusted downwards to such issue price (but such adjustment shall not be retroactive).

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## LETTER FROM THE BOARD

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The prevailing conversion price of HK\$0.06 per CB2013 Conversion Share represents:

- (i) a premium of approximately 9.09% over the closing price per Cosmo Share of HK\$0.055 quoted on the Stock Exchange on 16 November 2012, being the date of the CB2013 Extension Agreements;
- (ii) a premium of approximately 7.14% over the average closing price per Cosmo Share for the last five trading days up to and including 15 November 2012 (being the last trading day immediately before the date of the CB2013 Extension Agreements) of HK\$0.056; and
- (iii) a premium of approximately 11.11% over the closing price per Cosmo Share of HK\$0.054 quoted on the Stock Exchange on the Latest Practicable Date.

- Coupon rate : The CB2013s bear no coupon.
- Extended maturity date : 30 September 2013. On the extended maturity date, all of the remaining outstanding CB2013s will be redeemed by Apex Team at 132.05% of the outstanding principal amount of the CB2013s, representing a yield-to-maturity of 5% per annum (compounded semi-annually).
- Voting : A holder of any CB2013s will not be entitled to receive notice of, attend or vote at any general meeting of Cosmo by reason only of it being a holder of the CB2013s.
- Listing : The CB2013s are not listed on the Stock Exchange. No application will be made for the listing of the CB2013s on the Stock Exchange or any other stock exchange.
- Ranking : The CB2013 Conversion Shares to be issued as a result of the exercise of the conversion rights attached to the CB2013s will rank pari passu in all respects with all other Cosmo Shares outstanding at the date of conversion of the CB2013s.
- Early redemption : Apex Team has the right, at any time prior to the extended maturity date, if not more than 10% of the principal amount of any of each of the CB2013s is still outstanding, by giving not less than 15 nor more than 30 business days' notice to the holders of such CB2013s to redeem the CB2013s at an amount equal to the outstanding principal amounts of the CB2013s together with a redemption premium equal to 5% per annum (to be calculated on a semi-annual compound basis).
- Guarantor : Cosmo

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## LETTER FROM THE BOARD

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### **CB2013 Conversion Shares**

The aggregate number of CB2013 Conversion Shares which will fall to be issued on conversion of the CB2013s at the prevailing conversion price of HK\$0.06 per CB2013 Conversion Share is 3,333,333,332 CB2013 Conversion Shares representing 28.3% of the issued ordinary share capital of Cosmo as at the Latest Practicable Date and 22.0% of the issued ordinary share capital of Cosmo as at the Latest Practicable Date as enlarged by the allotment and issue of the CB2013 Conversion Shares.

### **CB2010 EXTENSION**

#### **Background**

Valuegood (a wholly-owned subsidiary of Regal) subscribed for the CB2010 with a principal amount of HK\$102.5 million in 2007 and further acquired the CB2010 with a principal amount of HK\$38.95 million in 2008. The CB2010s held by Valuegood as at the Latest Practicable Date with a principal amount of HK\$141.45 million represents the entire amount of the presently outstanding CB2010s and was originally due in 2010. The prevailing maturity date of the CB2010s (as previously extended) is 14 February 2013.

#### **CB2010 Extension Agreement**

Valuegood, Fancy Gold (a wholly-owned subsidiary of Cosmo) and Cosmo entered into the CB2010 Extension Agreement to further extend the maturity date of the CB2010s to 30 September 2013, and the conversion period of the CB2010s will accordingly be further extended to 16 September 2013, being 14 days prior to the further extended maturity date of the CB2010s, and to disallow conversion of the CB2010s if as a result of the conversion, Cosmo will not be able to meet the public float requirement under the Listing Rules.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, save for the Paliburg Group's and the Regal Group's interests set out in the paragraph headed "Shareholding structure of Cosmo" and the information set out in "Other relationships between the Group, the Paliburg Group, the Regal Group and the Cosmo Group", Fancy Gold and Cosmo are parties independent of the Company and its connected persons.

The CB2010 Extension shall become unconditional upon fulfilment of the following conditions: (i) the Company having obtained approval for the CB2010 Extension Agreement by the Shareholders; (ii) Regal having obtained approval for the CB2010 Extension Agreement by Regal's independent shareholders; (iii) Cosmo having obtained approval for the CB2010 Extension Agreement by Cosmo's independent shareholders; (iv) the Stock Exchange's consent in respect of the change of terms of the CB2010s pursuant to the CB2010 Extension Agreement; and (v) if required, the Stock Exchange granting the listing of and permission to deal in the CB2010 Conversion Shares falling to be issued pursuant to the exercise of the conversion rights attached to the CB2010s (as varied by the CB2010

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## LETTER FROM THE BOARD

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Extension Agreement). If the conditions are not fulfilled on or before 14 February 2013 (being the prevailing maturity date of the CB2010s) or such later date as may be agreed by the parties, the CB2010 Extension Agreement will lapse and terminate. The CB2010 Extension Agreement has been approved by a closely allied group of Shareholders by way of written approval.

If the CB2010 Extension does not become unconditional by the long-stop date of the CB2010 Extension Agreement, the CB2010s will be subject to conversion at the option of the holder of the CB2010s on or before 31 January 2013 and any unconverted CB2010s will be subject to redemption by Fancy Gold in accordance with their terms at 132.84% of the outstanding principal amount of the CB2010s upon the maturity date on 14 February 2013.

