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**INSIDE INFORMATION  
RELATING TO INCREASE OF  
SHAREHOLDING IN COSMOPOLITAN  
INTERNATIONAL HOLDINGS LIMITED**

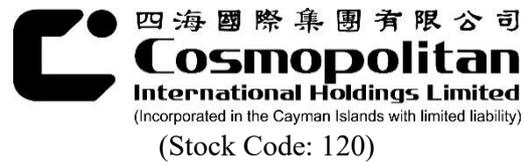


**INSIDE INFORMATION  
RELATING TO INCREASE OF  
SHAREHOLDING IN COSMOPOLITAN  
INTERNATIONAL HOLDINGS LIMITED**



**MAJOR TRANSACTION  
- PROVISION OF FURTHER FINANCIAL  
ASSISTANCE TO THE P&R GROUP**

**INSIDE INFORMATION  
RELATING TO INCREASE OF  
SHAREHOLDING IN COSMOPOLITAN  
INTERNATIONAL HOLDINGS LIMITED**



**INSIDE INFORMATION  
RELATING TO ISSUE OF SHARES**

## **INTRODUCTION**

This joint announcement is made by Century City, Paliburg, Regal and Cosmopolitan pursuant to Chapter 14 of the Listing Rules, Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## **PROVISION OF FURTHER FINANCIAL ASSISTANCE TO THE P&R GROUP**

On 26 June 2020 (after trading hours), Capital Merit (a wholly-owned subsidiary of Paliburg) and RHIL (a wholly-owned subsidiary of Regal) entered into the Facility Agreement, pursuant to which each of the Paliburg Group and the Regal Group agreed to provide the Proposed Further Financial Assistance to the P&R Group (a 50-50 joint venture of the Paliburg Group and the Regal Group). The total amount of the Proposed Further Financial Assistance is up to US\$700 million (equivalent to approximately HK\$5,460 million) and will be provided by the Paliburg Group and the Regal Group in proportion to their respective equity interests in P&R in the maximum amount of US\$350 million (equivalent to approximately HK\$2,730 million) each.

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 66.6% of the issued share capital of Regal. P&R is thus a subsidiary of Century City and Paliburg and the provision of the Proposed Further Financial Assistance by the Paliburg Group is not considered as a transaction for Century City and Paliburg pursuant to Rule 14.04(1)(e)(ii) of the Listing Rules. P&R is a 50% owned joint venture of Regal and certain of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Proposed Further Financial Assistance to be provided by the Regal Group exceed 25% (but all are less than 100%); therefore, the provision thereof constitutes a major transaction for Regal and is subject to shareholders' approval requirement under Chapter 14 of the Listing Rules. As the Paliburg Group has interests in P&R, Mr. LO Yuk Sui, Century City, Paliburg, Cosmopolitan and their respective associates will abstain from voting on the relevant resolution to be proposed at the Regal SGM in respect of the Proposed Further Financial Assistance.

While P&R is an associate of Paliburg and thus a connected person of Regal, given that the provision of the Proposed Further Financial Assistance by the Regal Group will be on normal commercial terms and in proportion to Regal's equity interests in P&R, it is exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### **CONVERSION OF CONVERTIBLE BONDS AND DISTRIBUTION OF SHARES IN COSMOPOLITAN INTERNATIONAL HOLDINGS LIMITED**

The directors of Century City, Paliburg, Regal and Cosmopolitan also wish to announce that on 26 June 2020 (after trading hours), the P&R Group exercised its conversion right under the Convertible Bonds issued by the Cosmopolitan Group in 2014, as a result of which, 1,428,571,428 Cosmopolitan Shares will be issued to the P&R Group. On the same date (after trading hours), P&R resolved to distribute a total of 1,066,666,664 Cosmopolitan Shares to its shareholders by way of dividend. Immediately after issue of the Conversion Shares and completion of such distribution, the Paliburg Group will hold 533,333,332 Cosmopolitan Shares, representing approximately 9.1% of the entire issued ordinary shares of Cosmopolitan, the Regal Group will hold 1,065,191,332 Cosmopolitan Shares, representing approximately 18.1% of the entire issued ordinary shares of Cosmopolitan, and the P&R Group will hold 2,595,901,480 Cosmopolitan Shares, representing approximately 44.1% of the entire issued ordinary shares of Cosmopolitan.

#### **GENERAL**

A circular containing, among other things, details of the Proposed Further Financial Assistance and the notice convening the Regal SGM, is expected to be despatched to the Regal Shareholders on or before 20 July 2020.

