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世紀城市國際控股有限公司  
**Century City**  
International Holdings Limited  
(Incorporated in Bermuda with limited liability)

(stock code: 355)

**MAJOR TRANSACTIONS**

COSMO SHARES TRANSFER

CIDL DISPOSAL

AMTD SHARES ACQUISITION

HOTEL INTERESTS DISPOSAL

HOTEL FINANCIAL ASSISTANCE

**RESUMPTION OF TRADING**



百利保控股有限公司  
**Paliburg**  
Holdings Limited  
(Incorporated in Bermuda with limited liability)

(stock code: 617)

**MAJOR TRANSACTIONS**

COSMO SHARES TRANSFER

CIDL DISPOSAL

AMTD SHARES ACQUISITION

HOTEL INTERESTS DISPOSAL

HOTEL FINANCIAL ASSISTANCE

**RESUMPTION OF TRADING**



四海國際集團有限公司  
**Cosmopolitan**  
International Holdings Limited  
(Incorporated in the Cayman Islands with limited liability)

(stock code: 120)

DISCLOSEABLE AND  
CONNECTED  
TRANSACTIONS

CIDL DISPOSAL

AMTD II ACQUISITION

**RESUMPTION OF TRADING**



富豪酒店國際控股有限公司  
**Regal Hotels**  
International Holdings Limited  
(Incorporated in Bermuda with limited liability)

(stock code: 78)

CONNECTED  
TRANSACTION

HOTEL FINANCIAL  
ASSISTANCE

INSIDE INFORMATION

COSMO SHARES TRANSFER

CIDL DISPOSAL

AMTD SHARES ACQUISITION

HOTEL INTERESTS DISPOSAL

RH International Finance Limited  
(Incorporated in the British Virgin Islands with limited liability)

(stock code: 5425 & 5687)

INSIDE INFORMATION

COSMO SHARES TRANSFER

CIDL DISPOSAL

AMTD SHARES ACQUISITION

HOTEL INTERESTS DISPOSAL

HOTEL FINANCIAL  
ASSISTANCE

**RESUMPTION OF TRADING**

**RESUMPTION OF TRADING**

## **JOINT ANNOUNCEMENT**

**MAJOR TRANSACTIONS FOR CENTURY CITY AND PALIBURG  
IN RELATION TO  
(I) COSMO SHARES TRANSFER;  
(II) CIDL DISPOSAL;  
(III) AMTD SHARES ACQUISITION;  
(IV) HOTEL INTERESTS DISPOSAL; AND  
(V) HOTEL FINANCIAL ASSISTANCE**

**DISCLOSEABLE AND CONNECTED TRANSACTION FOR COSMOPOLITAN  
IN RELATION TO  
(I) CIDL DISPOSAL; AND  
(II) AMTD II ACQUISITION**

**CONNECTED TRANSACTION FOR REGAL  
IN RELATION TO  
HOTEL FINANCIAL ASSISTANCE**

**INSIDE INFORMATION PURSUANT TO  
(I) RULE 13.09 OF THE LISTING RULES; AND  
(II) INSIDE INFORMATION PROVISIONS UNDER PART XIVA OF THE  
SECURITIES AND FUTURES ORDINANCE**

### **RESUMPTION OF TRADING**

**Financial adviser**



**Yue Xiu Capital Limited**

This joint announcement is made by Century City, Paliburg, Regal, RH International and Cosmopolitan pursuant to Chapter 14 and Chapter 14A 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).

## **I. THE SHARES RELATED TRANSACTIONS**

The Shares Related Transactions comprise the Cosmo Shares Transfer and the AMTD I Acquisition.

### **A. COSMO SHARES TRANSFER**

On 31 December 2019 (after trading hours of the Stock Exchange), the Cosmo Shares Vendor (a wholly-owned subsidiary of P&R, a company owned as to 50% by Paliburg Group and 50% by Regal Group) as seller entered into the Cosmo Shares Transfer Agreement with the Cosmo Shares Purchaser as purchaser, pursuant to which the Cosmo Shares Vendor agreed to sell and the Cosmo Shares Purchaser agreed to purchase an aggregate of 220,000,000 Cosmo Sale Shares, representing approximately 4.98% of the issued ordinary shares of Cosmopolitan as at the date of this joint announcement, at HK\$1.70 per Cosmo Sale Share.

### **B. AMTD I ACQUISITION**

On 31 December 2019 (after trading hours of the Stock Exchange), the AMTD I Purchaser (a wholly-owned subsidiary of P&R) as purchaser and the AMTD Shares Vendor as seller entered into the AMTD I Acquisition Agreement, pursuant to which the AMTD Shares Vendor conditionally agreed to sell and the AMTD I Purchaser conditionally agreed to acquire AMTD I Shares (comprising 5,674,000 AMTD Shares) at US\$47,945,300, representing a price of US\$8.45 per AMTD Share. Completion of the AMTD I Acquisition is conditional upon, among others, the completion of the Cosmo Shares Transfer.

## **II. THE CIDL RELATED TRANSACTIONS**

The CIDL Related Transactions comprise the CIDL Disposal and the AMTD II Acquisition.

### **A. CIDL DISPOSAL**

On 31 December 2019 (after trading hours of the Stock Exchange), the CIDL Seller (a wholly-owned subsidiary of Cosmopolitan) as seller and the CIDL Purchaser as purchaser entered into the CIDL Disposal Agreement, pursuant to which the CIDL Seller conditionally agreed to dispose of and the CIDL Purchaser conditionally agreed to purchase the CIDL Share and the CIDL Loan at the CIDL Consideration.

### **B. AMTD II ACQUISITION**

On 31 December 2019 (after trading hours of the Stock Exchange), the AMTD II Purchaser (a wholly-owned subsidiary of Cosmopolitan) as purchaser and the AMTD Shares Vendor as seller entered into the

AMTD II Acquisition Agreement, pursuant to which the AMTD Shares Vendor conditionally agreed to sell and the AMTD II Purchaser conditionally agreed to acquire the AMTD II Shares (comprising 6,069,000 AMTD Shares) at US\$51,283,050, representing a price of US\$8.45 per AMTD Share. Completion of the AMTD II Acquisition is conditional upon, among others, the completion of the CIDL Disposal.

### **III. THE HOTEL RELATED TRANSACTIONS**

The Hotel Related Transactions comprise the Hotel Interests Disposal and the Hotel Financial Assistance.

#### **A. HOTEL INTERESTS DISPOSAL**

On 31 December 2019 (after trading hours of the Stock Exchange), P&R as seller and the Hotel Purchaser as purchaser entered into the Hotel Interests Disposal Agreement, pursuant to which P&R agreed to sell and the Hotel Purchaser agreed to purchase the Hotel Holding Company Sale Shares, representing 50% equity interest in the Hotel Holding Company, and the Hotel Holding Company Sale Loan at the Hotel Interests Disposal Consideration of HK\$270.0 million (subject to Hotel Consideration Adjustment, if any).

