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(stock code: 355)



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**DISCLOSEABLE
TRANSACTION**

ANNOUNCEMENT

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**ACQUISITION OF
50% INTEREST IN
PROSPER HARVEST
AND
LETTER OF INTENT**

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AND
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LETTER OF INTENT

THE ACQUISITION

On 23 May 2017 (after trading hours), P&R Holdings (a 50-50 joint venture of Paliburg and Regal) and Dragon Pier (a wholly-owned subsidiary of Giant Sino) entered into the S&P Agreement pursuant to which P&R Holdings has acquired the Sale Share, representing a 50% equity interest in Prosper Harvest, from Dragon Pier for a total consideration of approximately HK\$165.7 million. The principal asset of Prosper Harvest is its interest (through its wholly-owned subsidiaries, Leading Brand and Land Crown) in the iclub Ma Tau Wai Hotel which is located at To Kwa Wan, Kowloon.

LETTER OF INTENT

On 23 May 2017 (after trading hours), P&R Holdings and the Manager (in its capacity as manager of Regal REIT) executed the LOI setting out the principal terms of the possible disposal of the entire issued share capital of Prosper Harvest and the Shareholder Loan by P&R Holdings to Regal REIT or its designated wholly-owned subsidiary.

Save for the provision relating to confidentiality, the terms of the LOI are not legally binding, and thus the Possible Transactions may or may not proceed. The holders of the securities and potential investors of Century City, Paliburg and Regal are advised to exercise caution when dealing in the securities of Century City, Paliburg and Regal respectively.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a discloseable transaction for Century City and does not constitute a notifiable transaction for each of 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 upon entering into the relevant sale and purchase agreement in respect of the Possible Transactions.

THE ACQUISITION

On 23 May 2017 (after trading hours), P&R Holdings and Dragon Pier entered into the S&P Agreement pursuant to which P&R Holdings has acquired the Sale Share, representing a 50% equity interest in Prosper Harvest, from Dragon Pier. Pursuant to the terms of the S&P Agreement, completion of the Acquisition has taken place on the date of the S&P Agreement.

The principal terms of the S&P Agreement are set out below:

Date: 23 May 2017

Parties: 1. P&R Holdings Limited (as purchaser)
2. Dragon Pier Investments Limited (as seller)

As at the date of this joint announcement, Century City (through its wholly-owned subsidiaries) holds approximately 62.3% of the issued share capital of Paliburg which (through its wholly-owned subsidiaries) in turn holds approximately 65.4% of the issued share capital of Regal. P&R Holdings is owned as to 50% by a wholly-owned subsidiary of Paliburg and 50% by a wholly-owned subsidiary of Regal. P&R Holdings is a subsidiary of Century City and Paliburg.

Dragon Pier is an investment holding company wholly owned by Giant Sino. Giant Sino was previously a controlling shareholder of Cosmopolitan (a listed subsidiary of Century City and Paliburg) and presently is still a shareholder of Cosmopolitan holding 33.75 million ordinary shares of Cosmopolitan. Having made all reasonable enquiries, save for the aforesaid interests, Dragon Pier and its ultimate beneficial owners are third parties independent of Century City and Paliburg and their respective connected persons.

Subject asset: Pursuant to the S&P Agreement, P&R Holdings has acquired the Sale Share, representing 50% of the issued share capital of Prosper Harvest, from Dragon Pier.

Upon completion of the Acquisition, P&R Holdings' equity interest in Prosper Harvest has increased from 50% to 100% and Prosper Harvest has become a wholly-owned subsidiary of P&R Holdings and a subsidiary of Century City and Paliburg. The principal asset of Prosper Harvest is its interest (through its wholly-

owned subsidiaries, Leading Brand and Land Crown) in the Hotel. Further information on the Prosper Harvest Group and the Hotel is set out below under the paragraph headed “Information on Prosper Harvest and the Hotel”.

Acquisition Consideration: Approximately HK\$165.7 million, being HK\$165 million plus approximately HK\$0.7 million, representing an amount equal to 50% of the NTAV as determined by reference to the Completion Accounts.

The Acquisition Consideration was determined after arm’s-length negotiation between the parties taking into account, among others, the value for the Hotel with reference to its location and specifications and the market conditions regarding the hotel and tourism industry in Hong Kong, the Shareholder Loan which amounts to HK\$1,000 million on the Completion Date, and the terms of the Possible Transactions under the LOI. The Century City Directors consider that the Acquisition Consideration and its basis are fair and reasonable.