### Major terms of the CB2010s

Apart from the further extension of the maturity date of the CB2010s, the redemption premium calculated based on a fixed yield-to-maturity of 5% per annum (compounded semi-annually) of the CB2010s and the restriction on conversion, all terms of the CB2010s remain unchanged from the original terms of the CB2010s issued by Fancy Gold. Set out below are the major terms of the CB2010s.

Principal amount : HK\$141.45 million

Conversion : The holder of the CB2010s can convert the outstanding principal amount of the CB2010s into CB2010 Conversion Shares at any time until a date falling 14 days prior to the further extended maturity date of the CB2010s.

No conversion shall take place if as a result of such conversion, Cosmo will not be able to meet the public float requirement under the Listing Rules.

Prevailing conversion price : HK\$0.04 per CB2010 Conversion Share, subject to adjustment for share consolidation, share subdivision, reclassification of shares into other securities, capitalisation issues, capital distributions, rights issues, and certain other dilutive events, including a downward adjustment to the effect that in case new Cosmo Shares (or securities convertible into new Cosmo Shares) are issued for cash or non-cash consideration at a price per Cosmo Share which is less than the prevailing conversion price, the conversion price shall be adjusted downwards to such issue price (but such adjustment shall not be retroactive).

The prevailing conversion price of HK\$0.04 per CB2010 Conversion Share represents:

- (i) a discount of approximately 27.27% to the closing price per Cosmo Share of HK\$0.055 quoted on the Stock Exchange on 16 November 2012, being the date of the CB2010 Extension Agreement;

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## LETTER FROM THE BOARD

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(ii) a discount of approximately 28.57% to the average closing price per Cosmo Share for the last five trading days up to and including 15 November 2012 (being the last trading day immediately before the date of the CB2010 Extension Agreement) of HK\$0.056; and

(iii) a discount of approximately 25.93% to the closing price per Cosmo Share of HK\$0.054 quoted on the Stock Exchange on the Latest Practicable Date.

- Coupon rate : The CB2010s bear no coupon.
- Further extended maturity date : 30 September 2013. On the further extended maturity date, all of the remaining outstanding CB2010s will be redeemed by Fancy Gold at 137.03% of the outstanding principal amount of the CB2010s, representing a yield-to-maturity of 5% per annum (compounded semi-annually).
- Voting : A holder of any CB2010 will not be entitled to receive notice of, attend or vote at any general meeting of Cosmo by reason only of it being a holder of the CB2010s.
- Listing : The CB2010s are not listed on the Stock Exchange. No application will be made for the listing of the CB2010s on the Stock Exchange or any other stock exchange.
- Ranking : The CB2010 Conversion Shares to be issued as a result of the exercise of the conversion rights attached to the CB2010s will rank pari passu in all respects with all other Cosmo Shares outstanding at the date of conversion of the CB2010s.
- Early redemption : Fancy Gold has the right, at any time prior to the further extended maturity date, by not less than 15 nor more than 30 business days' notice to the holder(s) of the CB2010s to redeem the CB2010s at an amount equal to the outstanding principal amounts of the CB2010s together with a redemption premium equal to 5% per annum (to be calculated on a semi-annual compound basis) if the total outstanding principal amount of the CB2010s is not more than 10% of the total principal amount of the CB2010s of HK\$205 million.
- Guarantor : Cosmo

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## LETTER FROM THE BOARD

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### CB2010 Conversion Shares

The number of CB2010 Conversion Shares which will fall to be issued on conversion of the CB2010s at the prevailing conversion price of HK\$0.04 per CB2010 Conversion Share is 3,536,250,000 CB2010 Conversion Shares representing 30.0% of the issued ordinary share capital of Cosmo as at the Latest Practicable Date and 23.1% of the issued ordinary share capital of Cosmo as at the Latest Practicable Date as enlarged by the allotment and issue of the CB2010 Conversion Shares.

### INFORMATION ON COSMO

The Cosmo Group is principally engaged in property investment and development, and securities and other investments.

### Shareholding structure of Cosmo

Set out below for illustration purposes is the shareholding structure of Cosmo in the following scenarios:

	As at the Latest Practicable Date		Assuming conversions in full of the CB2013s and the CB2010s		Assuming exercise of the Options and conversions in full of the CB2013s, CB2010s and the Optional CBs	
	<i>No. of Cosmo Shares</i>	<i>%</i>	<i>No. of Cosmo Shares</i>	<i>%</i>	<i>No. of Cosmo Shares</i>	<i>%</i>
The Paliburg Group	2,016,666,666	17.11	3,683,333,332	19.74	5,349,999,998	24.33
The Regal Group	334,000,000	2.83	5,536,916,666	29.68	7,203,583,332	32.76
Giant Sino Group Limited	4,403,576,090	37.37	4,403,576,090	23.61	4,403,576,090	20.03
Culture Landmark Investment Limited	1,446,064,745	12.27	1,446,064,745	7.75	1,446,064,745	6.58
Other shareholders	3,584,823,450	30.42	3,584,823,450	19.22	3,584,823,450	16.30
<b>Total</b>	<b><u>11,785,130,951</u></b>	<b><u>100.00</u></b>	<b><u>18,654,714,283</u></b>	<b><u>100.00</u></b>	<b><u>21,988,047,615</u></b>	<b><u>100.00</u></b>

*Note:*

The Paliburg Group and the Regal Group also hold the Option(A) and the Option(B) to subscribe for the Optional CB(A) and the Optional CB(B), respectively, each in the principal amount of up to HK\$100 million. The Options were granted by the Cosmo Group in 2008 in conjunction with the issue of the CB2013s. The Options were to expire on 16 November 2012 (being 90 days prior to the prevailing maturity date of the CB2013s) and on 16 November 2012 (after trading hours), the relevant subsidiaries of the Paliburg Group and the Regal Group also entered into agreements to, among others, extend the expiry date of the Options subject to conditions thereof. Further details regarding the Options Extension are set out in the announcement dated 16 November 2012 jointly issued by the Company, Paliburg and Regal.