Of the Hotel Interests Disposal Consideration, HK\$60.0 million was paid in cash, with the remaining HK\$210.0 million (subject to Hotel Consideration Adjustment, if any) to be settled by a loan note payable on or before 31 March 2020. The repayment of the loan note is guaranteed by AMTD Shares Vendor and secured by the Share Mortgage in respect of the Hotel Holding Company Sale Shares and the Hotel Holding Company Sale Loan.

The Hotel Interests Disposal Agreement also granted the Hotel Call Option and the Hotel Put Option to the Hotel Purchaser and P&R, respectively, which if fully exercised, would lead to the Hotel Purchaser acquiring further equity interests up to 100% in Hotel Holding Company at stipulated stepped up prices, as set out in this joint announcement.

#### **B. HOTEL FINANCIAL ASSISTANCE**

The development of the Hotel has been partially financed by the Project Loan Facility, which is guaranteed severally by Paliburg and Regal on 50%-50% basis in proportion to their respective equity interests in P&R. After the Hotel Interests Disposal Completion, P&R will use its reasonable endeavours to procure the New Facility to refinance the Project Loan Facility. Pending conclusion of the refinancing arrangements, P&R has agreed to provide the Top Up Loan on an unsecured basis.

Paliburg and Regal will continue to provide the Guarantees for the Project Loan Facility after the Hotel Interests Disposal Completion. As the Hotel Holding Company ceased to be a subsidiary of Century City,

Paliburg and P&R upon the Hotel Interests Disposal Completion, the Guarantees will become a transaction for each of Century City and Paliburg under Rule 14.04(e) of the Listing Rules and a connected transaction for Regal under Rule 14A.76(2) and therefore, be subject to the disclosure requirements under Chapters 14 and 14A of the Listing Rules, respectively.

## **LISTING RULES IMPLICATIONS**

### **I. THE SHARES RELATED TRANSACTIONS**

#### **A. COSMO SHARES TRANSFER**

The Cosmo Shares Transfer is a transaction for each of Century City and Paliburg since the Cosmo Shares Vendor is a member of each of the Century City Group and the Paliburg Group.

As the highest applicable percentage ratio (as defined under the Listing Rules) for each of Century City and Paliburg in respect of the Cosmo Shares Transfer is more than 5% but are less than 25%, the Cosmo Shares Transfer constitutes a discloseable transaction for each of Century City and Paliburg and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

#### **B. AMTD I ACQUISITION**

The AMTD I Acquisition is a transaction for each of Century City and Paliburg since the AMTD I Purchaser is a member of each of the Century City Group and the Paliburg Group.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the AMTD I Acquisition is more than 25% but is less than 100% for Century City and is more than 5% but is less than 25% for Paliburg, the AMTD I Acquisition constitutes a major transaction for Century City and a discloseable transaction for Paliburg. The major transaction for Century City is subject to the reporting, announcement and shareholders' approval requirements while the discloseable transaction for Paliburg is only subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **II. THE CIDL RELATED TRANSACTIONS**

#### **A. CIDL DISPOSAL**

The CIDL Disposal is a transaction for each of Century City, Paliburg and Cosmopolitan since CIDL Seller is a member of each of the Century City Group, the Paliburg Group and the Cosmopolitan Group.

As the highest applicable percentage ratio (as defined under the Listing Rules) for each of Century City, Paliburg and Cosmopolitan in respect of the CIDL Disposal is more than 5% but is less than 25%, the CIDL Disposal constitutes a discloseable transaction for each of Century City, Paliburg and Cosmopolitan and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **B. AMTD II ACQUISITION**

AMTD II Acquisition is a transaction for each of Century City, Paliburg and Cosmopolitan since the AMTD II Purchaser is a member of each of the Century City Group, the Paliburg Group and the Cosmopolitan Group.

As the highest applicable percentage ratio (as defined under the Listing Rules) for Century City in respect of the AMTD II Acquisition is more than 25% but is less than 100%, the AMTD II Acquisition constitutes a major transaction for Century City.

As the highest applicable percentage ratio (as defined under the Listing Rules) for each of Paliburg and Cosmopolitan in respect of the AMTD II Acquisition is more than 5% but is less than 25%, the AMTD II Acquisition constitutes a discloseable transaction for each of Paliburg and Cosmopolitan and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The AMTD Shares Vendor is deemed to be a connected person of Cosmopolitan under Rule 14A.20 of the Listing Rules because it has entered into (i) the AMTD II Acquisition Agreement with the AMTD II Purchaser which is a wholly-owned subsidiary of Cosmopolitan; and (ii) the AMTD I Acquisition Agreement with the AMTD I Purchaser, a wholly-owned subsidiary of P&R which in turn is a holding company of Cosmopolitan and as such, the AMTD II Acquisition constitutes a connected transaction for Cosmopolitan under Chapter 14A of the Listing Rules.

As the completion of the AMTD II Acquisition is conditional upon the completion of the CIDL Disposal, these two transactions are considered together and accordingly, the CIDL Related Transactions also constitute connected transactions for Cosmopolitan and are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **III. THE HOTEL RELATED TRANSACTIONS**

### **A. HOTEL INTERESTS DISPOSAL**

The Hotel Interests Disposal (including the Hotel Call Option) is a transaction for each of Century City and Paliburg since the Hotel Holding Company is a member of each of the Century City Group and the Paliburg Group.

As the highest applicable percentage ratio (as defined under the Listing Rules) for each of Century City and Paliburg in respect of the Hotel Interests Disposal (including the Hotel Call Option) is more than 5% but is less than 25%, the Hotel Interests Disposal constitutes a discloseable transaction for each of Century City and Paliburg and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **B. HOTEL FINANCIAL ASSISTANCE**

The provision of Hotel Financial Assistance is (i) a transaction for Century City and Paliburg since P&R as the lender of the Top Up Loan is a member of each of the Century City Group and the Paliburg Group; and (ii) a connected transaction for Regal, as one of the guarantors under the Project Loan Facility, because it will continue to provide the Guarantees to its connected person after completion of the Hotel Interests Disposal.

As the highest applicable percentage ratio (as defined under the Listing Rules) for Century City in respect of the Hotel Financial Assistance is more than 25% but is less than 100%, the Hotel Financial Assistance constitutes a major transaction for Century City and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) for Paliburg in respect of the Hotel Financial Assistance is more than 5% but is less than 25%, the Hotel Financial Assistance constitutes a discloseable transaction for Paliburg and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) for Regal in respect of the Hotel Financial Assistance is more than 0.1% but less than 5%, the Hotel Financial Assistance constitutes a connected transaction for Regal under Rule 14A.76(2)(a) and is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

## **IV. AGGREGATION OF THE PROPOSED TRANSACTIONS**

When the Shares Related Transactions, the CIDL Related Transactions and the Hotel Related Transactions are taken as a whole for the purpose of calculating the applicable percentage ratios (as defined under the Listing Rules), the highest applicable percentage ratio (as defined under the Listing Rules) for each of Century City and Paliburg in respect of (i) the AMTD Shares Acquisition and the Hotel Financial Assistance in aggregate is more than 25% but is less than 100%; and (ii) the Cosmo Shares Transfer, the CIDL Disposal and the Hotel Interests Disposal in aggregate is more than 25% but is less than 75%. Accordingly, the Proposed Transactions constitute major transactions for each of Century City and Paliburg and are subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Each of Century City and Paliburg has obtained written approval from their respective shareholders for the Proposed Transactions. Accordingly, no shareholders' meeting of each of Century City and Paliburg will be convened for the purpose of approving the Shares Related Transactions, the CIDL Related Transactions and the Hotel Related Transactions. Each of Century City and Paliburg expects to despatch a circular to their respective shareholders for information purpose only on or before 23 January 2020.

