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**MAJOR TRANSACTION
ENTERING INTO OF THE S&P
AGREEMENT**

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**DISCLOSEABLE TRANSACTION
PROVISION OF FINANCIAL
ASSISTANCE**

S&P AGREEMENT

On 28 December 2016, P&R Holdings (a 50-50 joint venture of Paliburg and Regal) and the Purchaser (a wholly-owned subsidiary of Giant Sino) entered into the S&P Agreement pursuant to which P&R Holdings agreed to dispose of the Sale Share representing 50% equity interest in Prosper Harvest to the Purchaser for a consideration of HK\$150 million. The principal asset of Prosper Harvest is its interest (through its wholly-owned subsidiaries, Leading Brand and Land Crown) in the Hotel which is located at To Kwa Wan, Kowloon. Pursuant to the S&P Agreement, the parties will enter into the Shareholders Agreement, failing which the parties agree to be bound by the principal terms of the Shareholders Agreement as set out in the S&P Agreement.

REGAL FINANCIAL ASSISTANCE

On 28 December 2016, Capital Merit (a wholly-owned subsidiary of Paliburg) and RHIL (a wholly-owned subsidiary of Regal) entered into an agreement, pursuant to which each of the Paliburg Group and the Regal Group has agreed to provide the Proposed Funding to P&R Holdings. The total amount of the Proposed Funding is up to HK\$1,800 million and will be provided by the Paliburg Group and the Regal Group in proportion to their respective equity interests in P&R Holdings in the maximum amount of HK\$900 million each.

LISTING RULES IMPLICATIONS

The transactions contemplated under the S&P Agreement (including the Shareholders Agreement) constitute a major transaction for each of Century City and Paliburg under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and shareholders' approval requirements while the Regal Financial Assistance and the Paliburg Group's equivalent financial assistance to P&R Holdings do not constitute a notifiable transaction for Century City and Paliburg under Chapter 14 of the Listing Rules given that P&R Holdings is a subsidiary of Century City and Paliburg.

Century City and Paliburg has obtained written approval from their respective shareholders for the S&P Agreement (including the Shareholders Agreement under the principal terms set out in the S&P Agreement). Accordingly, no shareholders' meeting of Century City and Paliburg will be convened for the purpose of approving the S&P Agreement including the principal terms of the Shareholders Agreement. Century City and Paliburg expect to despatch their respective circulars to their shareholders for information purposes as soon as possible on or before 19 January 2017.

The transactions contemplated under the S&P Agreement (including the Shareholders Agreement) do not constitute a notifiable transaction for Regal under Chapter 14 of the Listing Rules. P&R Holdings is a connected person of Regal under the Listing Rules. As the Regal Financial Assistance is provided by Regal on normal commercial terms and in proportion to Regal's equity interest in P&R Holdings, it is exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Based on the applicable percentage ratios, the Regal Financial Assistance constitutes a discloseable transaction for Regal under Chapter 14 of the Listing Rules.

THE S&P AGREEMENT

On 28 December 2016, P&R Holdings and the Purchaser entered into the S&P Agreement pursuant to which P&R Holdings agreed to dispose of the Sale Share, representing 50% equity interest in Prosper Harvest, to the Purchaser for a consideration of HK\$150 million. 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".

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

Date: 28 December 2016

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

As at the date of this joint announcement, Century City holds approximately 62.3% of the issued share capital of Paliburg which in turn holds approximately 67.9% 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.

The Purchaser is an investment holding company to hold the Sale Share upon Completion and is wholly owned by Giant Sino. Giant Sino had previously been a controlling shareholder of Cosmopolitan and presently is still a shareholder of Cosmopolitan holding approximately 4.98% of the issued ordinary shares of Cosmopolitan. Mr. Daniel Bong Shu Yin, an executive director of Cosmopolitan (a listed subsidiary of Century City and Paliburg), holds 28% beneficial shareholding interests in Giant Sino. Having made all reasonable enquiries, save for the

aforesaid interests, the Purchaser 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 will dispose of the Sale Share, representing 50% of the issued share capital of Prosper Harvest, to the Purchaser.