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## LETTER FROM THE BOARD

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Under the terms of the CB2013s and the Optional CBs (if issued), no conversion of the CB2013s and the Optional CBs (if issued) shall take place if after the conversion, Cosmo will not be able to meet the public float requirement of the Listing Rules. Subject to the CB2010 Extension Agreement becoming unconditional, no conversion of the CB2010s shall take place if after the conversion, Cosmo will not be able to meet the public float requirement of the Listing Rules.

### **Other relationships between the Group, the Paliburg Group, the Regal Group and the Cosmo Group**

Apart from the Paliburg Group's and the Regal Group's interests in Cosmo Shares, the Cosmo CBs and the Options as stated in the above paragraph headed "Shareholding structure of Cosmo", the Paliburg Group, the Regal Group and the Cosmo Group effectively have 35% interest, 50% interest and 15% interest, respectively, in a property development project in Chengdu, Sichuan Province, the PRC. More details in this regard were set out in the 2011 annual reports of the Company, Paliburg and Regal.

Mr. Kenneth NG Kwai Kai, an executive director of the Company, Paliburg and Regal, is a non-executive director of Cosmo. Mr. Kelvin LEUNG So Po, an executive director of the Company, is a non-executive director of Cosmo. Mr. Kenneth WONG Po Man, an executive director of Paliburg, is a non-executive director of Cosmo. Based on the latest available public information, Mr. Alvin Leslie LAM Kwing Wai, a director of a wholly-owned subsidiary of Regal, was interested in approximately 7.03% of the issued ordinary share capital of Cosmo as at the Latest Practicable Date.

### **REASONS FOR THE TRANSACTION**

Paliburg is a 62.03%-owned subsidiary of the Company and Mr. LO Yuk Sui apart from his interests in Paliburg through the Company also owned 11.64% of the issued ordinary share capital of Paliburg as at the Latest Practicable Date. Regal is owned as to 51.28% by Paliburg. Regal is a subsidiary of the Company and Paliburg. The Group (excluding the Regal Group) and the Paliburg Group are principally engaged in property development and investment, construction and building related businesses, and securities and other investments. The Regal Group is principally engaged in hotel ownership (through its 74.55%-owned subsidiary Regal REIT), management and operation. It also engages in property development and investment, as well as asset management of Regal REIT and securities and other investments.

The Cosmo CBs would mature on 14 February 2013 unless further extended. The conversion price of the CB2010s is at a discount to the recent closing prices of Cosmo Shares while the conversion price of the CB2013s is at a premium over the recent closing prices of Cosmo Shares. Through conversion of the CB2013s, the Paliburg Group and the Regal Group will acquire a substantial interest in Cosmo Shares. Given the thin trading volume of Cosmo Shares with monthly trading volume on the Stock Exchange amounting to less than 1% of the total issued Cosmo Shares this year, the Company considers that it may not be practicable to acquire such substantial interests in Cosmo Shares at the prevailing trading prices of Cosmo Shares on the Stock Exchange with the proceeds from redemption of the CB2013s on the prevailing maturity date. Furthermore, the conversion of the Cosmo CBs by the Paliburg Group and the Regal Group may result in regulatory compliance issues (including the possible triggering of a mandatory obligation for Paliburg and/or Regal to make an offer for all the Cosmo Shares that are not held by them).



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## LETTER FROM THE BOARD

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With the Cosmo CBs Extension, the maturity date of the Cosmo CBs will be extended to 30 September 2013 and the conversion period thereof will accordingly be extended to 16 September 2013. According to the original terms of the Options, the Options were to expire after 16 November 2012. The Options Extension if becoming unconditional shall extend the expiry date of the Options to 2 July 2013. The Paliburg Group and the Regal Group intend to hold the Cosmo Shares and the Cosmo CBs for long-term strategic purposes. Rather than redemption of the outstanding Cosmo CBs at the prevailing maturity date, extending the maturity date of the Cosmo CBs, which provide an optional right for the Paliburg Group and the Regal Group to acquire Cosmo Shares by way of converting the Cosmo CBs, together with the Options Extension, will allow more time and flexibility for the Paliburg Group and the Regal Group to determine their overall planning with regard to their strategic investments in the Cosmo Group.

Save for Mr. Kenneth NG Kwai Kai and Mr. Kelvin LEUNG So Po, (both executive Directors who are also non-executive directors of Cosmo and have abstained from voting on the relevant board resolutions relating to the Cosmo CBs Extension and the Options Extension), the other Directors (including the independent non-executive Directors) consider that the Cosmo CBs Extension and the Options Extension are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### FINANCIAL EFFECT OF THE COSMO CBs EXTENSION ON THE GROUP

The Cosmo CBs are to mature on 14 February 2013. They are recorded as financial assets at fair value through profit or loss in the consolidated financial statements of the Company. Any net changes in the fair value of the Cosmo CBs are recognised in the consolidated income statement of the Company. The Cosmo CBs Extension is to, among others, extend the maturity date to 30 September 2013 and the Cosmo CBs will continue to be recognised by the Company as financial assets at fair value through profit or loss in the consolidated financial statements of the Company.