## **V. GENERAL**

The EGM will be convened and held for the Cosmopolitan Independent Shareholders to consider and, if thought fit, approve the CIDL Related Transactions and other related matters. A circular containing, among others, (i) further details of the CIDL Related Transactions; (ii) financial information of CIDL and AMTD; (iii) a letter from the independent financial adviser to the Cosmopolitan Independent Shareholders and Cosmopolitan Independent Board Committee advising on the CIDL Related Transactions; and (iv) a notice convening the EGM, will be despatched to the Cosmopolitan Shareholders on or before 23 January 2020.

**Shareholders and potential investors should be aware that the Shares Related Transactions and the CIDL Related Transactions are subject to certain conditions being satisfied and accordingly, they may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the relevant companies.**

## **VI. RESUMPTION OF TRADING**

At the request of the Companies, trading in the shares of each of Century City, Paliburg, Regal and Cosmopolitan, and the medium term notes and the senior perpetual securities issued by RH International on the Stock Exchange were halted with effect from 9:00 a.m. on 2 January 2020 pending the release of this joint announcement. Applications have been made to the Stock Exchange for the resumption of trading in the shares of each of Century City, Paliburg, Regal and Cosmopolitan, and the medium term notes and the senior perpetual securities issued by RH International with effect from 9:00 a.m. on 3 January 2020.

## **INTRODUCTION**

This joint announcement is made by Century City, Paliburg, Regal, RH International and Cosmopolitan pursuant to Chapter 14 and Chapter 14A 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).

## **I. THE SHARES RELATED TRANSACTIONS**

The Shares Related Transactions comprise the Cosmo Shares Transfer and the AMTD I Acquisition.

### **A. COSMO SHARES TRANSFER**

On 31 December 2019 (after trading hours of the Stock Exchange), the Cosmo Shares Vendor entered into the Cosmo Shares Transfer Agreement with the Cosmo Shares Purchaser, pursuant to which the Cosmo Shares Vendor agreed to sell and the Cosmo Shares Purchaser agreed to purchase 220,000,000 Cosmo Sale Shares, at HK\$374.0 million (equivalent to HK\$1.70 per Cosmo Sale Share).

### **THE COSMO SHARES TRANSFER AGREEMENT**

The major terms of the Cosmo Shares Transfer Agreement are set out as follows:

Date: 31 December 2019

Parties:  
Cosmo Shares Purchaser  
Cosmo Shares Vendor

To the best of the knowledge, information and belief of the Century City Directors and the Paliburg Directors, having made all reasonable enquiries, the Cosmo Shares Purchaser is an Independent Third Party of Century City and Paliburg.

Assets to be disposed of: 220,000,000 Cosmo Sale Shares, representing approximately 4.98% of the issued ordinary shares of Cosmopolitan as at the date of this joint announcement.

Consideration: The price per Cosmo Sale Share is HK\$1.70, representing a discount of approximately 3.41% to the closing price of HK\$1.76 per Cosmopolitan Share as quoted on the Stock Exchange on 31 December 2019. The price per Cosmo Sale Share was negotiated on an arm's length basis between Cosmo Shares Vendor and the Cosmo Shares Purchaser with reference to the prevailing market price of the Cosmopolitan Shares.

The total consideration for the Cosmo Shares Transfer is HK\$374.0 million.

Payment terms:	Payment of the consideration shall be made upon completion.
Completion:	Completion shall take place on or before 10 January 2020 or such other date as the parties may agree.
Post-completion undertakings by Cosmo Shares Purchaser:	The Cosmo Shares Purchaser shall not transfer any Cosmo Sale Shares or any interest therein without the prior written consent of Cosmo Shares Vendor within 180 days after the completion of the Cosmo Shares Transfer.
Purchaser:	So long as the Cosmo Shares Purchaser holds any Cosmo Sale Shares prior to 31 December 2026, the Cosmo Shares Purchaser shall elect to receive any and all dividends or distributions declared and distributed by Cosmopolitan with respect to any such Cosmo Sale Shares in the form of Cosmopolitan Shares, in so far as such election right is given or available to the Cosmo Shares Purchaser pursuant to a scrip dividend plan of Cosmopolitan, if any.

The proceeds from the Cosmo Shares Transfer will be applied to the purchase of AMTD I Shares under the AMTD I Acquisition as detailed below.

## **FINANCIAL EFFECTS OF COSMO SHARES TRANSFER**

Upon completion of the Cosmo Shares Transfer, Cosmopolitan will remain a subsidiary of Century City and Paliburg and the financial results of Cosmopolitan will continue to be consolidated with the financial results of each of Century City and Paliburg. There will be no impact on the consolidated statement of comprehensive income of Century City and Paliburg as a result of the Cosmo Shares Transfer.

## **EFFECT ON SHAREHOLDING STRUCTURE OF COSMOPOLITAN**

For illustrative purpose only, the following table sets out the shareholding structure of Cosmopolitan (i) as at the date of this joint announcement; and (ii) immediately after completion of the Cosmo Shares Transfer (assuming there is no other change in the shareholding structure of Cosmopolitan before completion of the Cosmo Shares Transfer):

Cosmopolitan Shareholders	As at the date of this joint announcement		Immediately after completion of the Cosmo Shares Transfer	
	Number of Cosmopolitan Shares	%	Number of Cosmopolitan Shares	%
P&R Group	2,772,316,716	62.81	2,552,316,716	57.83
Regal Group	531,182,000	12.04	531,182,000	12.04
Cosmopolitan Directors	3,649,101	0.08	3,649,101	0.08
Cosmo Shares Purchaser	-	-	220,000,000	4.98
Other shareholders	<u>1,106,778,555</u>	<u>25.07</u>	<u>1,106,778,555</u>	<u>25.07</u>
<b>Total</b>	<u>4,413,926,372</u>	<u>100.00</u>	<u>4,413,926,372</u>	<u>100.00</u>

## **B. AMTD I ACQUISITION**

On 31 December 2019 (after trading hours of the Stock Exchange), the AMTD I Purchaser and the AMTD Shares Vendor entered into the AMTD I Acquisition Agreement, pursuant to which the AMTD Shares Vendor conditionally agreed to sell and the AMTD I Purchaser conditionally agreed to acquire the AMTD I Shares at the AMTD Shares Acquisition Price. Completion of the AMTD I Acquisition is conditional upon, among others, the completion of the Cosmo Shares Transfer.