Upon completion of the Disposal, P&R Holdings' equity interest in Prosper Harvest will reduce to 50% and Prosper Harvest will cease to be a subsidiary of P&R Holdings, Century City and Paliburg.

Seller's undertakings: P&R Holdings undertakes and warrants with the Purchaser:

- (a) that a prepayment notice has been served on the relevant banks for the prepayment of all indebtedness owing under the Existing Facility on or before 30 December 2016;
- (b) to procure the Fitting Out Works to be completed in an expeditious manner in accordance with the interior specifications set out in the S&P Agreement to ensure the Hotel is fit and ready for hotel operation and procure the Prosper Harvest Group to continue with its application for the Hotel Licence to ensure it is granted on or before the Long Stop Date;
- (c) that the Prosper Harvest Group has sufficient cash reserve to discharge and pay for in full the Construction Costs and adequate provisions for all outstanding Construction Costs have been made in the Completion Accounts and in the event that the Prosper Harvest Group does not have sufficient cash reserve to do so, P&R Holdings shall at its own costs and expenses and without recourse against the Prosper Harvest Group or the Purchaser pay for all such outstanding Construction Costs on behalf of the Prosper Harvest Group, and shall indemnify the Purchaser and the Prosper Harvest Group against any loss, claims or liabilities arising from non-payment thereof;
- (d) to top up the existing loan to Prosper Harvest to HK\$1,000 million on or before the Completion Date. Prosper Harvest shall on-lend such amount as shall be sufficient to pay off and discharge in full (i) all amounts owing by Land Crown to the relevant banks under the Existing Facility before Completion; (ii) the Construction Costs; and (iii) all other liabilities of the Prosper Harvest Group (save and except for the Loan and any intra-group loans), to Leading Brand which shall in turn on-lend the same to Land Crown to enable Land Crown to obtain release of the charge and other encumbrances created on the Land as soon as possible after full repayment of the indebtedness owing under the Existing Facility and pay the Construction Costs. The remaining balance of the aforesaid loan to Prosper Harvest shall be retained by the P&R Group; and

- (e) to procure the entering into of the Lease by a lessee approved by the Purchaser which shall commence on or before the Settlement Date.

It is expected that on Completion, the Prosper Harvest Group will not have any liabilities other than the Loan due to P&R Holdings, and all outstanding Construction Costs shall be fully assumed by P&R Holdings at Completion and provided in the Completion Accounts, and its assets will primarily comprise the Hotel.

Consideration: HK\$150 million, subject to the following adjustments (if any):

- (a) there shall be added an amount equal to 50% of the NTAV if the NTAV as determined by reference to the Completion Accounts is a positive figure; and
- (b) there shall be deducted an amount equal to 50% of the NTAV if the NTAV as determined by reference to the Completion Accounts is a negative figure.

The Consideration was determined after arm's-length negotiation between the parties taking into account the preliminary valuation of the Hotel of HK\$1,360 million as at 21 December 2016 by an independent property valuer, the Loan outstanding on the Completion Date, the location and specifications of the Hotel and the market conditions regarding the hotel industry in Hong Kong. The Century City Directors and the Paliburg Directors consider that the Consideration and its basis are fair and reasonable.

Deposit and payment terms:

The Purchaser shall pay P&R Holdings the Consideration as follows:

- (a) \$50 million shall be paid by the Purchaser to P&R Holdings upon signing of the S&P Agreement as deposit (the "**Deposit**");
- (b) HK\$50 million shall be paid by the Purchaser to P&R Holdings (the "**Further Payment**") upon Completion; and
- (c) the balance of the Consideration (subject to any adjustment as set out above) shall be paid on the Settlement Date.

P&R Holdings shall be entitled to forfeit the Deposit in the event the Purchaser fails to complete the purchase of the Sale Share according to the S&P Agreement other than as a result of the default or fault of P&R Holdings.

If P&R Holdings fails to complete the sale of the Sale Share according to the S&P Agreement as a result of its default or fault, the Deposit shall be refunded to the Purchaser (without interest).

