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(stock code: 355)

**VERY SUBSTANTIAL
ACQUISITION**



(stock code: 617)

**MAJOR
TRANSACTION**



(stock code: 78)

**MAJOR
TRANSACTION**

ACQUISITION OF A NEW HOTEL PROJECT AT HONG KONG INTERNATIONAL AIRPORT

On 2 February 2017 (after trading hours), the Airport Authority notified Capital Charm (a wholly-owned subsidiary of Regal) that the tender offer submitted by Capital Charm was accepted and Capital Charm was awarded the contract for the development of the Hotel Project located at Site A1a of SKYCITY (Chek Lap Kok Lot No.3) at Hong Kong International Airport.

Based on an applicable percentage ratio, the Acquisition constitutes a very substantial acquisition for Century City and a major transaction for each of Paliburg and Regal under Chapter 14 of the Listing Rules. Century City, Paliburg and Regal are Qualified Issuers for the purposes of the Listing Rules under Rule 14.04(10B) and the Acquisition is exempt from shareholders' approvals of each of Century City, Paliburg and Regal pursuant to Rule 14.33A of the Listing Rules. Each of Century City, Paliburg and Regal will despatch a circular setting out details of the Acquisition to its shareholders for information purposes on or before 23 February 2017.

INTRODUCTION

The respective boards of directors of Century City, Paliburg and Regal are pleased to announce that the Regal Group was awarded the contract for the development of the Hotel located in the "SKYCITY" at Hong Kong International Airport.

Capital Charm, a wholly-owned subsidiary of Regal, submitted a tender offer dated 9 January 2017 to the Airport Authority for the Acquisition. On 2 February 2017 (after trading hours), the Airport Authority notified Capital Charm that the tender offer submitted by Capital Charm was accepted and Capital Charm was awarded the contract for the development of the Hotel Project located at Site A1a of SKYCITY (Chek Lap Kok Lot No.3) at Hong Kong International Airport at the Consideration of approximately HK\$2,188.9 million (representing a non-refundable rental payment). Capital Charm will enter into the Development Agreement with the Airport Authority in respect of the Acquisition on or before 3 April 2017.

MAJOR TERMS OF THE ACQUISITION

Parties

The Airport Authority holds the site of the Hotel Project under the land grant from the Government and is a third party independent of Century City, Paliburg and Regal and their respective connected persons (as defined in the Listing Rules). The Airport Authority, a statutory body wholly owned by the Government, is responsible for the operation and development of Hong Kong International Airport. The Regal Group presently owns and operates the “Regal Airport Hotel” which is also held under a sub-lease from the Airport Authority.

Capital Charm, the successful tenderer of the Hotel Project, is a wholly-owned subsidiary of Regal and, in turn, a subsidiary of Century City and Paliburg. The principal business activities of Capital Charm are real estate and hotel development and related business.

Consideration

The Consideration (representing the non-refundable rental payment) payable by Capital Charm to the Airport Authority for the Acquisition is approximately HK\$2,188.9 million which shall be payable by Capital Charm on or before the date of the Development Agreement. The Consideration represents Capital Charm’s successful tender price of the Acquisition under a tender process conducted by the Airport Authority and such tender price was determined by Capital Charm after having regard to, among others, the development and business potentials of the Hotel Project.

The Regal Group has made a tender deposit of HK\$10 million to the Airport Authority which shall be returned to the Regal Group within 30 days from the date of the Development Agreement. The Consideration of the Acquisition of the Hotel Project will be funded by the Regal Group by way of its own internal resources and/or external financing.

Security and guarantee

As security for the due performance and observance of the Development Agreement, Capital Charm shall pay a performance deposit of HK\$15 million, which shall be refunded within 30 days after completion of the works in respect of the Hotel as specified in the Development Agreement.

Regal shall guarantee the performance of Capital Charm under the Development Agreement and the Sub-Lease.

THE HOTEL PROJECT

The Hotel Project, with a site area of approximately 6,650 square metres and permissible gross floor area of 33,700 square metres, is located at Site A1a of SKYCITY (Chek Lap Kok Lot No.3) at Hong Kong International Airport. It is preliminarily planned that the Hotel Project will be developed into a multi-storey hotel building providing over 1,000 guest rooms and suites, with ancillary facilities. The construction of the Hotel shall be completed within 60 months after the

date of the Development Agreement and the Hotel shall be opened within 69 months after the date of the Development Agreement.

Within 30 days following completion of the Hotel, the Airport Authority will grant to Capital Charm the Sub-Lease of the Hotel (including the relevant land) for a term up to 17 September 2066. Capital Charm shall be entitled to appoint a hotel operator, subject to the approval of the Airport Authority, to operate and manage the Hotel for a term up to 17 September 2066. Pursuant to the terms of the Sub-Lease, Capital Charm shall pay 2% of the gross revenue of the Hotel to the Airport Authority on a monthly basis in arrear commencing from the first month in the eleventh anniversary of the date of the Development Agreement until the end of the term.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Situated just a short stroll from Hong Kong International Airport, the SKYCITY is an integrated development project of the Airport Authority covering approximately 25 hectares of land, which is located at the north-eastern corner of the airport island, surrounded by Terminal 2 of Hong Kong International Airport, AsiaWorld-EXPO and SkyPier. The Hotel Project is the first phase of the SKYCITY Project, which also comprises offices and retail, dining and entertainment facilities.