Any outstanding principal amounts of the CB2013s are to be redeemed at 128.01% upon the prevailing maturity date on 14 February 2013. Based on a fixed yield-to-maturity of 5% per annum (compounded semi-annually), any outstanding principal amounts of the CB2013s will be redeemed at 132.05% on the extended maturity date on 30 September 2012. Any outstanding principal amounts of the CB2010s are to be redeemed at 132.84% upon the prevailing maturity date on 14 February 2013. Based on a fixed yield-to-maturity of 5% per annum (compounded semi-annually), any outstanding principal amounts of the CB2010s will be redeemed at 137.03% on the extended maturity date on 30 September 2012.

### LISTING RULES IMPLICATION

Paliburg and Regal are subsidiaries of the Company. As at the Latest Practicable Date, the Paliburg Group and the Regal Group held approximately 17.11% and 2.83% of the issued ordinary share capital of Cosmo.

As one of the applicable percentage ratios in respect of the Cosmo CBs Extension is more than 25% but less than 100%, the Cosmo CBs Extension constitutes a major transaction for the Company subject to the reporting, announcement and shareholders' approval requirements under the Listing

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## LETTER FROM THE BOARD

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Rules. The Cosmo CBs Extension has been approved by way of written approval in accordance with Rule 14.44 of the Listing Rules by a closely allied group of Shareholders who in aggregate held 57.83% of the issued Shares as at the Latest Practicable Date. The closely allied group of Shareholders comprises Mr. LO Yuk Sui who owned approximately 2.84% of the issued Shares as at the Latest Practicable Date and the companies wholly or majority owned and controlled by Mr. LO Yuk Sui consisting of (i) Grand Modern Investments Limited which owned approximately 50.68% of the issued Shares, (ii) Fook Island Limited which owned approximately 0.11% of the issued Shares, (iii) Master City Limited which owned approximately 1.50% of the issued Shares, (iv) Shui To Co., Limited which owned approximately 2.08% of the issued Shares, and (v) YSL International Holdings Limited which owned approximately 0.62% of the issued Shares as at the Latest Practicable Date. Accordingly, no Shareholders' meeting will be convened for the purpose of approving the Cosmo CBs Extension.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of the Board of  
**Century City International Holdings Limited**  
**LO Yuk Sui**  
*Chairman*

**AUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP FOR THE THREE YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011**

Financial information of the Group for each of the years ended 31 December 2009, 2010 and 2011 is disclosed on pages 58 to 142 of the annual report of the Company for the year ended 31 December 2010 and pages 49 to 140 of the annual report of the Company for the year ended 31 December 2011, both of which are available on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.centurycity.com.hk](http://www.centurycity.com.hk)).

**UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION OF THE GROUP FOR THE SIX MONTHS ENDED 30 JUNE 2011 AND 2012**

Financial information of the Group for each of the six months ended 30 June 2011 and 2012 is disclosed on pages 17 to 40 of the interim report of the Company for the six months ended 30 June 2012 which is available on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.centurycity.com.hk](http://www.centurycity.com.hk)).

**INDEBTEDNESS**

As at the close of business on 31 October 2012, being the latest practicable date for the purpose of this statement of indebtedness, the Group had outstanding borrowings of approximately HK\$7,960.0 million which represented (i) bank loans of HK\$5,635.0 million secured by certain of the Group's property, plant and equipment, investment properties and properties held for sale; and (ii) unsecured notes of US\$300.0 million (approximately HK\$2,325.0 million) issued under a US\$1,000.0 million medium term note programme.

Save as disclosed above and apart from intra-group liabilities, the Group did not have, at the close of business on 31 October 2012, any outstanding mortgages, charges, debentures, bank loans and overdrafts, debt securities or loan notes or other similar indebtedness, loan capital issued or outstanding or agreed to be issued, finance leases, liabilities under acceptances or acceptance credits or any finance leases commitments, or any guarantees or other material contingent liabilities.

**FINANCIAL AND TRADING PROSPECTS**

The Group owns as its core assets the majority shareholdings in Paliburg which, in turn, controls Regal and Regal REIT. To complement its overall investment portfolio, the Group has invested in JAR Aviation Fund to broaden its income base and has also been working to develop its fund management business in China. The Group will continue to expand its business scope and assets portfolio when suitable opportunities arise.

**Paliburg Group**

With its substantial cash resources, the Paliburg Group is well-poised financially to implement its business development plans. The Paliburg Group remains optimistic of the real estate markets in Hong Kong and in China and intends to take steps to expand prudently its property portfolio in Hong Kong and in selected prime cities in the Mainland.

The Paliburg Group is confident that when the various development projects currently undertaken are completed as scheduled in the course of the next few years, the Paliburg Group's underlying capital values and growth potentials will be gradually realised.