### **THE AMTD I ACQUISITION AGREEMENT**

The major terms of the AMTD I Acquisition Agreement are set out as follows:

Date: 31 December 2019

Parties: AMTD I Purchaser

AMTD Shares Vendor

Except for (i) the AMTD Shares Vendor being deemed a connected person of Cosmopolitan under Rule 14A.20 of the Listing Rules as detailed under the section headed “Listing Rules Implications – II. The CIDL Related Transactions”; and (ii) as at the date of this joint announcement, the Regal Group was interested in 461,538 AMTD Shares and US\$14.1 million worth of 7.625% senior perpetual securities issued by AMTD Shares Vendor which are listed on the Stock Exchange (stock code: 5222), to the best of the knowledge, information and belief of the Century City Directors and Paliburg Directors, after having made all reasonable enquiries, the AMTD Shares Vendor is an Independent Third Party of Century City and Paliburg.

Assets to be acquired: 5,674,000 AMTD Shares, representing approximately (i) 2% of the total outstanding share capital of, (ii) 0.1% of the total voting power represented by the total outstanding share capital of; and (iii) 12% of the listed ADSs of AMTD as at the date of this joint announcement.

AMTD will not become a subsidiary of Century City and Paliburg and its financial statements will not be consolidated into that of each of Century City and Paliburg upon completion of the AMTD I Acquisition.

Consideration: The AMTD Shares Acquisition Price is US\$8.45 (equivalent to approximately HK\$65.91) per AMTD Share which represents a discount of approximately 4.63% to the closing price of US\$8.86 per ADS of AMTD as quoted on the New York Stock Exchange on 31 December 2019 and a premium of approximately 0.8% to the offer price of US\$8.38 per ADS of AMTD at the time of AMTD’s initial public offering. The AMTD Shares Acquisition Price was negotiated on an arm’s length basis between the AMTD I Purchaser and the AMTD Shares Vendor and was determined with reference to the prevailing market price of the AMTD Shares.

The total consideration for the AMTD I Acquisition is US\$47,945,300 (equivalent to approximately HK\$374.0 million).

Payment terms: Payment of the consideration shall be made upon completion.

The consideration for the AMTD I Acquisition will be funded by the proceeds from the Cosmo Shares Transfer.

Conditions precedent: Completion is subject to the satisfaction or waiver (as the case may be) by the AMTD I Purchaser and the AMTD Shares Vendor of, among others, the following conditions precedent:

- (a) no provision of any applicable law or no judgment entered by or with any governmental authority with competent jurisdiction, shall be in effect that enjoins, prohibits or materially alters the terms of the transactions contemplated by the AMTD I Acquisition Agreement;
- (b) no proceeding challenging the AMTD I Acquisition Agreement or the transactions contemplated thereby, or seeking to prohibit, alter, prevent or materially delay the completion, shall have been instituted or be pending before any governmental authority
- (c) the completion of Cosmo Shares Transfer;
- (d) the representations and warranties of the AMTD Shares Vendor shall be true and correct in all material respects; and
- (e) the representations and warranties of the AMTD I Purchaser in the AMTD I Acquisition Agreement shall be true and correct in all material respects.

Completion: Subject to the fulfilment or waiver (as the case may be) of the relevant conditions precedent, the completion of the AMTD I Acquisition shall take place within one business day following the completion of the Cosmo Shares Transfer.

Undertaking by the AMTD I Purchaser: So long as the AMTD I Purchaser or its affiliates hold any AMTD I Shares prior to 31 December 2026, the AMTD I Purchaser shall and cause its affiliates to reinvest any future cash dividends to be declared and paid by AMTD with respect to the AMTD I Shares and any related cumulative reinvestment shares in AMTD under its ownership by way of subscription of new AMTD Shares up to a cumulative limit of HK\$193.28 million, at a per AMTD Share price that is equal to the average closing price of the ADSs for 15 trading days prior to the relevant record date set by AMTD for the purposes of distributing the dividends.

Lock-up: The AMTD I Purchaser shall not, during the 180 days lock-up period after the completion, transfer any AMTD Shares acquired under the AMTD I Acquisition without the prior written consent of the AMTD Shares Vendor except for transfer of any AMTD Shares (including any AMTD I Shares and reinvestment AMTD Shares) to any of its affiliates and subsidiaries.

## **Directors' View on Fairness and Reasonableness of the Cosmo Shares Transfer and the AMTD I Acquisition**

By taking into consideration the reasons as stated under the section headed "Reasons for and Benefits of the Proposed Transactions", the terms and conditions of each of the Cosmo Shares Transfer Agreement and the AMTD I Acquisition Agreement, and the basis for determination of each of the price for the Cosmo Shares Transfer and the AMTD Shares Acquisition Price, the Century City Directors and the Paliburg Directors are of the view that the terms of each of the Cosmo Shares Transfer and the AMTD I Acquisition are fair and reasonable and in the interests of Century City and Paliburg and their respective shareholders as a whole.

## **II. THE CIDL RELATED TRANSACTIONS**

The CIDL Related Transactions comprise the CIDL Disposal and the AMTD II Acquisition.

### **A. CIDL DISPOSAL**

Reference is made to (i) the joint announcements dated 17 August 2018, 3 September 2018 and 30 September 2018 and issued by Century City, Paliburg, Regal, RH International and Cosmopolitan in relation to the Possible JV Investment, the CIDL Subsidiary Deposit Agreement and the CIDL Subsidiary Loan Agreement relating to the logistics business, the joint announcement dated 20 September 2018 and issued by Century City, Paliburg, Regal, RH International and Cosmopolitan in relation to the Second CIDL Subsidiary Loan Agreement, and the joint announcements dated 1 November 2019 and 20 December 2019 and issued by Century City, Paliburg, Regal, RH International and Cosmopolitan in relation to the CIDL MOU (collectively, the "**Announcements**"); and (ii) the circular dated 22 October 2018 and issued by Cosmopolitan in relation to the CIDL Subsidiary Deposit Agreement, the CIDL Subsidiary Loan Agreement and the Second CIDL Subsidiary Loan Agreement (the "**Circular**").

As disclosed in the Announcements and the Circular:

- (a) CIDL Subsidiary paid the CIDL Subsidiary Deposit in a total sum of RMB170.0 million in respect of the Possible JV Investment in Yuancheng Logistics pursuant to the CIDL Subsidiary Deposit Agreement;
- (b) CIDL Subsidiary (as lender) granted to Yuancheng Logistics (as borrower) a RMB100.0 million secured loan facility pursuant to the CIDL Subsidiary Loan Agreement, which was fully drawn and was repayable by Yuancheng Logistics on 20 November 2018 (as extended); and
- (c) CIDL Subsidiary (as lender) granted to Yuancheng Logistics (as borrower) a RMB50.0 million secured loan facility pursuant to the Second CIDL Subsidiary Loan Agreement, which was fully drawn and was repayable by Yuancheng Logistics on 20 November 2018.