#### **INTRODUCTION**

This joint announcement is made by Century City, Paliburg, Regal and Cosmopolitan pursuant to Chapter 14 of the Listing Rules, Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## **PROVISION OF FURTHER FINANCIAL ASSISTANCE TO THE P&R GROUP**

On 26 June 2020 (after trading hours), Capital Merit (a wholly-owned subsidiary of Paliburg) and RHIL (a wholly-owned subsidiary of Regal) entered into the Facility Agreement, pursuant to which each of the Paliburg Group and the Regal Group agreed to provide the Proposed Further Financial Assistance to the P&R Group (a 50-50 joint venture of the Paliburg Group and the Regal Group). The total amount of the Proposed Further Financial Assistance is up to US\$700 million (equivalent to approximately HK\$5,460 million) and will be provided by the Paliburg Group and the Regal Group in proportion to their respective equity interests in P&R in the maximum amount of US\$350 million (equivalent to approximately HK\$2,730 million) each by way of provision of security or guarantee (on a several basis) and/or shareholder loan and/or subscription or purchase of loan notes to be issued by the P&R Group (on equal terms) on a revolving basis. The Proposed Further Financial Assistance will be provided at the request of the board of directors of P&R which is jointly controlled by the Paliburg Group and the Regal Group. Any shareholder loan to be provided under the Proposed Further Financial Assistance shall be unsecured and repayable at such time as Capital Merit, RHIL and P&R may agree and shall bear no interest or interest at a rate of not more than 6% per annum. Any security or guarantee to be provided under the Proposed Further Financial Assistance shall be on such terms as may be agreed between Capital Merit, RHIL and P&R without fee or if a fee is to be charged, at a rate of not more than 6% per annum.

All financial assistance provided by the Paliburg Group and the Regal Group to the P&R Group are in equal amount and as at 31 May 2020, the outstanding financial assistance provided by each of them to the P&R Group amounted to approximately HK\$5,052.6 million, of which approximately HK\$2,827.6 million was provided in the form of shareholder's loan and HK\$2,225.0 million was provided in the form of several corporate guarantee given to the bank creditors of the P&R Group.

The proposed interest rate and guarantee fee as set out in the Facility Agreement were determined after arm's length negotiation between the Paliburg Group, the Regal Group and the P&R Group with reference to the prevailing market rate. Given that the Proposed Further Financial Assistance will be provided by the Paliburg Group and the Regal Group on equal terms and in proportion to their respective equity interests in P&R, the directors of Century City, Paliburg and Regal are of the view that the terms of the Facility Agreement are fair and reasonable and in the interests of Century City, Paliburg, Regal and their respective shareholders as a whole as it can give the P&R Group more financial resources to further develop its business.

## **REASONS FOR, AND BENEFITS OF, PROVIDING THE FURTHER FINANCIAL ASSISTANCE TO THE P&R GROUP**

P&R is a 50-50 owned joint venture of Paliburg and Regal and a subsidiary of Century City and Paliburg. The P&R Group is currently principally engaged in the development of real estate projects for sale and/or leasing and the undertaking of related investment and financing activities. Since inception, the P&R Group has undertaken 11 real estate and hotel development projects and for the year ended 31 December 2019, the P&R Group (including the Cosmopolitan Group) achieved consolidated profit attributable to shareholders of approximately HK\$103.1 million. While the outbreak of the novel coronavirus has hit the economy badly, the directors of Paliburg and Regal noticed that the property market in Hong Kong remained stable. Looking into longer term, as a key business services and logistics hub in the Asian Pacific region, the directors of Paliburg and Regal believe that Hong Kong is still well placed to benefit from the tremendous business opportunities available under the "Belt and Road" initiative, the Renminbi internationalisation and the development of the Guangdong-Hong Kong-Macao Great Bay Area. When the coronavirus pandemic is over and the social unrest in Hong Kong gradually subsides, the economy of Hong Kong should be resilient enough

to rebound and to regain its growth momentum. With the Proposed Further Financial Assistance, the P&R Group would be in a better position to grasp these business opportunities when they arise.