**Regal Group**

With the various stimulus plans initiated by the monetary authorities in Europe and the United States, the global economy is anticipated to stabilise in the latter part of 2012 and in 2013. The Government of Hong Kong has committed to a number of major infrastructural development projects, including the expansion of the Hong Kong International Airport, the Hongkong-Zhuhai-Macao Bridge and the Kai Tak International Cruise Terminal, which will strengthen Hong Kong's position as an international gateway city and enhance its connectivity with the cities in the fast growing Pearl River Delta. These will continue to boost increasing traffic of business and leisure travelers to Hong Kong in the future years.

The Regal Group is confident of the future prospects of the hotel business in Hong Kong and, with its solid financial strength and extensive experience, the Regal Group will continue to seek appropriate opportunities to further expand its core business portfolio.

**WORKING CAPITAL**

The Directors, after due and careful consideration, are of the opinion that after taking into account the internal resources and present banking facilities available to the Group, the Group has sufficient working capital for its requirements for at least the next twelve months from the date of this circular in the absence of unforeseeable circumstances.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions, if any, of each Director and the chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executive of the Company were taken or deemed to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules ("Model Code") were as follows:

	The Company/ Name of associated corporation	Name of Director	Class of shares held	Number of shares held			Total (Approximate percentage of the issued shares as at the Latest Practicable Date)
				Personal interests	Corporate interests	Family/ Other interests	
1.	The Company	Mr. LO Yuk Sui	Ordinary (issued)	91,203,396	1,769,164,691 <i>(Note a)</i>	380,683	1,860,748,770 (57.84%)
		Mr. Kelvin LEUNG So Po	Ordinary (issued)	4,000	—	—	4,000 (0.000%)
		Mr. Jimmy LO Chun To	Ordinary (issued)	251,735	—	—	251,735 (0.008%)
		Miss LO Po Man	Ordinary (issued)	112,298	—	—	112,298 (0.003%)
		Mr. NG Siu Chan	Ordinary (issued)	—	—	3,521,973	3,521,973 (0.11%)
2.	Paliburg	Mr. LO Yuk Sui	Ordinary (issued)	83,314,014	739,970,803 <i>(Note b)</i>	15,000	823,299,817 (73.67%)
		Mr. Kenneth NG Kwai Kai	Ordinary (issued)	176,200	—	—	176,200 (0.02%)

**APPENDIX II**
**GENERAL INFORMATION**

	The Company/ Name of associated corporation	Name of Director	Class of shares held	Number of shares held			Total (Approximate percentage of the issued shares as at the Latest Practicable Date)
				Personal interests	Corporate interests	Family/ Other interests	
2.	Paliburg	Mr. Donald FAN Tung	Ordinary (issued)	556	—	—	556 (0.000%)
		Mr. Kelvin LEUNG So Po	Ordinary (issued)	470,185	—	—	470,185 (0.04%)
		Mr. Jimmy LO Chun To	Ordinary (issued)	2,274,600	—	—	2,274,600 (0.20%)
		Miss LO Po Man	Ordinary (issued)	1,116,000	—	—	1,116,000 (0.10%)
		Mr. NG Siu Chan	Ordinary (issued)	—	—	80,474	80,474 (0.007%)
3.	Regal	Mr. LO Yuk Sui	Ordinary (i) issued	24,200	494,835,261 <i>(Note c(i))</i>	260,700	495,120,161
			(ii) underlying	—	26,514,000 <i>(Note c(ii))</i>	—	26,514,000
						Total (i) & (ii):	521,634,161 (54.11%)
		Mr. Kelvin LEUNG So Po	Ordinary (issued)	200	—	—	200 0.000%
		Miss LO Po Man	Ordinary (issued)	300,000	—	269,169 <i>(Note d)</i>	569,169 (0.06%)
4.	Regal REIT	Mr. LO Yuk Sui	Units (issued)	—	2,434,282,102 <i>(Note e)</i>	—	2,434,282,102 (74.73%)
5.	8D International (BVI) Limited	Mr. LO Yuk Sui	Ordinary (issued)	—	1,000 <i>(Note f)</i>	—	1,000 (100%)
6.	8D Matrix Limited	Mr. LO Yuk Sui	Ordinary (issued)	—	2,000,000 <i>(Note g)</i>	—	2,000,000 (100%)
7.	8D International Limited	Mr. LO Yuk Sui	Ordinary (issued)	—	500,000 <i>(Note h)</i>	—	500,000 (100%)
8.	8D International (China) Limited	Mr. LO Yuk Sui	Ordinary (issued)	—	1 <i>(Note i)</i>	—	1 (100%)