The CIDL Subsidiary Deposit, the CIDL Subsidiary Loan Facility, the Second CIDL Subsidiary Loan Facility, together with the total interest accrued thereon amounted to RMB360.7 million (before tax

provision) as at 30 June 2019. They are secured primarily by equity pledges over certain PRC companies associated with Yuancheng Logistics, guarantees provided by the controlling shareholder of Yuancheng Logistics and certain of his associates, and pledges over the receivables of Yuancheng Logistics and certain associates of the controlling shareholder of Yuancheng Logistics.

As set out in the Announcements, CIDL Seller entered into CIDL MOU on 1 November 2019 in relation to the proposed disposal of the entire interests in CIDL. As the exclusivity period for negotiations under the CIDL MOU expired on 15 December 2019 and no definitive agreement in respect of the subject matter under the CIDL MOU has been entered into between the parties, the CIDL Seller has ceased the negotiations under the CIDL MOU. Cosmopolitan has actively explored other opportunities for the divestment of its interests in CIDL.

On 31 December 2019 (after trading hours of the Stock Exchange), the CIDL Seller and the CIDL Purchaser entered into the CIDL Disposal Agreement, pursuant to which CIDL Seller conditionally agreed to sell and the CIDL Purchaser conditionally agreed to purchase the CIDL Share and CIDL Loan at the CIDL Consideration.

## **THE CIDL DISPOSAL AGREEMENT**

The major terms of the CIDL Disposal Agreement are set out as follows:

Date:	31 December 2019
Parties:	CIDL Purchaser To the best of the knowledge, information and belief of the Century City Directors, Paliburg Directors and Cosmopolitan Directors, having made all reasonable enquiries, the CIDL Purchaser is an Independent Third Party of Century City, Paliburg and Cosmopolitan. CIDL Seller, a wholly-owned subsidiary of Cosmopolitan
Assets to be disposed of:	the entire issued share capital of CIDL Before the completion of the CIDL Disposal, the CIDL Seller procure CIDL to transfer all issued share or paid-up equity capital of Beijing Fuli to a wholly-owned subsidiary of Cosmopolitan. The CIDL Purchaser shall not be entitled to any and all rights and benefits relating to Beijing Fuli, other than its shareholding interests in CIDL Subsidiary. all loans or other debts owed to the CIDL Seller by CIDL on CIDL Completion Date
Consideration:	The CIDL Consideration is HK\$400.0 million. The CIDL Consideration was negotiated between the parties and determined with reference to the total amount of the CIDL Subsidiary Deposit and the principal amounts outstanding under the CIDL Subsidiary Loan Facility and the Second CIDL Subsidiary Loan Facility together with the total interest accrued

thereon up to 31 December 2019.

- Payment terms: The CIDL Consideration is payable as follows:
- (a) a sum of HK\$10.0 million (as deposit) was paid by the CIDL Purchaser in cash upon signing of the CIDL Disposal Agreement; and
  - (b) a sum of HK\$390.0 million shall be paid by the CIDL Purchaser in cash on the CIDL Completion Date

The CIDL Purchaser has paid the deposit of HK\$10.0 million on the date of the CIDL Disposal Agreement.

Condition precedent: Completion of the CIDL Disposal shall be conditional upon, among others, the passing of the necessary resolution(s) by the Cosmopolitan Independent Shareholders at the EGM to approve the CIDL Related Transactions.

Costs reimbursement: CIDL Seller undertakes to reimburse the costs and expenses reasonably and properly incurred by the CIDL Subsidiary for the collection of the amounts receivable or any actions or proceedings taken or continued with respect to the enforcement of rights under or in respect of the financing documentation of CIDL Subsidiary within a 36-month period after the CIDL Completion Date, subject to a cap of HK\$5.0 million.

Cosmopolitan intends to apply the proceeds from the CIDL Disposal to the purchase of AMTD II Shares under the AMTD II Acquisition.

## **FINANCIAL EFFECTS OF THE CIDL DISPOSAL**

After taken into account the interest (net of tax provision) accrued on the CIDL Loan up to the date of the CIDL Disposal Agreement, it was estimated that Century City, Paliburg and Cosmopolitan would record a loss before tax and non-controlling interests of approximately HK\$14.6 million arising from the CIDL Disposal. It represents the difference between (i) the CIDL Consideration of HK\$400.0 million; and (ii) the net asset value of the CIDL Group as at the date of CIDL Disposal Agreement (i.e. approximately RMB371.7 million, equivalent to approximately HK\$414.6 million), which includes interest accrued on the CIDL Subsidiary Loan Facility and the Second CIDL Subsidiary Loan Facility up to 31 December 2019. The actual amount of loss arising from the CIDL Disposal to be recognised in the consolidated financial statements of each of Century City, Paliburg and Cosmopolitan would be subject to audit and the determination of the net asset value of the CIDL Group as at the CIDL Completion Date.

Upon the CIDL Completion, each of CIDL and CIDL Subsidiary will cease to be a subsidiary of Century City, Paliburg and Cosmopolitan, and Century City, Paliburg and Cosmopolitan will cease to have any interest in the CIDL Group. The financial statements of the CIDL Group will no longer be consolidated into the consolidated financial statements of Century City, Paliburg and Cosmopolitan following the CIDL Completion Date.

R14.60(6)

## **B. AMTD II ACQUISITION**

On 31 December 2019 (after trading hours of the Stock Exchange), the AMTD II Purchaser (as purchaser) and AMTD Shares Vendor (as seller) entered into the AMTD II Acquisition Agreement, pursuant to which AMTD Shares Vendor conditionally agreed to sell and the AMTD II Purchaser conditionally agreed to acquire the AMTD II Shares at the AMTD Shares Acquisition Price. Completion of the AMTD II Acquisition is conditional upon, among others, the completion of the CIDL Disposal.

### **THE AMTD II ACQUISITION AGREEMENT**

The major terms of the AMTD II Acquisition Agreement are set out as follows:

Date: 31 December 2019

Parties: AMTD II Purchaser

AMTD Shares Vendor

The AMTD Shares Vendor is deemed to be a connected person of Cosmopolitan under Rule 14A.20 of the Listing Rules because it has entered into (i) the AMTD II Acquisition Agreement with the AMTD II Purchaser which is a wholly-owned subsidiary of Cosmopolitan; and (ii) the AMTD I Acquisition Agreement with the AMTD I Purchaser, a wholly-owned subsidiary of P&R which in turn is the holding company of Cosmopolitan.

Assets to be acquired: 6,069,000 AMTD Shares, representing approximately (i) 2% of the total outstanding share capital of, (ii) 0.1% of the total voting power represented by the total outstanding share capital of; and (iii) 13% of the listed ADSs of AMTD as at the date of this joint announcement.