Further, P&R has recently been approached by an investment bank for the launch of an MTN program which may allow P&R to raise funds through the issue of MTNs. If MTNs are issued by the P&R Group, any funds raised will be used to further develop the business of the P&R Group and/or be applied for general working capital and/or repayment of existing indebtedness of the P&R Group. As it is likely that such MTNs would require to be supported and/or guaranteed by P&R's shareholders, the Regal Group and the Paliburg Group entered into the Facility Agreement to prepare for such needs. The Proposed Further Financial Assistance, whether by way of provision of security or guarantee and/or shareholder loan and/or subscription or purchase of loan notes to be issued by the P&R Group, can help the P&R Group to raise additional funding for the above purposes.

## **LISTING RULES IMPLICATIONS**

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 66.6% of the issued share capital of Regal. P&R is thus a subsidiary of Century City and Paliburg and the provision of the Proposed Further Financial Assistance by the Paliburg Group is not considered as a transaction for Century City and Paliburg pursuant to Rule 14.04(1)(e)(ii) of the Listing Rules. P&R is a 50% owned joint venture of Regal and certain of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Proposed Further Financial Assistance to be provided by the Regal Group exceed 25% (but all are less than 100%); therefore, the provision thereof constitutes a major transaction for Regal and is subject to shareholders' approval requirement under Chapter 14 of the Listing Rules. As the Paliburg Group has interests in P&R, Mr. LO Yuk Sui, Century City, Paliburg, Cosmopolitan and their respective associates will abstain from voting on the relevant resolution to be proposed at the Regal SGM in respect of the Proposed Further Financial Assistance. Mr. LO Yuk Sui, Miss LO Po Man (being the daughter of Mr. LO Yuk Sui) and Mr. Jimmy LO Chun To (being the son of Mr. LO Yuk Sui) have also abstained from voting on the relevant board resolution approving the Facility Agreement.

While P&R is an associate of Paliburg and thus a connected person of Regal, given that the provision of the Proposed Further Financial Assistance by the Regal Group will be on normal commercial terms and in proportion to Regal's equity interests in P&R, it is exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **CONVERSION OF CONVERTIBLE BONDS AND DISTRIBUTION OF SHARES IN COSMOPOLITAN INTERNATIONAL HOLDINGS LIMITED**

The directors of Century City, Paliburg, Regal and Cosmopolitan also wish to announce that on 26 June 2020 (after trading hours), the P&R Group exercised its conversion right under the Convertible Bonds issued by the Cosmopolitan Group in 2014, as a result of which, 1,428,571,428 Cosmopolitan Shares will be issued to the P&R Group. On the same date (after trading hours), P&R resolved to distribute a total of 1,066,666,664 Cosmopolitan Shares to its shareholders by way of dividend. Immediately after issue of the Conversion Shares and completion of such distribution, the Paliburg Group will hold 533,333,332 Cosmopolitan Shares, representing approximately 9.1% of the entire issued ordinary shares of Cosmopolitan, the Regal Group will hold 1,065,191,332 Cosmopolitan Shares, representing approximately 18.1% of the entire issued ordinary shares of Cosmopolitan, and the P&R Group will hold 2,595,901,480 Cosmopolitan Shares, representing approximately 44.1% of the entire issued ordinary shares of Cosmopolitan.

## **GENERAL**

Century City together with its subsidiaries is principally engaged in property development and investment, including those undertaken through P&R, 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 together with its subsidiaries is principally engaged in property development and investment, including those undertaken through P&R, 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. The Regal Group 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 P&R, aircraft ownership and leasing business and other investments including financial assets investments.

Cosmopolitan is a listed subsidiary of Century City and Paliburg. The Cosmopolitan Group is principally engaged in property development and investment and other investments, which are mainly focused in the PRC, and investment in financial assets.

A circular containing, among other things, details of the Proposed Further Financial Assistance and the notice convening the Regal SGM, is expected to be despatched to the Regal Shareholders on or before 20 July 2020.

## **DEFINITIONS**

In this joint announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“associate”	has the meaning ascribed to such term in the Listing Rules
“Capital Merit”	Capital Merit Investments Limited, a wholly-owned subsidiary of Paliburg
“Century City”	Century City International Holdings Limited, a company incorporated in Bermuda, the issued ordinary shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 355)
“Century City Board”	the board of directors of Century City
“connected person”	has the meaning ascribed to such term in the Listing Rules
“Conversion Shares”	1,428,571,428 Cosmopolitan Shares to be issued by Cosmopolitan upon exercise of the conversion rights attached to the Convertible Bonds issued by the Cosmopolitan Group in 2014 and held by the P&R Group