Interest shall accrue on the Deposit and the Further Payment and payable by P&R Holdings to the Purchaser from the Completion Date to the Settlement Date, at the rate of (i) 2% per annum for the period to 30 June 2017; and (ii) 3% per

annum for the period thereafter, as applicable, which amount shall be set off against the balance of the Consideration payable by the Purchaser on the Settlement Date.

Conditions precedent: Completion is subject to and conditional upon the following conditions precedent being fulfilled or waived (as applicable):

- (a) the Purchaser having completed its due diligence review and investigation on the Hotel and the Prosper Harvest Group including without limitation to its assets, liabilities, contracts, commitments, business, financial, legal and taxation aspects, and being satisfied with the results thereof; and
- (b) the indebtedness owing under the Existing Facility having been fully repaid and discharged.

The Purchaser may in its absolute discretion at any time before Completion waive condition (a) above by notice in writing to P&R Holdings, and such waiver may be subject to such terms and conditions as agreed by the parties.

P&R Holdings shall use its best endeavours to ensure that condition (b) above is fulfilled not later than the Completion Date. If any of the above conditions is not fulfilled (or waived) on or before the Completion Date, the Purchaser shall be entitled to terminate the S&P Agreement by notice in writing to P&R Holdings, whereupon the S&P Agreement shall become null and void and of no further effect and the Purchaser shall be entitled to the return of the Deposit but without interest if such return is made within 5 Business Days after the termination date of the S&P Agreement and no party shall have any liability under them.

Completion: Completion shall take place on the Completion Date on which the Further Payment shall be paid to P&R Holdings and the Sale Share shall be transferred to the Purchaser.

Seller's liabilities: P&R Holdings shall not be liable for any potential profits tax liabilities arising from sale of the Hotel by Land Crown unless the sale occurs within seven years after Completion. For the avoidance of doubt, P&R Holdings shall not be liable for any potential profits tax liabilities that are attributable to the portion of the sale price over and above HK\$1,300 million and any additional tax liabilities which arise as a result of an increase in tax rate to over 16.5%.

The maximum liability of P&R Holdings (on an aggregated basis) for all claims under the S&P Agreement (including those arising from the aforesaid tax liabilities and the Lease) shall not exceed the amount of the Consideration received and receivable by P&R Holdings.

The Shareholders Agreement

Pursuant to the S&P Agreement, P&R Holdings and the Purchaser agree to use their respective best endeavours to negotiate with a view to entering into the Shareholders Agreement (the principal terms of which are set out in the S&P Agreement) within one month from the Completion Date, failing which, the parties agree that the principal terms of the Shareholders Agreement as set out in the S&P Agreement would continue to be binding on them for the purposes of regulating their relationship and providing the basis on which the Prosper Harvest Group shall be operated, managed and administered from the Completion Date. The major terms of the Shareholders Agreement are set out below:

Shareholders and shareholding percentage: 1. P&R Holdings – 50%
2. The Purchaser – 50%

Board composition: Each of P&R Holdings and the Purchaser shall have the right to appoint an equal number of directors on the board of each member of the Prosper Harvest Group and to remove or substitute any of them.

Quorum for board meetings: 2 directors, comprising at least 1 director nominated by each shareholder.
Any director(s) present at any adjourned meeting shall constitute a valid quorum.

Voting: Save for the matters set out below under the section headed “Matters requiring unanimous vote”, resolutions proposed at any general meeting of Prosper Harvest shall be passed by a simple majority of votes.