Taking into account of the AMTD I Shares and the AMTD II Shares, the P&R Group (including the Cosmopolitan Group) will be interested in an aggregate of 11,743,000 AMTD Shares representing approximately (i) 5% of the total outstanding share capital of, (ii) 0.3% of the total voting power represented by the total outstanding share capital of; and (iii) 22% of the listed ADSs of AMTD as at the date of this joint announcement.

AMTD will not become a subsidiary of Century City, Paliburg and Cosmopolitan and its financial statements will not be consolidated into that of each of Century City, Paliburg and Cosmopolitan upon completion of the AMTD I Acquisition and the AMTD II Acquisition.

Consideration: The AMTD Shares Acquisition Price is US\$8.45 (equivalent to approximately HK\$65.91) per AMTD Share which represents a discount of approximately 4.63% on the closing price of US\$8.86 per ADS of AMTD as quoted on the New York Stock Exchange on 31 December 2019 and a premium of approximately 0.8% to the offer price of US\$8.38 per ADS of AMTD at the time of AMTD's initial public offering. The AMTD Shares Acquisition Price was negotiated on an arm's length basis between the AMTD II Purchaser and the AMTD Shares Vendor and was determined with reference to the prevailing market price of the

AMTD Shares.

The total consideration for the AMTD II Acquisition is US\$51,283,050 (equivalent to approximately HK\$400.0 million).

Payment terms: Payment of the consideration shall be made upon completion.

The consideration for the AMTD II Acquisition will be funded by the proceeds from the CIDL Disposal.

Conditions precedent: Completion is subject to the satisfaction or waiver (as the case may be) by the AMTD II Purchaser and the AMTD Shares Vendor of, among others, the following conditions precedent:

- (a) no provision of any applicable law or no judgment entered by or with any governmental authority with competent jurisdiction, shall be in effect that enjoins, prohibits or materially alters the terms of the transactions contemplated by the AMTD II Acquisition Agreement;
- (b) no proceeding challenging the AMTD II Acquisition Agreement or the transactions contemplated thereby, or seeking to prohibit, alter, prevent or materially delay the completion, shall have been instituted or be pending before any governmental authority
- (c) the completion of the CIDL Disposal;
- (d) the representations and warranties of the AMTD Shares Vendor be true and correct in all material respects; and
- (e) the representations and warranties of the AMTD II Purchaser shall be true and correct in all material respects.

Completion: Subject to the fulfilment or waiver (as the case may be) of the relevant conditions precedent, the completion of the AMTD II Acquisition shall take place within one business day following the completion of the CIDL Disposal.

Undertaking by the AMTD II Purchaser: So long as the AMTD II Purchaser or its affiliates hold any AMTD II Shares prior to 31 December 2026, the AMTD II Purchaser shall and cause its affiliates to reinvest any future cash dividends to be declared and paid by AMTD with respect to the AMTD II Shares and any related cumulative reinvestment shares in AMTD under its ownership by way of subscription of new AMTD Shares up to a cumulative limit of HK\$206.72 million, at a per AMTD Share price that is equal to the average closing price of the ADSs for 15 trading days prior to the relevant record date set by AMTD for the purposes of distributing the dividends.

Lock-up: The AMTD II Purchaser shall not, during the 180 days lock-up period after the completion, transfer any AMTD Shares acquired under the AMTD II Acquisition without the prior written consent of the AMTD Shares Vendor except for transfer of any AMTD Shares (including any AMTD II Shares and reinvestment AMTD Shares) to any of its affiliates and subsidiaries.

The AMTD Shares II Acquisition is also subject to the passing of the necessary resolution(s) by the Cosmopolitan Independent Shareholders at the EGM to approve the AMTD Shares II Acquisition in accordance with the Listing Rules.

### **Directors' View on Fairness and Reasonableness of the CIDL Disposal and the AMTD II Acquisition**

As set out in the Announcements, CIDL Seller entered into CIDL MOU on 1 November 2019 in relation to the proposed disposal of the entire interests in CIDL. As the exclusivity period for negotiations under the CIDL MOU expired on 15 December 2019 and no definitive agreement in respect of the subject matter under the CIDL MOU has been entered into between the parties, the CIDL Seller has ceased the negotiations under the CIDL MOU. Cosmopolitan has actively explored other opportunities for the divestment of its interests in CIDL. The successful implementation of the CIDL Related Transactions would allow Cosmopolitan to monetize the funds tied up in this non-core asset of Cosmopolitan for redeployment in AMTD.

By taking into consideration the reasons as stated under the section headed "Reasons for and Benefits of the Proposed Transactions", the terms and conditions of each of the CIDL Disposal Agreement and the AMTD II Acquisition Agreement and the basis for determination of each of the CIDL Consideration and the AMTD Shares Acquisition Price, the Century City Directors, the Paliburg Directors and the Cosmopolitan Directors (excluding the independent non-executive Cosmopolitan Directors who will express their views after considering the advice of the independent financial adviser to the Cosmopolitan Independent Shareholders and Cosmopolitan Independent Board Committee) are of the view that the terms of each of the CIDL Disposal and the AMTD II Acquisition are fair and reasonable and in the interests of Century City, Paliburg and Cosmopolitan and their respective shareholders as a whole.

## **III. THE HOTEL RELATED TRANSACTIONS**

The Hotel Related Transactions comprise the Hotel Interests Disposal and the Hotel Financial Assistance.

### **A. THE HOTEL INTERESTS DISPOSAL**

On 31 December 2019 (after trading hours of the Stock Exchange), P&R and the Hotel Purchaser entered into the Hotel Interests Disposal Agreement, pursuant to which (i) P&R agreed to dispose of and the Hotel Purchaser agreed to purchase the Hotel Holding Company Sale Shares, representing 50% equity interests in the Hotel Holding Company, and the Hotel Holding Company Sale Loan at the Hotel Interests Disposal Consideration; (ii) P&R shall grant the Hotel Call Option to the Hotel Purchaser; and (iii) the Hotel Purchaser shall grant the Hotel Put Option to P&R. Completion of the Hotel Interests Disposal took place on 31 December 2019.

### **THE HOTEL INTERESTS DISPOSAL AGREEMENT**

The major terms of the Hotel Interests Disposal Agreement are set out as follows:

Date: 31 December 2019

Parties: Purchaser: The Hotel Purchaser, a wholly-owned subsidiary of AMTD

Shares Vendor

Seller: P&R

Except for (i) the AMTD Shares Vendor being deemed a connected person of Cosmopolitan under Rule 14A.20 of the Listing Rules as detailed under the section headed “Listing Rules Implications – II. The CIDL Related Transactions”; and (ii) as at the date of this joint announcement, the Regal Group was interested in 461,538 AMTD Shares and US\$14.1 million worth of 7.625% senior perpetual securities issued by AMTD Shares Vendor which are listed on the Stock Exchange (stock code: 5222), to the best of the knowledge, information and belief of the Century City Directors and Paliburg Directors, after having made all reasonable enquiries, the Hotel Purchaser is an Independent Third Party of Century City and Paliburg.

