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PROPOSAL LETTER IN RELATION TO POSSIBLE ACQUISITION OF AIRCRAFT

This joint announcement is made by Century City pursuant to Part XIVA of the SFO and Rule 13.09(2) of the Listing Rules and is voluntarily made by Paliburg and Regal to provide their respective shareholders and potential investors with updates about the Paliburg Group's and the Regal Group's businesses respectively.

On 4 September 2014 (after trading hours), the Aircraft Consultant, on behalf of the Buyer (being a wholly-owned subsidiary of Regal) and the Seller executed the Proposal Letter in respect of the Possible Acquisition.

Save for the provisions relating to the Deposit, confidentiality, and governing law and jurisdiction, the terms of the Proposal Letter are not legally binding, and thus the Possible Acquisition may or may not proceed. Shareholders and potential investors of Century City, Paliburg and Regal are advised to exercise caution when dealing in the shares of Century City, Paliburg and Regal respectively.

This joint announcement is made by Century City pursuant to Part XIVA of the SFO and Rule 13.09(2) of the Listing Rules and is voluntarily made by Paliburg and Regal to provide their respective shareholders and potential investors with updates about the Paliburg Group's and the Regal Group's businesses respectively.

THE PROPOSAL LETTER

On 4 September 2014 (after trading hours), the Aircraft Consultant, on behalf of the Buyer (being a wholly-owned subsidiary of Regal) and the Seller executed the Proposal Letter in respect of the Possible Acquisition.

According to information available to Century City, Paliburg and Regal, the Seller is a wholly-owned subsidiary of Embraer S.A., an aircraft manufacturer, and is engaged in management and marketing of Embraer aircraft. To the best of the Century City Directors' knowledge, information and belief having made all reasonable enquiries, the Seller and its ultimate beneficial owners are third parties independent of Century City and its connected persons (as defined under the Listing Rules). To the best of the Paliburg Directors' knowledge, information and belief having made all reasonable enquiries,

the Seller and its ultimate beneficial owners are third parties independent of Paliburg and its connected persons (as defined under the Listing Rules). To the best of the Regal Directors' knowledge, information and belief having made all reasonable enquiries, the Seller and its ultimate beneficial owners are third parties independent of Regal and its connected persons (as defined under the Listing Rules).

Save for the provisions relating to the Deposit, confidentiality, and governing law and jurisdiction, the terms of the Proposal Letter are not legally binding on the parties. Principal terms of the Proposal Letter are set forth below.

Possible Acquisition

The Proposal Letter envisages that the Buyer and the Seller will enter into the S&P Agreements pursuant to which, subject to the conditions to be set out in the S&P Agreements, the Buyer will acquire the Fleet of Aircraft from the Seller. The Fleet of Aircraft comprises 18 passenger aircraft manufactured by Embraer S.A. with age ranging from approximately 4 to 17 years old. Each aircraft is currently leased to an airline operator. Pursuant to the Novation under the Possible Acquisition, the Buyer will become the lessor of the Leases if completion of the Possible Acquisition takes place.

The Buyer and the Seller have agreed to negotiate in good faith towards agreement on the final form of the General Terms Agreement and the Novation no later than 19 September 2014.

Purchase Price

The aggregate Purchase Price for the Fleet of Aircraft is proposed to be US\$84.7 million (equivalent to approximately HK\$660.7 million) subject to closing adjustments.

Deposit

The Deposit of US\$4.235 million (equivalent to approximately HK\$33.0 million) is payable by the Regal Group to the Seller following execution of the Proposal Letter by the parties. The Deposit shall be refundable in the following events:

- (i) the Buyer or the Seller notifies the other in writing, that it has failed to obtain its necessary corporate approvals for the Possible Acquisition on or before the later of 22 September 2014 or three business days after the Buyer and the Seller have agreed to the final form of the General Terms Agreement and the Novation; or
- (ii) if any of the conditions precedent set out in the Proposal Letter or in the S&P Agreements are not satisfied on or prior to 31 December 2014 solely as a result of the Seller having failed to perform any of its obligations under the Proposal Letter or the S&P Agreements (except as a result of the Buyer having breached any of its obligations under the Proposal Letter or under the Transaction Documents); or
- (iii) a total loss or an event of loss (as defined in the applicable Lease) has occurred with respect to any aircraft within the Fleet of Aircraft,

in which case the Seller shall refund the Deposit, without interest, within ten days after receipt of the Buyer's written demand therefor. The Deposit shall be non-refundable to the Buyer in any other circumstance, including the Buyer's failure to satisfy the conditions precedent to completion of the Possible Acquisition set out in the Proposal Letter or in the Transaction Documents on or prior to 31 December 2014.

Upon payment of the Deposit, the Seller shall cease marketing the Fleet of Aircraft to third parties, and the parties shall negotiate in good faith toward conclusion of the Possible Acquisition pursuant to the Proposal Letter.

REASONS FOR THE POSSIBLE ACQUISITION

Paliburg is a listed subsidiary of Century City. Regal is a listed subsidiary of Century City and Paliburg. Century City, through its subsidiaries, is principally engaged in property development and investment, construction and building related businesses, hotel ownership, hotel operation and management, asset management and other investments including financial assets investments, and aircraft ownership and leasing business.

Paliburg, through its subsidiaries, is principally engaged in property development and investment, construction and building related businesses, hotel ownership, hotel operation and management, asset management and other investments including financial assets investments, and aircraft ownership and leasing business.