Matters requiring unanimous vote: The following shall not be undertaken by any member of the Prosper Harvest Group without the prior unanimous written consent of all shareholders:

- (i) any alteration or reconstitution of its share capital or rights attached thereto, or entering into any arrangement with its creditors;
- (ii) any creation or issue of other class of shares, warrants or loan stocks or giving of option in respect of any class of shares, warrants or loan stocks;
- (iii) creation of any charge or encumbrance on any assets of any member of the Prosper Harvest Group other than for the purpose of securing the New Loan;
- (iv) disposal of any interest in its subsidiaries or substantial assets of the Prosper Harvest Group;
- (v) entering into any new business not related to the existing business of the Prosper Harvest Group or cessation of any existing business;
- (vi) incurring any material expenditure or liability of a capital nature;

- (vii) altering the articles of association of any member of the Prosper Harvest Group or passing a resolution that it be wound up;
- (viii) entering into any joint venture, partnership, long term or abnormal contract or capital commitment;
- (ix) giving any guarantee, indemnity or security in respect of the obligations of any third party; and
- (x) entering into the Lease.

Funding:

- (i) P&R Holdings shall use its reasonable endeavours to arrange the New Loan from financial institution(s) for Land Crown for the purpose of refinancing the Loan on or before the Settlement Date.

The New Loan shall be on normal commercial terms for similar financing transactions in Hong Kong with a tenor of not less than 3 years and for a principal amount of not less than HK\$1,000 million. The New Loan will be secured on the Hotel and related assets and the direct and/or indirect equity interests held by the shareholders in Land Crown but otherwise without recourse to the Purchaser. If the lender(s) of the New Loan require(s) guarantee from the shareholders of Prosper Harvest, P&R Holdings shall procure guarantor(s) acceptable to the lender(s) to provide, in addition to the guarantee for the 50% interest it holds in Land Crown, guarantee in respect of the 50% interest held by the Purchaser in Land Crown at no cost to the Purchaser. Pursuant to the aforesaid, if required, P&R Holdings will provide guarantee in respect of the New Loan. In respect of the financial obligation of P&R Holdings under the New Loan, Paliburg and Regal will (if required) provide the corresponding financial assistance to P&R Holdings under the Proposed Funding as set out under the paragraph headed "Regal Financial Assistance" below.

- (ii) If the proceeds of the New Loan shall not be sufficient to pay off and discharge in full the Loan, P&R Holdings shall continue to make available to Prosper Harvest the balance of the Loan but shall be entitled to charge interest on the Loan from the Settlement Date to the actual repayment date (1) at the rate which is the aggregate of the Hong Kong Interbank Offered Rate and 1.8% per annum for the first HK\$650 million of the Loan (the "**First Tranche Loan**"); and (2) at the fixed rate of 4% per annum for the remaining HK\$350 million of the Loan (the "**Second Tranche Loan**"), to the extent not refinanced by the New Loan; the aggregate interest under (1) and (2) above shall be subject to a maximum amount of HK\$36.5 million per annum. The Loan shall be subordinated to the New Loan but otherwise rank in priority to the equity interest of the beneficial shareholder(s) of the Prosper Harvest Group.

- (iii) The proceeds of the New Loan shall first be applied towards repayment of the First Tranche Loan with any excess applied towards repayment of the Second Tranche Loan.
- (iv) If the all-in interest margin (comprising the amortised upfront fees and the interest spread over the Hong Kong Interbank Offered Rate) payable on the New Loan during its tenor shall be higher than 1.8% per annum, P&R Holdings shall pay to the Purchaser 50% of any increased interest costs in respect of the New Loan up to HK\$650 million subject to a maximum amount of HK\$6 million per annum.

Should P&R Holdings provide guarantee under (i) above exceeding HK\$1,000 million, Century City and Paliburg will re-comply with the Listing Rules as appropriate.

INFORMATION ON PROSPER HARVEST AND THE HOTEL

Prosper Harvest is the sole legal and beneficial owner of Leading Brand which in turn holds the entire issued share capital of Land Crown. Land Crown is the sole legal and beneficial owner of the Land, on which the Hotel is developed and erected. The Prosper Harvest Group is engaged in the investment and development of the Hotel, the key specifications of which are as follows:

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

Development of the Hotel commenced in 2013. The occupation permit for the Hotel was issued by the Building Authority on 23 November 2016. Fitting Out Works are underway, and are expected to be completed in or around March 2017. The Hotel Licence has been applied for but not yet granted.