**APPENDIX II**
**GENERAL INFORMATION**

	The Company/ Name of associated corporation	Name of Director	Class of shares held	Personal interests	Number of shares held		Total (Approximate percentage of the issued shares as at the Latest Practicable Date)
					Corporate interests	Family/ Other interests	
9.	Century Digital Communications (BVI) Limited	Mr. LO Yuk Sui	Ordinary (issued)	—	1 <i>(Note j)</i>	—	1 (100%)
10.	Century Digital Communications Limited	Mr. LO Yuk Sui	Ordinary (issued)	—	2 <i>(Note k)</i>	—	2 (100%)
11.	Century Digital Enterprise Limited	Mr. LO Yuk Sui	Ordinary (issued)	—	100 <i>(Note l)</i>	—	100 (100%)
12.	Century Digital Holdings Limited	Mr. LO Yuk Sui	Ordinary (issued)	—	3 <i>(Note m)</i>	—	3 (100%)
13.	Century Digital Investments Limited	Mr. LO Yuk Sui	Ordinary (issued)	—	49,968 <i>(Note n)</i>	—	49,968 (99.94%)
14.	China Noble Investments Limited	Mr. LO Yuk Sui	Ordinary (issued)	—	1 <i>(Note o)</i>	—	1 (100%)
15.	Full Range Technology Limited	Mr. LO Yuk Sui	Ordinary (issued)	—	10,000 <i>(Note p)</i>	—	10,000 (100%)
16.	Giant Forward Holdings Limited	Mr. LO Yuk Sui	Ordinary (issued)	—	1 <i>(Note q)</i>	—	1 (100%)
17.	Grand Modern Investments Limited	Mr. LO Yuk Sui	Ordinary (issued)	—	330 <i>(Note r)</i>	—	330 (100%)
18.	Important Holdings Limited	Mr. LO Yuk Sui	Ordinary (issued)	—	10,000 <i>(Note s)</i>	—	10,000 (100%)
19.	Net Age Technology Limited	Mr. LO Yuk Sui	Ordinary (issued)	—	97 <i>(Note t)</i>	—	97 (100%)
20.	Net Community Limited	Mr. LO Yuk Sui	Ordinary (issued)	—	3 <i>(Note u)</i>	—	3 (100%)

The Company/ Name of associated corporation	Name of Director	Class of shares held	Personal interests	Number of shares held			Total (Approximate percentage of the issued shares as at the Latest Practicable Date)
				Corporate interests	Family/ Other interests		
21. Pilot Pro Holdings Limited	Mr. LO Yuk Sui	Ordinary (issued)	—	1 (Note v)	—	1 (100%)	
22. Speedway Technology Limited	Mr. LO Yuk Sui	Ordinary (issued)	—	50,000 (Note w)	—	50,000 (100%)	
23. Task Master Technology Limited	Mr. LO Yuk Sui	Ordinary (issued)	—	1 (Note x)	—	1 (100%)	
24. Top Technologies Limited	Mr. LO Yuk Sui	Ordinary (issued)	—	10,000 (Note y)	—	10,000 (100%)	
25. Treasure Collection International Limited	Mr. LO Yuk Sui	Ordinary (issued)	—	2 (Note z)	—	2 (100%)	

## Notes:

- (a) The interests in 1,769,164,691 issued ordinary shares of the Company were held through companies wholly owned by Mr. LO Yuk Sui (“Mr. Lo”) and a company, namely Master City Limited, 99.9% owned by Mr. Lo.
- (b) The interests in 693,234,547 issued ordinary shares of Paliburg were held through companies wholly owned by the Company, in which Mr. Lo held 57.83% shareholding interests as at the Latest Practicable Date.

The interests in 16,271,685 issued ordinary shares of Paliburg were held through corporations controlled by Mr. Lo as detailed below:

Name of corporation	Controlled by	% of control
Wealth Master International Limited	Mr. Lo	90.00
Select Wise Holdings Limited	Wealth Master International Limited	100.00



The interests in 30,464,571 issued ordinary shares of Paliburg were held through corporations controlled by Mr. Lo as detailed below:

<b>Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Wealth Master International Limited	Mr. Lo	90.00
Select Wise Holdings Limited	Wealth Master International Limited	100.00
Splendid All Holdings Limited	Select Wise Holdings Limited	100.00

(c) (i) The interests in 421,400 issued ordinary shares of Regal were held through companies wholly owned by the Company, in which Mr. Lo held 57.83% shareholding interests as at the Latest Practicable Date, and the interests in the other 494,413,861 issued ordinary shares of Regal were held through companies wholly owned by Paliburg, in which the Company held 62.03% shareholding interests as at the Latest Practicable Date.

(ii) These derivative interests in underlying 26,514,000 ordinary shares of Regal were held by a wholly owned subsidiary of Paliburg through certain equity derivative contracts on ordinary shares of Regal, which will be settled in cash only.

(d) The interests in 269,169 issued ordinary shares of Regal were held by Miss LO Po Man as the beneficiary of a trust.

(e) The interests in 2,428,262,739 units of Regal REIT were held through wholly owned subsidiaries of Regal. The interests in 732,363 units of Regal REIT were held through wholly owned subsidiaries of Paliburg. The interests in 5,287,000 units of Regal REIT were held through wholly owned subsidiaries of the Company. Paliburg, in which the Company held 62.03% shareholding interests as at the Latest Practicable Date, held 51.28% shareholding interests in Regal as at the Latest Practicable Date. Mr. Lo held 57.83% shareholding interests in the Company as at the Latest Practicable Date.

(f) 400 shares were held through companies controlled by the Company, in which Mr. Lo held 57.83% shareholding interests as at the Latest Practicable Date, and 600 shares were held through a company controlled by Mr. Lo.

(g) 800,000 shares were held through companies controlled by the Company, in which Mr. Lo held 57.83% shareholding interests as at the Latest Practicable Date, and 1,200,000 shares were held through companies controlled by Mr. Lo (including 8D International (BVI) Limited).