Regal, through its subsidiaries, is principally engaged in hotel ownership business undertaken through Regal REIT, hotel operation and management businesses, asset management of Regal REIT, property development and investment, including those undertaken through the joint venture in P&R Holdings and the interest in the retained houses in Regalia Bay in Stanley, and other investments including financial assets investments, and aircraft ownership and leasing business.

The Century City Group owns an 84.9% effective interest in a Boeing 737-800 aircraft and, in addition, the Regal Group owns two Airbus A321 aircraft with 100% and 85% effective interests respectively, which are all under leases to airline operators and generating relatively attractive returns. The Regal Group has been considering to increase its investment in this business sector and the Possible Acquisition represents an appropriate opportunity for the Regal Group to further expand in the aircraft ownership and leasing business.

GENERAL

The Possible Acquisition, if materialised, may constitute a notifiable transaction for each of Century City, Paliburg and Regal under Chapter 14 of the Listing Rules. Century City, Paliburg and Regal will comply with the relevant requirements under the Listing Rules as and when appropriate.

Save for the provisions relating to the Deposit, confidentiality, and governing law and jurisdiction, the terms of the Proposal Letter are not legally binding, and thus the Possible Acquisition may or may not proceed. Shareholders and potential investors of Century City, Paliburg and Regal are advised to exercise caution when dealing in the shares of Century City, Paliburg and Regal respectively.

DEFINITIONS

“Aircraft Consultant”	a professional aircraft consultant engaged by the Regal Group in respect of the Possible Acquisition for conducting assessment and inspection of the Fleet of Aircraft and related business matters
“Buyer”	a wholly-owned subsidiary of Regal
“Century City”	Century City International Holdings Limited, a company incorporated in Bermuda and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (Stock Code: 355)
“Century City Directors”	the directors of Century City
“Century City Group”	Century City and its subsidiaries, for the purposes of this joint announcement excluding the Regal Group
“Deposit”	the deposit in an aggregate amount of US\$4.235 million (equivalent to approximately HK\$33.0 million) payable by the Regal Group to the Seller following execution of the Proposal Letter by the parties
“Fleet of Aircraft”	collectively, 18 passenger aircraft manufactured by Embraer S.A. owned by the Seller
“General Terms Agreement”	the general terms agreement for the sale and purchase of the Fleet of Aircraft to be entered into between the Buyer and the Seller with respect to the Possible Acquisition
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Leases”	the leases of each aircraft within the Fleet of Aircraft to various airline operators (as lessees)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Novation”	the novation agreement to be entered into under the Possible Acquisition pursuant to which the Buyer will become the lessor of the Leases if completion of the Possible Acquisition takes place

“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
“Paliburg”	Paliburg Holdings Limited, a company incorporated in Bermuda 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 joint announcement excluding the Regal Group
“Possible Acquisition”	the possible acquisition of the Fleet of Aircraft by the Buyer from the Seller as contemplated under the Proposal Letter
“Proposal Letter”	a letter of intent in the form of the proposal letter dated 4 September 2014 in respect of the Possible Acquisition
“Purchase Price”	the aggregate proposed consideration of US\$84.7 million (equivalent to approximately HK\$660.7 million) (subject to closing adjustments) payable by the Buyer to the Seller for the Possible Acquisition
“Regal”	Regal Hotels International Holdings Limited, a company incorporated in Bermuda and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (Stock Code: 78)
“Regal Directors”	the directors of Regal
“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)
“Seller”	ECC Leasing Company Limited
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“S&P Agreements”	the General Terms Agreement and the sale and purchase agreement supplement in respect of the sale and purchase of each aircraft within the Fleet of Aircraft to be entered into between the Buyer and the Seller
“Transaction Documents”	collectively the S&P Agreements, the Novation and other operative documents
“US\$”	United States dollars, the lawful currency of the United States of America

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

By Order of the Board
Paliburg Holdings Limited
Eliza Lam Sau Fun
Secretary

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

Hong Kong, 4 September 2014

As at the date of this joint announcement, the board of directors of Century City comprises the following members:

Executive directors:

Mr. LO Yuk Sui
(Chairman and Chief Executive Officer)
Mr. Jimmy LO Chun To *(Vice Chairman)*
Miss LO Po Man *(Vice Chairman)*
Mr. Kenneth NG Kwai Kai
(Chief Operating Officer)
Mr. Donald FAN Tung
Mr. Kelvin LEUNG So Po

Independent non-executive directors:

Mr. Anthony CHUANG
Mr. NG Siu Chan
Mr. WONG Chi Keung

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

Executive directors:

Mr. LO Yuk Sui
(Chairman and Chief Executive Officer)
Mr. Jimmy LO Chun To
(Vice Chairman and Managing Director)
Mr. Donald FAN Tung
(Chief Operating Officer)
Miss LO Po Man
Mr. Kenneth NG Kwai Kai
Mr. Kenneth WONG Po Man

Independent non-executive directors:

Mr. Bowen Joseph LEUNG Po Wing, GBS, JP
Mr. NG Siu Chan
Hon. Abraham SHEK Lai Him, GBS, JP
Mr. WONG Chi Keung

As at the date of this joint 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

For illustration purposes, the exchange rate of US\$1.00 = HK\$7.80 has been used to convert US\$ into HK\$ in this joint announcement.