Payment terms: Under the terms of the S&P Agreement, P&R Holdings has, on the Completion Date, paid Dragon Pier approximately HK\$115.8 million, being the Acquisition Consideration minus the net amount of approximately HK\$49.9 million payable by Dragon Pier to P&R Holdings pursuant to the 2016 S&P Agreement.

Others: Pursuant to the 2016 S&P Agreement, P&R Holdings undertook to procure the entering into of a lease of the Hotel under the principal terms as set out in the 2016 S&P Agreement, and P&R Holdings and Dragon Pier shall enter into a shareholders agreement regarding the Prosper Harvest Group under the principal terms as set out in the 2016 S&P Agreement, failing which such principal terms of the shareholders agreement will continue to be binding on the parties. Pursuant to the S&P Agreement, the rights and obligations of the parties under the 2016 S&P Agreement has ceased to have any further force and effect. As such P&R Holdings’ undertaking to procure the entering into of a lease and the principal terms of the shareholders agreement as set out in the 2016 S&P Agreement are no longer effective.

LETTER OF INTENT

On 23 May 2017 (after trading hours), P&R Holdings and the Manager (in its capacity as manager of Regal REIT) executed the LOI setting out the principal terms of the possible disposal of the entire issued share capital of Prosper Harvest and the Shareholder Loan by P&R Holdings to Regal REIT or its designated wholly-owned subsidiary.

Save for the provision relating to confidentiality, the terms of the LOI are not legally binding on the parties. Principal terms of the LOI are set out below:

Parties:

1. P&R Holdings (as seller)
2. The Purchaser (being Regal REIT or its designated wholly-owned subsidiary) (as purchaser)

Regal REIT is a listed subsidiary of Century City, Paliburg and Regal. As at the date of this joint announcement, Regal (through its wholly-owned subsidiaries) holds approximately 74.6% of the issued units of Regal REIT.

Subject assets: It is proposed that the Purchaser will acquire from P&R Holdings: (i) the entire issued share capital of Prosper Harvest; and (ii) the Shareholder Loan as at the Possible Disposal Completion Date which amounts to HK\$1,000 million as at the date of this joint announcement.

As at the Possible Disposal Completion Date, the above subject assets shall be free from any encumbrance and the Prosper Harvest Group shall have no borrowings other than the Shareholder Loan and those incurred in its ordinary course of business.

As stated above in this joint announcement, the principal asset of the Prosper Harvest Group is the Hotel, further information of which is set out below under the paragraph headed "Information on Prosper Harvest and the Hotel".

Possible Disposal Consideration: HK\$1,360 million plus a customary adjustment for the current assets of the Prosper Harvest Group as at the Possible Disposal Completion Date, details of which will be set out in the sale and purchase agreement to be entered into by the parties regarding the Possible Disposal. The Possible Disposal Consideration is subject to the Hotel being valued (by an independent valuer appointed by Regal REIT) at no less than HK\$1,360 million.

Deposit and payment terms: It is proposed that the Purchaser will pay to P&R Holdings:

- (a) a refundable deposit of HK\$200 million upon signing of the sale and purchase agreement regarding the Possible Disposal; and
- (b) the balance of the consideration upon completion of the sale and purchase agreement regarding the Possible Disposal.

Conditions precedent: It is proposed that completion of the Possible Transactions will be subject to the following conditions precedent:

- (a) the respective independent shareholders and independent unitholders of Regal and Regal REIT having approved the execution of the sale and purchase agreement regarding the Possible Disposal and the lease agreement in relation to the Possible Hotel Lease, and the consummation of the Possible Transactions, at their respective general meetings;
- (b) if applicable, the respective shareholders of Century City and Paliburg having approved the execution of the sale and purchase agreement regarding the Possible Disposal and the lease agreement in relation to the Possible Hotel Lease, and the consummation of the Possible Transactions; and

(c) the development and fitting out works of the Hotel having been completed in accordance with the specifications to be set out in the sale and purchase agreement regarding the Possible Disposal.

Possible Hotel Lease: It is proposed that P&R Holdings will, at completion of the Possible Disposal, procure Favour Link International Limited (a wholly-owned subsidiary of Regal) (as lessee) to enter into the Possible Hotel Lease with the Prosper Harvest Group (as lessor) which will be for a 5-year term (with an option to be extended for another 5-year term at the sole discretion of the Prosper Harvest Group).