For the years ended 31 December 2014 and 2015, Prosper Harvest recorded consolidated net loss (both before and after tax) of approximately HK\$84,000 and HK\$63,000 respectively. As at 30 June 2016, Prosper Harvest had consolidated net liabilities of approximately HK\$998,000.

REGAL FINANCIAL ASSISTANCE

On 28 December 2016, Capital Merit (a wholly-owned subsidiary of Paliburg) and RHIL (a wholly-owned subsidiary of Regal) entered into an agreement, pursuant to which each of the Paliburg Group

and the Regal Group has agreed to provide the Proposed Funding to P&R Holdings. The total amount of the Proposed Funding is up to HK\$1,800 million and will be provided by the Paliburg Group and the Regal Group in proportion to their respective equity interests in P&R Holdings in the maximum amount of HK\$900 million each by way of provision of security or guarantee (on a several basis) and/or shareholders' loan (on equal terms) on a revolving basis. Any shareholders' loan to be provided under the Proposed Funding shall be unsecured and repayable at such time as P&R Holdings, Capital Merit and RHIL may agree and shall bear no interest or an interest at an interest rate of not more than 5% per annum. Any security or guarantee to be provided under the Proposed Funding shall be on such terms as agreed between Capital Merit, RHIL and P&R Holdings and subject to a fee of not more than 5% per annum. The terms (including the maximum annual rate of interest and/or fee) of the Proposed Funding have been determined after arm's length negotiation between the parties taking into account the purpose of the Proposed Funding as set out below under the paragraph headed "Reasons for the transaction" and the cost of capital of the Paliburg Group and the Regal Group.

REASONS FOR THE TRANSACTION

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.

Based on an agreed value of HK\$1,300 million of the Hotel, a total gain of approximately HK\$400 million including a gain on the remeasurement of the carrying amount of the remaining interest in Prosper Harvest held by P&R Holdings is expected to be recorded upon completion of the Disposal in the consolidated financial statements of Century City and Paliburg. An attributable gain of approximately HK\$200 million is also expected to be included in the share of profits of a joint venture in the consolidated financial statements of Regal, representing 50% share of the total gain recorded by

P&R Holdings. The actual gain will be subject to audit and will also depend on the final amount of the Construction Costs to be ascertained. The Paliburg Group intends to utilise the proceeds from the Disposal for general working capital.

The occupation permit for the Hotel has been issued by the Building Authority and the Fitting Out Works are currently underway and are expected to be completed in or around March 2017. The Century City Directors and the Paliburg Directors consider that the S&P Agreement including the principal terms of the Shareholders Agreement set out therein provides an opportunity for P&R Holdings to realise part of the value of the Hotel on terms which are considered to be fair and reasonable.

Taking into account the basis of determination of the Consideration, the expected gain arising from the Disposal and the principal terms of the Shareholders Agreement, the Century City Directors and the Paliburg Directors consider that the terms of the S&P Agreement including the principal terms of the Shareholders Agreement as set out therein are fair and reasonable and in the interests of the respective shareholders of Century City and Paliburg as a whole.

The Regal Financial Assistance as well as the equivalent financial assistance provided or to be provided by the Paliburg Group to the P&R Group facilitates the continuing development of P&R Group's businesses. The Regal Directors consider that the terms of the Regal Financial Assistance are fair and reasonable and in the interests of the shareholders of Regal as a whole.

LISTING RULES IMPLICATIONS

The S&P Agreement

Based on the applicable percentage ratios, the transactions contemplated under the S&P Agreement (including the Shareholders Agreement) constitute a major transaction for each of Century City and Paliburg under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and shareholders' approval requirements. The transactions contemplated under the S&P Agreement (including the Shareholders Agreement) do not constitute a notifiable transaction for Regal under Chapter 14 of the Listing Rules.