(h) The interests in these shares of 8D International Limited were held through corporations controlled by Mr. Lo as detailed below:

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
The Company	Mr. Lo	57.83
Century City BVI Holdings Limited	The Company	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
8D Matrix Limited	Century City BVI Holdings Limited	40.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo	100.00
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
Secure Way Technology Limited	Mr. Lo	100.00
Important Holdings Limited	Secure Way Technology Limited	66.67
8D Matrix Limited	Important Holdings Limited	60.00

(i) The interest in the share of 8D International (China) Limited was held through corporations controlled by Mr. Lo as detailed below:

(a) Name of corporation	Controlled by	% of control
The Company	Mr. Lo	57.83
Century City BVI Holdings Limited	The Company	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
8D Matrix Limited	Century City BVI Holdings Limited	40.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo	100.00
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
Secure Way Technology Limited	Mr. Lo	100.00
Important Holdings Limited	Secure Way Technology Limited	66.67
8D Matrix Limited	Important Holdings Limited	60.00

(j) The interest in the share of Century Digital Communications (BVI) Limited was held through corporations controlled by Mr. Lo as detailed below:

(a) Name of corporation	Controlled by	% of control
The Company	Mr. Lo	57.83
Century City BVI Holdings Limited	The Company	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo	100.00
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
Secure Way Technology Limited	Mr. Lo	100.00
Important Holdings Limited	Secure Way Technology Limited	66.67

(k) The interests in these shares of Century Digital Communications Limited were held through corporations controlled by Mr. Lo as detailed below:

(a) Name of corporation	Controlled by	% of control
The Company	Mr. Lo	57.83
Century City BVI Holdings Limited	The Company	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
Century Digital Communications (BVI) Limited	Important Holdings Limited	100.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo	100.00
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
Secure Way Technology Limited	Mr. Lo	100.00
Important Holdings Limited	Secure Way Technology Limited	66.67
Century Digital Communications (BVI) Limited	Important Holdings Limited	100.00

(l) The interests in these shares of Century Digital Enterprise Limited were held through corporations controlled by Mr. Lo as detailed below:

(a) Name of corporation	Controlled by	% of control
The Company	Mr. Lo	57.83
Century City BVI Holdings Limited	The Company	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
Century Digital Investments Limited	Important Holdings Limited	99.93

<b>(b) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Manyways Technology Limited	Mr. Lo	100.00
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
Secure Way Technology Limited	Mr. Lo	100.00
Important Holdings Limited	Secure Way Technology Limited	66.67
Century Digital Investments Limited	Important Holdings Limited	99.93

(m) The interests in these shares of Century Digital Holdings Limited were held through corporations wholly owned by Mr. Lo.

(n) The interests in these shares of Century Digital Investments Limited were held through corporations controlled by Mr. Lo as detailed below:

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
The Company	Mr. Lo	57.83
Century City BVI Holdings Limited	The Company	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33

<b>(b) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Manyways Technology Limited	Mr. Lo	100.00
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
Secure Way Technology Limited	Mr. Lo	100.00
Important Holdings Limited	Secure Way Technology Limited	66.67

(o) The interest in the share of China Noble Investments Limited was held through corporations controlled by Mr. Lo as detailed below:

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
The Company	Mr. Lo	57.83
Century City BVI Holdings Limited	The Company	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
8D Matrix Limited	Important Holdings Limited	60.00
8D Matrix Limited	Century City BVI Holdings Limited	40.00
Pilot Pro Holdings Limited	8D Matrix Limited	100.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo	100.00
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
Secure Way Technology Limited	Mr. Lo	100.00
Important Holdings Limited	Secure Way Technology Limited	66.67
8D Matrix Limited	Important Holdings Limited	60.00
Pilot Pro Holdings Limited	8D Matrix Limited	100.00

(p) The interests in these shares of Full Range Technology Limited were held through corporations controlled by Mr. Lo as detailed below:

(a) Name of corporation	Controlled by	% of control
The Company	Mr. Lo	57.83
Century City BVI Holdings Limited	The Company	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo	100.00
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
Secure Way Technology Limited	Mr. Lo	100.00
Important Holdings Limited	Secure Way Technology Limited	66.67

(q) The interest in the share of Giant Forward Holdings Limited was held through corporations controlled by Mr. Lo as detailed below:

(a) Name of corporation	Controlled by	% of control
The Company	Mr. Lo	57.83
Century City BVI Holdings Limited	The Company	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
8D Matrix Limited	Important Holdings Limited	60.00
8D Matrix Limited	Century City BVI Holdings Limited	40.00

<b>(b) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Manyways Technology Limited	Mr. Lo	100.00
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
Secure Way Technology Limited	Mr. Lo	100.00
Important Holdings Limited	Secure Way Technology Limited	66.67
8D Matrix Limited	Important Holdings Limited	60.00

(r) The interests in these shares of Grand Modern Investments Limited were held through corporations wholly owned by Mr. Lo.

(s) The interests in these shares of Important Holdings Limited were held through corporations controlled by Mr. Lo as detailed below:

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
The Company	Mr. Lo	57.83
Century City BVI Holdings Limited	The Company	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00

<b>(b) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Manyways Technology Limited	Mr. Lo	100.00
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Secure Way Technology Limited	Mr. Lo	100.00

(t) The interests in these shares of Net Age Technology Limited were held through corporations controlled by Mr. Lo as detailed below:

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
The Company	Mr. Lo	57.83
Century City BVI Holdings Limited	The Company	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
Century Digital Investments Limited	Important Holdings Limited	99.93

<b>(b) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Manyways Technology Limited	Mr. Lo	100.00
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
Secure Way Technology Limited	Mr. Lo	100.00
Important Holdings Limited	Secure Way Technology Limited	66.67
Century Digital Investments Limited	Important Holdings Limited	99.93

(u) The interests in these shares of Net Community Limited were held through a corporation wholly owned by Mr. Lo.