“Convertible Bonds”	the convertible bonds in the principal amount of HK\$500 million issued by the Cosmopolitan Group to the P&R Group in 2014
“Cosmopolitan”	Cosmopolitan International Holdings Limited, a company incorporated in the Cayman Islands, the issued ordinary shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 120)
“Cosmopolitan Board”	the board of directors of Cosmopolitan
“Cosmopolitan Group”	Cosmopolitan and its subsidiaries
“Cosmopolitan Share(s)”	ordinary share(s) in the capital of Cosmopolitan with a nominal value of HK\$0.002 each
“Facility Agreement”	the facility agreement dated 26 June 2020 entered into between Capital Merit and RHIL in respect of the Proposed Further Financial Assistance
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MTN”	medium term note
“P&R”	P&R Holdings Limited, a company owned as to 50% by the Paliburg Group and 50% by the Regal Group
“P&R Group”	P&R and its subsidiaries (which excludes the Cosmopolitan Group for the purpose of this joint announcement)
“Paliburg”	Paliburg Holdings Limited, a company incorporated in Bermuda, the issued ordinary shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 617)
“Paliburg Board”	the board of directors of Paliburg
“Paliburg Group”	Paliburg and its subsidiaries (which excludes the Regal Group and the P&R Group for the purpose of this joint announcement)
“Proposed Further Financial Assistance”	the proposed financial assistance of up to US\$700 million (equivalent to approximately HK\$5,460 million) to be provided by the Paliburg Group and the Regal Group to the P&R Group in proportion to their respective shareholdings in P&R in the maximum amount of US\$350 million (equivalent to approximately HK\$2,730 million) each by way of

provision of security or guarantee (on a several basis) and/or shareholder loan and/or subscription or purchase of loan notes to be issued by the P&R Group (on equal terms) on a revolving basis pursuant to the Facility Agreement

“Regal”	Regal Hotels International Holdings Limited, a company incorporated in Bermuda, the issued ordinary shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 78)
“Regal Board”	the board of directors of Regal
“Regal Group”	Regal and its subsidiaries
“Regal SGM”	the special general meeting of Regal to be convened for the independent Regal Shareholders to consider and, if thought fit, approve the Proposed Further Financial Assistance
“Regal Shareholders”	the shareholders of Regal
“Regal REIT”	Regal Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under the Securities and Futures Ordinance subject to applicable conditions from time to time, the 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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America

By order of the board of directors of  
**Century City International Holdings Limited**  
**Eliza Lam Sau Fun**  
*Secretary*

By order of the board of directors of  
**Paliburg Holdings Limited**  
**Eliza Lam Sau Fun**  
*Secretary*

By order of the board of directors of  
**Regal Hotels International Holdings Limited**  
**Eliza Lam Sau Fun**  
*Secretary*

By order of the board of directors of  
**Cosmopolitan International Holdings Limited**  
**Eliza Lam Sau Fun**  
*Secretary*

Hong Kong, 26 June 2020

*For the purpose of this joint announcement, conversion of US\$ into HK\$ is based on the approximate exchange rate of US\$1.00 = HK\$7.80. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amount in US\$ or HK\$ has been, could have been or may be converted at such or any other rate or at all.*

As at the date of this joint announcement, the Century City Board 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  
Ms. Winnie NG, *JP*  
Mr. WONG Chi Keung

As at the date of this joint announcement, the Paliburg Board 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*  
Ms. Winnie NG, *JP*  
Hon Abraham SHEK Lai Him, *GBS, JP*  
Mr. WONG Chi Keung

As at the date of this joint announcement, the Regal Board 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, *JP*  
*(Chief Operating Officer)*  
Mr. Donald FAN Tung  
Mr. Jimmy LO Chun To  
Mr. Kenneth NG Kwai Kai  
Mr. Allan 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  
Ms. Winnie NG, *JP*  
Mr. WONG Chi Keung

As at the date of this joint announcement, the Cosmopolitan Board 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)*  
Miss LO Po Man  
*(Vice Chairman)*  
Mr. Kenneth WONG Po Man  
*(Chief Operating Officer)*  
Mr. Kelvin LEUNG So Po  
*(Chief Financial Officer)*  
Mr. Kenneth NG Kwai Kai

**Non-executive director:**

Mr. Francis BONG Shu Ying

**Independent non-executive directors:**

Ms. Alice KAN Lai Kuen  
Mr. LEE Choy Sang  
Mr. David LI Ka Fai  
Hon Abraham SHEK Lai Him, *GBS, JP*