Century City has obtained written shareholders' approval for the transactions contemplated under the S&P Agreement (including the Shareholders Agreement under the principal terms set out in the S&P Agreement) from a closely allied group of shareholders of Century City who in aggregate hold approximately 58.7% of the issued share capital of Century City as at the date of this joint announcement. The closely allied group of shareholders of Century City comprises Mr. Lo Yuk Sui himself, who personally owns approximately 3.5% of the issued share capital of Century City as at the date of this joint announcement, and companies wholly or majority owned and controlled by Mr. Lo Yuk Sui consisting of (i) Grand Modern Investments Limited which owns approximately 50.9% of the issued share capital of Century City, (ii) Fook Island Limited which owns approximately 0.1% of the issued share capital of Century City, (iii) Master City Limited which owns approximately 1.5% of the issued share capital of Century City, (iv) Shui To Co., Limited which owns approximately 2.1% of the issued share capital of Century City, and (v) YSL International Holdings Limited which owns approximately 0.6% of the issued share capital of Century City as at the date of this joint announcement. Accordingly, no shareholders' meeting of Century City will be convened for the

purpose of approving the S&P Agreement (including the Shareholders Agreement under the principal terms set out in the S&P Agreement). Century City expects to despatch a circular to its shareholders for information purposes as soon as possible on or before 19 January 2017.

Paliburg has obtained written shareholders' approval for the transactions contemplated under the S&P Agreement (including the Shareholders Agreement under the principal terms set out in the S&P Agreement) from a closely allied group of shareholders of Paliburg who in aggregate hold approximately 74.6% of the issued share capital of Paliburg as at the date of this joint announcement. The closely allied group of shareholders of Paliburg comprises Mr. Lo Yuk Sui himself, who personally owns approximately 8.1% of the issued share capital of Paliburg as at the date of this joint announcement, and companies wholly or majority owned and controlled by Mr. Lo Yuk Sui consisting of (i) Select Wise Holdings Limited, which owns approximately 1.5% of the issued share capital of Paliburg, (ii) Splendid All Holdings Limited, which owns approximately 2.7% of the issued share capital of Paliburg, (iii) Almighty International Limited, which owns approximately 31.1% of the issued share capital of Paliburg, (iv) Century City Holdings Limited, which owns approximately 2.7% of the issued share capital of Paliburg, (v) Cleverview Investments Limited, which owns approximately 16.2% of the issued share capital of Paliburg, (vi) Gold Concorde Holdings Limited, which owns approximately 2.6% of the issued share capital of Paliburg, (vii) Meylink Limited, which owns approximately 4.4% of the issued share capital of Paliburg, (viii) Smartaccord Limited, which owns approximately 0.8% of the issued share capital of Paliburg, and (ix) Splendour Corporation, which owns approximately 4.5% of the issued share capital of Paliburg as at the date of this joint announcement. Accordingly, no shareholders' meeting of Paliburg will be convened for the purpose of approving the S&P Agreement (including the Shareholders Agreement under the principal terms set out in the S&P Agreement). Paliburg expects to despatch a circular to its shareholders for information purposes as soon as practicable on or before 19 January 2017.

Regal Financial Assistance

Given that P&R Holdings is a subsidiary of Century City and Paliburg, the Regal Financial Assistance and the Paliburg Group's equivalent financial assistance to P&R Holdings do not constitute a notifiable transaction for Century City and Paliburg under Chapter 14 of the Listing Rules.

Paliburg, through its subsidiaries, holds approximately 67.9% 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 therefore a connected person of Regal under the Listing Rules. As the Regal Financial Assistance is provided by Regal on normal commercial terms and in proportion to Regal's equity interest in P&R Holdings, it is exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Based on the applicable percentage ratios, the Regal Financial Assistance constitutes a discloseable transaction for Regal under Chapter 14 of the Listing Rules subject to the reporting and announcement requirements.

