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## ANNOUNCEMENT

Reference is made to the joint announcement dated 28 June 2013 issued by Century City, Paliburg and Regal, and the announcement dated 15 May 2014 and the circulars dated 29 June 2013 and 25 June 2014 issued by Regal in relation to the sale and purchase of the Sheung Wan Hotel and the North Point Hotel.

In respect of each of the Transactions, P&R Holdings has undertaken in favour of the Lessee that, subject to the relevant Lease Agreement becoming effective and the Lessee committing no default and breach under the relevant Lease Agreement during the first three years of the relevant lease term under the relevant Lease Agreement, for the period from completion of the relevant Interior Fit-Out Programme and obtaining the relevant hotel licence until the end of the third year of the relevant lease under the SW Lease Agreement and the NP Lease Agreement, P&R Holdings shall reimburse the Lessee in full any shortfall (the “**Shortfall**”) in case that the income to be derived by the Lessee from the Sheung Wan Hotel or the North Point Hotel (as applicable) would not be sufficient to cover the payments (including rent) under the relevant Lease Agreement for the corresponding period.

As reported by the auditor of the Lessee on 26 September 2017 regarding factual findings in respect of the Shortfall in relation to the Sheung Wan Hotel and the Shortfall in relation to the North Point Hotel in accordance with Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information”, the Shortfall in respect of the SW Lease Agreement amounted to approximately HK\$116.1 million while the Shortfall in respect of the NP Lease Agreement amounted to approximately HK\$157.1 million, all of which shall be payable by P&R Holdings to the Lessee within seven days from the date of the said reports issued by the auditor of the Lessee.

## DEFINITIONS

“Century City”	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)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Interior Fit-Out Programme”	the interior fit-out programme in relation to the Sheung Wan Hotel or the North Point Hotel (as the case may be)
“Lease Agreement”	the SW Lease Agreement or the NP Lease Agreement (as applicable)
“Lessee”	Favour Link International Limited, a wholly-owned subsidiary of Regal
“North Point Hotel”	iclub Fortress Hill Hotel located at Nos. 14-20 Merlin Street, North Point, Hong Kong
“NP Lease Agreement”	the lease agreement in respect of the lease of the North Point Hotel by the Lessee from Wise Decade Investments Limited (an indirect wholly-owned subsidiary of Regal REIT and the owner of the North Point Hotel)
“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)
“P&R Holdings”	P&R Holdings Limited, a joint venture established and owned by a wholly-owned subsidiary of Paliburg and a wholly-owned subsidiary of Regal as to 50% each
“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 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)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Sheung Wan Hotel”	iclub Sheung Wan Hotel located at Nos. 132-140 Bonham Strand, Sheung Wan, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SW Lease Agreement”	the lease agreement in respect of the lease of the Sheung Wan Hotel by the Lessee from Tristan Limited (an indirect wholly-owned subsidiary of Regal REIT and the owner of the Sheung Wan Hotel)

“Transactions”

the acquisitions of the Sheung Wan Hotel and the North Point Hotel by Regal REIT from P&R Holdings as further detailed in the joint announcement dated 28 June 2013 issued by Century City, Paliburg and Regal, and the announcement dated 15 May 2014 issued by Regal

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

Hong Kong, 26 September 2017

As at the date of this announcement, the board of directors of Regal comprises the following members:

**Executive directors:**

Mr. LO Yuk Sui  
*(Chairman and Chief Executive Officer)*  
Miss LO Po Man  
*(Vice Chairman and Managing Director)*  
Ms. Belinda YEUNG Bik Yiu  
*(Chief Operating Officer)*  
Mr. Donald FAN Tung  
Mr. Jimmy LO Chun To  
Mr. Kenneth NG Kwai Kai  
Mr. Allen WAN Tze Wai

**Non-executive director:**

Dr. Francis CHOI Chee Ming, GBS, JP  
*(Vice Chairman)*

**Independent non-executive directors:**

Ms. Alice KAN Lai Kuen  
Professor Japhet Sebastian LAW  
Mr. NG Siu Chan  
Mr. WONG Chi Keung