Assets to be disposed of:

- a) Hotel Holding Company Sale Shares, representing 50% of the issued share capital of the Hotel Holding Company; and
- b) Hotel Holding Company Sale Loan

Upon completion of the Hotel Interests Disposal, P&R’s equity interest in the Hotel Holding Company was reduced to 50% and the Hotel Holding Company ceased to be a subsidiary of each of Century City and Paliburg.

P&R’s undertakings:

- (a) to procure the fitting-out works to be completed and procure the P&R Group to continue with its application for the Hotel Licence to ensure it is granted on or before 30 June 2020;
- (b) to ensure the Hotel Holding 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 as contemplated under the Hotel Interests Disposal Agreement;
- (c) to provide the Top Up Loan to Fine Cosmos on or before the completion of the Hotel Interests Disposal;
- (d) to procure the entering into of the Hotel Management Agreement on or before the completion of the Hotel Interests Disposal; and
- (e) to use its reasonable endeavours to procure that the Project Loan Facility be refinanced by the New Facility.

Hotel Purchaser’s undertakings:

The Hotel Purchaser undertakes with P&R, among others, to provide or procure that a several guarantee and/or other security be provided to the lender(s) of the Project Loan Facility and the New Facility in proportion to its shareholding interests in the Hotel Holding Company.

If P&R is required to provide or procure that guarantee and/or other security be

provided to the lender(s) of the Project Loan Facility and the New Facility in excess of its proportional interest in the Hotel Holding Company and Hotel Call Option is not exercised by the Hotel Purchaser, the Hotel Purchaser shall pay a guarantee fee equivalent to two (2)% per annum of such exceeded amount to P&R at the end of each calendar year and indemnify and keep indemnified P&R from and against all claims, liabilities, losses, reasonable costs and expenses which P&R, the guarantor(s) and/or the security provider(s) may suffer or incur.

Hotel Interests Disposal  
Consideration:

HK\$270.0 million, subject to any Hotel Consideration Adjustments, the basis for determination of which shall be as follows:

- (a) there shall be added an amount equal to 50% of the NTAV if the NTAV as determined by reference to the Completion Accounts as contemplated under the Hotel Interests Disposal Agreement 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 as contemplated under the Hotel Interests Disposal Agreement is a negative figure.

The Hotel Interests Disposal Consideration was determined after arm's length negotiation between P&R and the Hotel Purchaser with reference to the agreed value of the Hotel at HK\$1,200.0 million, the total amount of the Project Loan Facility and the Top Up Loan, the location and specifications of the Hotel and the market conditions of the hotel industry in Hong Kong.

Payment terms:

The Hotel Purchaser shall pay the Hotel Interests Disposal Consideration by:

- (a) a deposit of HK\$60.0 million on the signing of the Hotel Interests Disposal Agreement; and
- (b) the remaining HK\$210.0 million, subject to the Hotel Consideration Adjustments, in form of a loan note. The loan note is interest free and repayable in cash (or other securities subject to mutual agreement between the parties) on or before 31 March 2020. It is guaranteed by AMTD Shares Vendor and secured by the Share Mortgage in respect of the Hotel Holding Company Sale Shares and the Hotel Holding Company Sale Loan.

The Hotel Purchaser paid the deposit of HK\$60.0 million on the date of Hotel Interests Disposal Agreement.

Completion:

Completion of the Hotel Interests Disposal took place on 31 December 2019.

Use of proceeds:

As general working capital

Hotel Management Agreement:

Fine Cosmos entered into the Hotel Management Agreement on the date of the Hotel Interests Disposal Agreement, pursuant to which a wholly-owned subsidiary of Regal shall provide certain standard managerial services, which will be in line with hotel industry norm, for the operations of the Hotel and receive a Hotel Management Fee in return from Fine Cosmos.

Hotel Call Option: The Hotel Purchaser was granted the right, but not obligation, to purchase from P&R:

- (a) an additional 1% equity interest in the Hotel Holding Company;
- (b) an additional 1% of the Hotel Shareholders' Loan; and
- (c) 51% of the then outstanding Top Up Loan,

within a period of seven years from the Hotel Interests Disposal Completion Date, at an option price of HK\$5.4 million plus the face value of 51% of the then outstanding Top Up Loan.

Hotel Put Option: P&R was granted the right, but not obligation, to sell to the Hotel Purchaser upon:

(a) within the first three years commencing from the Hotel Interests Disposal Completion Date,

- (i) an additional 19% equity interests in the Hotel Holding Company;
- (ii) an additional 19% of the Hotel Shareholders' Loan; and
- (iii) an additional 19% of the then outstanding Top Up Loan,

at the option price of HK\$125.4 million (year 1), HK\$148.2 million (year 2) or HK\$171.0 million (year 3) plus the face value of the additional 19% of the then outstanding Top Up Loan; or

(b) within the period between the fourth year and the seventh year after the Hotel Interests Disposal Completion Date,

- (i) an additional 49% equity interests in the Hotel Holding Company;
- (ii) an additional 49% of the Hotel Shareholders' Loan; and
- (iii) an additional 49% of the then outstanding Top Up Loan,

at an option price of HK\$499.8 million (year 4), HK\$558.6 million (year 5), HK\$617.4 million (year 6) or HK\$676.2 million (year 7) plus the face value of the additional 49% of the then outstanding Top Up Loan.

The Hotel Put Option can only be exercised by P&R after the Hotel Call Option is exercised.

## **THE HOTEL SHAREHOLDERS' AGREEMENT**

On 31 December 2019 (after trading hours of the Stock Exchange), P&R, the Hotel Purchaser and AMTD Shares Vendor (as guarantor), Hotel Holding Company and Fine Cosmos entered into the Hotel Shareholders' Agreement setting out certain rights and obligations of the shareholders of the Hotel Holding Company.

The major terms of the Hotel Shareholders Agreement are set out below:

Parties	P&R (as the 50% shareholder of Hotel Holding Company) Hotel Purchaser (as the 50% shareholder of Hotel Holding Company) AMTD Shares Vendor (as guarantor for the performance of the obligations of the Hotel Purchaser under the Hotel Shareholders Agreement)
	Hotel Holding Company
	Fine Cosmos
Board composition:	The board of each member of the Hotel Holding Group shall consist of not more than eight directors. P&R and the Hotel Purchaser shall each have the right to appoint, remove or substitute up to four directors.
Quorum for board meetings:	2 directors, comprising at least 1 director nominated by each of P&R and the Hotel Purchaser.  Any director(s) present at any adjourned meeting shall constitute a valid quorum.
Funding:	Please refer to the section headed "B. Hotel Financial Assistance" below.
Voting:	Each shareholder of the Hotel Holding Company shall have one vote for each share it owns. Resolutions proposed at any general meeting of the Hotel Holding Company shall be passed by a simple majority of votes.
Matters requiring unanimous vote:	The following shall not be undertaken by a member of the Hotel Holding Group without the prior written consent of all shareholders:  <ul style="list-style-type: none"><li>(a) any increase, reduction, alteration or reconstitution of its share capital or entering into any arrangement with its creditors;</li><li>(b) any creation or issue any other class of shares, warrants or loan stocks or give any option in respect of any class of shares, warrants or loan stocks;</li><li>(c) obtaining any external financing or creation of any charge or encumbrance on any assets of any member of the Hotel Holding Group other than for the purpose of securing the New Facility;</li><li>(d) disposal of any interest in its subsidiaries or substantial assets of the Hotel Holding Group;</li><li>(e) entering into any new business not related to the then existing business of the Hotel Holding Group or cessation of any existing business;</li><li>(f) incurring any material expenditure or liability of a capital nature;</li><li>(g) altering any of the provisions of the articles of association of any member of the Hotel Holding Group or pass a resolution that it be</li></ul>