DEFINITIONS

“Business Day”	a day (excluding Saturday, Sunday and other general holidays in Hong Kong and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning is hoisted at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business
“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
“Century City Group”	Century City and its subsidiaries
“Completion”	completion of the sale and purchase of the Sale Share in accordance with the terms of the S&P Agreement
“Completion Accounts”	the consolidated statement of financial position of Prosper Harvest as at close of business on the Completion Date prepared in accordance with HKFRS and with adequate and full provision for the Construction Costs and tax in accordance with the prevailing regulations and assessing practice of the Inland Revenue Department of Hong Kong
“Completion Date”	30 December 2016 or such other date as P&R Holdings and the Purchaser may agree in writing
“Consideration”	HK\$150 million, subject to adjustment as set out in the S&P Agreement
“Construction Costs”	costs and expenses in connection with the construction of the Hotel and completion of the Fitting Out Works (including but not limited to all professional and consultancy fees and charges)
“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)
“Disposal”	the disposal of the Sale Share by P&R Holdings to the Purchaser pursuant to the terms of the S&P Agreement

“Existing Facility”	the HK\$580 million facility made available to Land Crown pursuant to the facility agreement dated 10 July 2014 between Land Crown and the relevant banks
“Fitting Out Works”	fitting of the Hotel (including the provision and installation of all fittings, furniture, equipment, appliances and other items) in accordance with the interior specifications set out in the S&P Agreement and in such manner and understanding that the Hotel complies with the statutory requirements for the grant of the Hotel Licence and ready and be in a state to commence operation as a hotel
“Giant Sino”	Giant Sino Group Limited
“HKFRS”	the Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hotel”	a hotel developed and erected on the Land
“Hotel Licence”	the hotel licence to be 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)
“HK\$”	Hong Kong dollars, the lawful currency 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

“Lease”	the lease agreement to be entered into between a company (as lessee) nominated by P&R Holdings and approved by the Purchaser and Land Crown (as landlord) in respect of the Hotel on or before the Settlement Date, the terms of which shall not be inferior to the salient terms set out in the S&P Agreement, including (a) the term of Lease being a period of five years commencing from the Settlement Date; and (b) the annual rentals not being less than (i) HK\$50 million in the 1st year; (ii) HK\$52.5 million in the 2nd year; (iii) HK\$55 million in the 3rd year; (iv) HK\$57.5 million in the 4th year; and (v) HK\$60 million for the 5th year
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the sum of HK\$1,000 million, being the aggregate of all loans made and to be made/advanced by P&R Holdings to Prosper Harvest and outstanding as at Completion
“Long Stop Date”	31 December 2017 or such other date as P&R Holdings and the Purchaser may agree in writing
“New Loan”	a new property loan from financial institution(s) to be arranged by P&R Holdings pursuant to the Shareholders Agreement, as further detailed under the section headed “Funding” of the paragraph headed “The Shareholders Agreement” in this joint announcement
“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 and the provisions made by Land Crown and/or the Prosper Harvest Group for the Construction Costs, 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)
“Paliburg Directors”	the directors of Paliburg
“Paliburg Group”	Paliburg and its subsidiaries
“percentage ratios”	the percentage ratios calculated based on the requirements under Rule 14.07 of the Listing Rules

“Proposed Funding”	the proposed financial assistance totaling HK\$1,800 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 Holdings in the maximum amount of HK\$900 million each by way of provision of security or guarantee (on a several basis) and/or shareholders’ loan (on equal terms) pursuant to an agreement dated 28 December 2016 between Capital Merit and RHIL
“Prosper Harvest”	Prosper Harvest Investments Limited, a wholly-owned subsidiary of P&R Holdings as at the date of the S&P Agreement
“Prosper Harvest Group”	Prosper Harvest and its subsidiaries
“Purchaser”	Dragon Pier Investments Limited, a wholly-owned subsidiary of Giant Sino, the purchaser of the Sale Share
“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 Directors”	the directors of Regal
“Regal Financial Assistance”	the Proposed Funding provided by 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 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 50% equity interest therein
“Settlement Date”	the 14th Business Day after the issuance of the Hotel Licence or such other date as P&R Holdings and the Purchaser may agree in writing

“Shareholders Agreement”	the shareholders agreement to be entered into between P&R Holdings, the Purchaser and Prosper Harvest, the principal terms of which have been set out in the S&P Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“S&P Agreement”	the agreement dated 28 December 2016 entered into between P&R Holdings and the Purchaser in relation to the Disposal

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, 28 December 2016

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