(v) The interest in the share of Pilot Pro Holdings Limited was held through corporations controlled by Mr. Lo as detailed below:

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
The Company	Mr. Lo	57.83
Century City BVI Holdings Limited	The Company	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
8D Matrix Limited	Important Holdings Limited	60.00
8D Matrix Limited	Century City BVI Holdings Limited	40.00

<b>(b) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Manyways Technology Limited	Mr. Lo	100.00
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
Secure Way Technology Limited	Mr. Lo	100.00
Important Holdings Limited	Secure Way Technology Limited	66.67
8D Matrix Limited	Important Holdings Limited	60.00

(w) The interests in these shares of Speedway Technology Limited were held through a corporations wholly owned by Mr. Lo.

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
The Company	Mr. Lo	57.83
Century City BVI Holdings Limited	The Company	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33

<b>(b) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Manyways Technology Limited	Mr. Lo	100.00
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
Secure Way Technology Limited	Mr. Lo	100.00
Important Holdings Limited	Secure Way Technology Limited	66.67

(x) The interest in the share of Task Master Technology Limited was held through corporations controlled by Mr. Lo as detailed below:

(a) Name of corporation	Controlled by	% of control
The Company	Mr. Lo	57.83
Century City BVI Holdings Limited	The Company	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo	100.00
8D International (BVI) Limited	Manyways Technology Limited	60.00

(y) The interests in these shares of Top Technologies Limited were held through corporations controlled by Mr. Lo as detailed below:

(a) Name of corporation	Controlled by	% of control
The Company	Mr. Lo	57.83
Century City BVI Holdings Limited	The Company	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo	100.00
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
Secure Way Technology Limited	Mr. Lo	100.00
Important Holdings Limited	Secure Way Technology Limited	66.67

(z) The interests in these shares of Treasure Collection International Limited were held through corporations controlled by Mr. Lo as detailed below:

(a) Name of corporation	Controlled by	% of control
The Company	Mr. Lo	57.83
Century City BVI Holdings Limited	The Company	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
8D Matrix Limited	Important Holdings Limited	60.00
8D Matrix Limited	Century City BVI Holdings Limited	40.00
Giant Forward Holdings Limited	8D Matrix Limited	100.00



(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo	100.00
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
Secure Way Technology Limited	Mr. Lo	100.00
Important Holdings Limited	Secure Way Technology Limited	66.67
8D Matrix Limited	Important Holdings Limited	60.00
Giant Forward Holdings Limited	8D Matrix Limited	100.00

Save as disclosed above, none of the Directors or the chief executive of the Company had, as at the Latest Practicable Date, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Details of directorships of the Directors in each of the following substantial shareholders of the Company which has an interest in the Shares and underlying Shares as disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO are set out as follows:

- (1) Mr. LO Yuk Sui is a director of Secure Way Technology Limited.
- (2) Mr. LO Yuk Sui, Mr. Jimmy LO Chun To and Miss LO Po Man are directors of Net Community Limited, Century Digital Holdings Limited and Grand Modern Investments Limited.

### 3. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS AND CONTRACTS

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors had any material direct or indirect interest in any assets which have since 31 December 2011 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group. As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

**4. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, any service contract with any member of the Group which would not expire or be determinable by the Group within one year without payment of compensation (other than statutory compensation).

**5. LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and there was no litigation or claim known to the Directors to be pending or threatened against the Company or any of its subsidiaries which in the opinion of the Directors would be or is likely to be of material importance.

**6. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors and his/her respective associates was considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group other than those businesses to which the Directors and his/her associates were appointed to represent the interests of the Company and/or the Group.

**7. MATERIAL CONTRACTS**

There are no material contracts (not being a contract in the ordinary course of business) entered into by any members of the Group within the two years preceding the date of this circular.

**8. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors confirmed that there had not been any material adverse change in the financial or trading position of the Group since 31 December 2011, the date to which the latest published audited consolidated financial statements of the Group were made up.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the head office and principal place of business in Hong Kong of the Company at 11th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong during normal business hours on any Business Day from the date of this circular up to and including 11 January 2013:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the two years ended 31 December 2010 and 2011 and the interim report of the Company for the six months ended 30 June 2012;

- (c) the circular of the Company dated 8 June 2012 in relation to the post-consolidation repurchases of Regal Shares by Regal and the unconditional mandatory general cash offer to acquire all the issued units of Regal REIT (other than those already owned or agreed to be acquired by Paliburg and the parties acting in concert with it);
- (d) the circular of Paliburg dated 8 June 2012 in relation to the post-consolidation repurchases of Regal Shares by Regal and the unconditional mandatory general cash offer to acquire all the issued units of Regal REIT (other than those already owned or agreed to be acquired by Paliburg and the parties acting in concert with it); and
- (e) this circular.

**10. GENERAL**

- (a) The registered office of the Company is at 26 Burnaby Street, Hamilton HM 11, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is at 11th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong.
- (c) The branch share registrar of the Company in Hong Kong is Tricor Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The secretary of the Company is Ms. Eliza LAM Sau Fun, an associate of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (e) The English text of this circular shall prevail over the Chinese text.