It is proposed that the rental for the first 5 years will be fixed at 4.0%, 4.25%, 4.5%, 4.75% and 5.0% per annum of the Possible Disposal Consideration (before any adjustment) and the rental for the second 5-year term (if extended) will be subject to annual market rental review by a jointly appointed independent professional property valuer.

Sale and purchase agreement: The parties shall in good faith negotiate, finalise and execute the sale and purchase agreement regarding the Possible Disposal and other legal documentation in relation to the Possible Transactions in a form mutually acceptable to the parties and it is expected that the sale and purchase agreement regarding the Possible Disposal shall be entered into on or before 30 June 2017.

INFORMATION ON PROSPER HARVEST AND THE HOTEL

The Prosper Harvest Group is engaged in the investment and development of the Hotel. Prosper Harvest is the sole owner of Leading Brand which in turn holds the entire issued share capital of Land Crown. Land Crown is the sole owner of the Land and the developer of the Hotel with the following key specifications:

Location: Nos. 8, 8A, 10, 10A, 12 and 12A Ha Heung Road,
To Kwa Wan, Kowloon

No. of guestrooms: 340

No. of storeys: 22 storeys (including basement and ground floor)

Gross floor area: Approximately 6,298 square metres

Covered floor area: Approximately 9,490 square metres

The occupation permit for the Hotel was issued by the Building Authority on 23 November 2016. The Hotel Licence was also issued on 17 May 2017.

Prosper Harvest recorded consolidated net loss (both before and after tax) of approximately HK\$63,000 for the year ended 31 December 2015 and approximately HK\$136.3 million for the year

ended 31 December 2016. As at 31 December 2016, Prosper Harvest had consolidated net liabilities of approximately HK137.3 million.

REASONS FOR THE TRANSACTIONS

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, aircraft ownership and leasing business and other investments including financial assets investments.

Paliburg is a listed subsidiary of Century City. 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, aircraft ownership and leasing business and other investments including financial assets investments.

Regal is a listed subsidiary of Century City and Paliburg. 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, aircraft ownership and leasing business and other investments including financial assets investments.

P&R Holdings is a 50-50 owned joint venture of Paliburg and Regal and a subsidiary of Century City and Paliburg. The P&R Group is principally engaged in the development of real estate projects for sale and/or leasing, the undertaking of related investment and financing activities, and the acquisition or making of any investments (directly or indirectly) in the financial assets of or interests in, or extending loans to, any private, public or listed corporations or undertakings that have interests in real estate projects or other financial activities where the underlying assets or security comprise real estate properties.

In December 2016, P&R Holdings disposed of a 50% equity interest in Prosper Harvest to Dragon Pier pursuant to the 2016 S&P Agreement realising part of the value of the Hotel. Details of the aforesaid disposal were set out in the joint announcement of Century City, Paliburg and Regal dated 28 December 2016 and the respective circulars of Century City and Paliburg dated 26 January 2017. According to the Hong Kong Tourism Board, the tourism industry in Hong Kong has seen a rebound in recent months showing a year-on-year increase of 3.7% in total number of visitors during January to March 2017, compared to a 4.5% year-on-year fall in 2016. Regal REIT is optimistic of the long term prospects of the hospitality industry in Hong Kong and intends to build on its hotel portfolio. As set out in the LOI, Regal REIT (of which the Regal Group holds approximately 74.6% of the issued units) has proposed to purchase from P&R Holdings the entire equity interest in Prosper Harvest at an agreed value of HK\$1,360 million (subject to among others the procurement of a lease by P&R Holdings) with reference to an independent valuation of the Hotel expanding the portfolio of hotels held by Regal REIT. To facilitate the Possible Transactions, P&R Holdings entered into the S&P Agreement to implement the Acquisition to consolidate the entire equity interest in Prosper Harvest Group.

Taking into account the basis of determination of the Acquisition Consideration, the Century City Directors consider that the terms of the S&P Agreement are fair and reasonable and in the interests of the shareholders of Century City as a whole.

LISTING RULES IMPLICATIONS

Based on the applicable percentage ratios, the Acquisition constitutes a disclosable transaction for Century City under Chapter 14 of the Listing Rules. The Acquisition does not constitute a notifiable transaction for each of 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 upon entering into the relevant sale and purchase agreement in respect of the Possible Transactions.

Save for the provision relating to confidentiality, the terms of the LOI are not legally binding, and thus the Possible Transactions may or may not proceed. The holders of the securities and potential investors of Century City, Paliburg and Regal are advised to exercise caution when dealing in the securities of Century City, Paliburg and Regal respectively.