Upon commissioning of the Hong Kong-Zhuhai-Macao Bridge, the journey time among Hong Kong International Airport, Zhuhai and Macao will be greatly reduced. It is estimated that upon full commissioning of the Three-Runway System, Hong Kong International Airport will have the capacity to meet the increasing air traffic demand, and Lantau Island will become the geographical converging point of Guangdong, Hong Kong and Macao, providing new opportunities for the next stage of Hong Kong's development as a regional hub.

The Regal Group was also the developer of the first hotel project at Hong Kong International Airport, which is now operated as the Regal Airport Hotel. Regal Airport Hotel has been awarded in 2016 "The Best Airport Hotel in the World" by Business Traveller UK Magazine for the 9th consecutive year and "The Best Airport Hotel in Asia-Pacific" by Business Traveller Asia-Pacific Magazine for the 16th consecutive year, apart from obtaining other various awards. Leveraging on its successful and extensive hotel operation and management experience, the Regal Group believes that the Hotel, when completed, will become another flagship hotel of the Regal Group.

Capital Charm is a wholly-owned subsidiary of Regal. As Regal is a listed subsidiary of Paliburg which in turn is a listed subsidiary of Century City, Capital Charm is also a 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, aircraft ownership and leasing business and other investments including financial assets investments.

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, 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.

The terms of the Acquisition are determined after having considered the requirements of the tender set by the Airport Authority and the prospects of the Hotel Project. Century City, Paliburg and Regal consider that the Hotel Project is a good business opportunity for the Regal Group to further expand and strengthen its prominence in the hotel business in Hong Kong. The respective directors of Century City, Paliburg and Regal consider that the terms of the Acquisition are on normal commercial terms and are fair and reasonable and the Acquisition is in the interests of each of Century City, Paliburg and Regal and their respective shareholders as a whole.

LISTING RULES IMPLICATIONS

Based on an applicable percentage ratio, the Acquisition constitutes a very substantial acquisition for Century City and a major transaction for each of Paliburg and Regal under Chapter 14 of the Listing Rules. Century City, Paliburg and Regal are Qualified Issuers for the purposes of the Listing Rules under Rule 14.04(10B). The Acquisition is an exempt Qualified Property Acquisition for each of Century City, Paliburg and Regal under Rule 14.33A of the Listing Rules as (i) the Acquisition involves the acquisition of the Hotel Project from the Airport Authority, a Government-controlled entity, through a tender, and (ii) the Hotel Project is in the Century City Group's, the Paliburg Group's and the Regal Group's ordinary and usual course of business and undertaken by Capital Charm on a sole basis. Accordingly, the Acquisition is exempt from shareholders' approvals of each of Century City, Paliburg and Regal pursuant to Rule 14.33A of the Listing Rules. Each of Century City, Paliburg and Regal will despatch a circular setting out details of the Acquisition to its shareholders for information purposes on or before 23 February 2017.

DEFINITIONS

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| "Acquisition" | the acquisition of the development right of the Hotel Project by Capital Charm under the tender awarded by the Airport Authority |
| "Airport Authority" | the Airport Authority, a statutory body established and operating pursuant to the Airport Authority Ordinance (Chapter 483 of the Laws of Hong Kong) |
| "Capital Charm" | Capital Charm Holdings Limited, a wholly-owned subsidiary of Regal |
| "Century City" | Century City International Holdings Limited, a company incorporated in Bermuda whose issued ordinary shares are listed on the Main Board of the Stock Exchange (Stock Code: 355) |
| "Century City Group" | Century City and its subsidiaries |

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| “Consideration” | the consideration for the Acquisition, being approximately HK\$2,188.9 million |
| “Development Agreement” | the agreement to be entered into between Capital Charm and the Airport Authority in respect of the Acquisition |
| “Government” | the Government of Hong Kong |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | Hong Kong Special Administrative Region of the People’s Republic of China |
| “Hotel” | the hotel to be developed in the Hotel Project |
| “Hotel Project” | the proposed hotel development on the site located at Site A1a of SKYCITY (Chek Lap Kok Lot No.3) at Hong Kong International Airport |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Paliburg” | Paliburg Holdings Limited, a company incorporated in Bermuda whose issued ordinary shares are listed on the Main Board of the Stock Exchange (Stock Code: 617) |
| “Paliburg Group” | Paliburg and its subsidiaries |
| “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% and 50% respectively |
| “Qualified Issuer(s)” | has the meaning ascribed to it under Rule 14.04(10B) of the Listing Rules |
| “Qualified Property Acquisition” | has the meaning ascribed to it under Rule 14.04(10C) of the Listing Rules |
| “Regal” | Regal Hotels International Holdings Limited, a company incorporated in Bermuda 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 SFO, the issued units of which are listed on the Main Board of the Stock Exchange (Stock Code: 1881) |

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| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Sub-Lease” | the sub-lease of the Hotel (including the relevant land) to be granted by the Airport Authority to Capital Charm |

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, 2 February 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