DEFINITIONS

“2016 S&P Agreement”	the agreement dated 28 December 2016 entered into between P&R Holdings and Dragon Pier in relation to P&R Holdings’ disposal of a 50% equity interest in Prosper Harvest to Dragon Pier
“Acquisition”	the acquisition of the Sale Share by P&R Holdings from Dragon Pier pursuant to the terms of the S&P Agreement
“Acquisition Consideration”	a total amount of approximately HK\$165.7 million
“Capital Merit”	Capital Merit Investments Limited, a wholly-owned subsidiary of Paliburg
“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
“Completion Accounts”	the consolidated statement of financial position of Prosper Harvest as at close of business on the Completion Date prepared in accordance with Hong Kong Financial Reporting Standards
“Completion Date”	the date of the S&P Agreement

“Cosmopolitan”	Cosmopolitan International Holdings Limited, a company incorporated in the Cayman Islands and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (Stock Code: 120)
“Dragon Pier”	Dragon Pier Investments Limited, a wholly-owned subsidiary of Giant Sino
“Giant Sino”	Giant Sino Group Limited
“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
“Hotel”	iclub Ma Tau Wai Hotel, a hotel developed and erected on the Land
“Hotel Licence”	the hotel licence issued by the Home Affairs Department in respect of the Hotel under the Hotel and Guesthouse Accommodation Ordinance (Chapter 349 of the Laws of Hong Kong)
“Land”	a parcel of land located in Nos. 8, 8A, 10, 10A, 12 and 12A Ha Heung Road, To Kwa Wan, Kowloon
“Land Crown”	Land Crown International Limited, the direct wholly-owned subsidiary of Leading Brand and the sole legal and beneficial owner of the Land
“Leading Brand”	Leading Brand Holdings Limited, the direct wholly-owned subsidiary of Prosper Harvest
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LOI”	a letter of intent dated 23 May 2017 executed by P&R Holdings and the Manager (in its capacity as manager of Regal REIT) in relation to the Possible Transactions
“Manager”	Regal Portfolio Management Limited, the manager of Regal REIT and a wholly-owned subsidiary of Regal

“NTAV”	the aggregate value (on a consolidated basis) of all tangible current assets of Prosper Harvest Group which are readily convertible into cash or cash equivalents minus the aggregate value of all current liabilities (but excluding the Shareholder Loan) and the provisions made by Land Crown and/or the Prosper Harvest Group, as at the Completion Date
“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)
“percentage ratios”	the percentage ratios calculated based on the requirements under Rule 14.07 of the Listing Rules
“Possible Disposal”	the possible disposal of the entire equity interest in Prosper Harvest by P&R Holdings to the Purchaser as contemplated under the LOI
“Possible Disposal Completion Date”	the completion date of the Possible Disposal which will be further set out in the sale and purchase agreement to be entered into in respect of the Possible Disposal
“Possible Disposal Consideration”	HK\$1,360 million, subject to a customary adjustment to be set out in the sale and purchase agreement to be entered into in respect of the Possible Disposal
“Possible Hotel Lease”	the possible lease to be entered into between Favour Link International Limited (a wholly-owned subsidiary of Regal) (as lessee) and the Prosper Harvest Group (as lessor) in respect of the Hotel as contemplated under the LOI
“Possible Transactions”	the possible transactions contemplated under the LOI including the Possible Disposal and the Possible Hotel Lease
“Prosper Harvest”	Prosper Harvest Investments Limited
“Prosper Harvest Group”	Prosper Harvest and its subsidiaries
“Purchaser”	Regal REIT or its designated wholly-owned subsidiary
“P&R Group”	P&R Holdings and its subsidiaries
“P&R Holdings”	P&R Holdings Limited, a joint venture established and owned by Capital Merit and RHIL as to 50% and 50% respectively

“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 Group”	Regal and its subsidiaries
“Regal REIT”	Regal Real Estate Investment Trust, a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the issued units of which are listed on the Main Board of the Stock Exchange (Stock Code: 1881)
“RHIL”	Regal Hotels Investments Limited, a wholly-owned subsidiary of Regal
“Sale Share”	one ordinary share in the issued share capital of Prosper Harvest, representing a 50% equity interest therein
“Shareholder Loan”	all amounts due (including principal, interests and other sums (if any)), owing or payable by the Prosper Harvest Group to P&R Holdings
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“S&P Agreement”	the agreement dated 23 May 2017 entered into between P&R Holdings and Dragon Pier in relation to the Acquisition

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, 23 May 2017

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