- wound up;
- (h) entering into any joint venture, partnership, long term or abnormal contract or capital commitment;
  - (i) giving any guarantee, indemnity or security in respect of the obligations of any third party; and
  - (j) replacing the Hotel manager or amending or terminating the Hotel Management Agreement.
- Transfer of shares: No shareholder of the Hotel Holding Company shall transfer or dispose of its Hotel Holding Company shares and/or beneficial interest, or cause its ultimate beneficial ownership to be changed without the prior written consent of the other shareholder(s). Transfers of shares in the Hotel Holding Company shall be subject to pre-emption rights in favour of the other shareholder.

## **FINANCIAL EFFECTS OF THE HOTEL INTERESTS DISPOSAL**

The Hotel Holding Company has ceased to be a subsidiary of each of P&R, Paliburg and Century City upon Hotel Interests Disposal Completion. Accordingly, the financial statements of the Hotel Holding Company will no longer be consolidated to those of each of P&R, Paliburg and Century City. After the Hotel Interests Disposal Completion, the remaining 50% equity interests in the Hotel Holding Company held by P&R will be accounted for as a joint venture by the Paliburg Group and the Century City Group using the equity method of accounting.

Based on the agreed value of the Hotel at HK\$1,200.0 million and the estimated carrying amount of approximately HK\$708.6 million on the books of Paliburg and Century City, a gain (before tax and non-controlling interests) of approximately HK\$491.4 million (subject to audit), including a gain on the remeasurement of the carrying amount of the remaining 50% interests in the Hotel Holding Company held by P&R, is expected to be recorded in the consolidated financial statements of Paliburg and Century City upon Hotel Interests Disposal Completion.

## **B. HOTEL FINANCIAL ASSISTANCE**

The development of the Hotel has been partially financed by the Project Loan Facility, which is guaranteed by Paliburg and Regal in proportion to their respective equity interests in P&R on a several basis. P&R will use its reasonable endeavours to procure the New Facility to refinance the Project Loan Facility. Pending conclusion of the refinancing arrangements, P&R has agreed to provide the Top Up Loan on an unsecured basis upon the Hotel Interests Disposal Completion.

## **TOP UP LOAN**

The major terms of the Top Up Loan are set out below:

Parties:	Fine Cosmos P&R
Loan Amounts:	Up to HK\$302.8 million divided into two tranches: (i) up to HK\$242.8 million and (ii) up to HK\$60.0 million
Repayment terms:	On the 3rd anniversary of Hotel Interests Disposal Completion.  No repayment shall be made to the Hotel Shareholder's Loan unless and until the entire Top Up Loan together with interest accrued thereon (if any) has been repaid in full.
Interest rate:	(i) the aggregate of 1.15% per annum over 1-month HIBOR (the " <b>Base Rate</b> ") for up to HK\$242.8 million and (ii) two times the Base Rate for up to HK\$60.0 million.
Transferability:	P&R may transfer its rights and obligations under the Top Up Loan without the prior consent of Fine Cosmos.

## GUARANTEES

Paliburg and Regal will continue to provide the Guarantees for the Project Loan Facility after the Hotel Interests Disposal Completion. As the Hotel Holding Company has ceased to be a subsidiary of Century City, Paliburg and P&R upon the Hotel Interests Disposal Completion, the Guarantees will become a transaction for each of Century City and Paliburg under Rule 14.04(e) of the Listing Rules and a connected transaction for Regal under Rule 14A.76(2) and therefore, be subject to the disclosure requirements under Chapters 14 and 14A of the Listing Rules, respectively.

The major terms of the Guarantees are set out below:

Date of Guarantees:	7 February 2012, 29 May 2015 (supplemented) and 10 October 2018 (further supplemented)
Parties:	Guarantors: Paliburg and Regal Lender: The relevant bank
Scope of Guarantees:	the principal and the interest thereon and other monies payable to the relevant bank in respect of the Project Loan Facility
Liability of each of the guarantors:	on a several basis, i.e. 50% of the liabilities under the Guarantees

## Directors' View on Fairness and Reasonableness of the Hotel Interests Disposal and the Hotel Financial Assistance

By taking into consideration the reasons as stated under the section headed "Reasons for and Benefits of

the Proposed Transactions”, the terms and conditions of each of the Hotel Interests Disposal and the Hotel Financial Assistance and the basis for determination of the Hotel Interests Disposal Consideration, (i) the Century City Directors and the Paliburg Directors are of the view that the terms of each of the Hotel Interests Disposal and the Hotel Financial Assistance are fair and reasonable and in the interests of Century City and Paliburg and their respective shareholders as a whole; and (ii) the Regal Directors (including the independent non-executive Regal Directors) are of the view that the terms of the Hotel Financial Assistance are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of Regal, and in the interests of Regal and its shareholders as a whole.

None of the Regal Directors has any material interest in the Hotel Financial Assistance and accordingly, none of them is required to abstain from voting on the board resolution approving the Hotel Financial Assistance.

## **INFORMATION ON THE CENTURY CITY GROUP**

Century City Group 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 Group 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 Paliburg. Regal Group is principally engaged in hotel ownership business undertaken through Regal Real Estate Investment Trust (“**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.

RH International is a wholly-owned subsidiary of Regal, the medium term notes and the senior perpetual securities of which are listed on the Main Board of the Stock Exchange (Stock Code: 5687 and 5425). Cosmopolitan is a listed subsidiary of Paliburg and, through Paliburg, of Century City.

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 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.

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.

## **Financial information on Cosmopolitan**

Based on the published consolidated financial statements of Cosmopolitan for the two years ended 31 December 2018, set out below is the key financial information of Cosmopolitan:

	<b>Financial year ended 31 December 2017</b> <i>HK\$ million</i>	<b>Financial year ended 31 December 2018</b> <i>HK\$ million</i>
Revenue	830.1	2,147.3
Profit before taxation	36.3	316.5
Profit after taxation	11.8	201.9
	<b>As at 31 December 2017</b> <i>HK\$ million</i>	<b>As at 31 December 2018</b> <i>HK\$ million</i>
Total assets	5,855.3	4,638.6
Total liabilities	4,542.7	3,225.5
Net assets	1,312.6	1,413.1

## INFORMATION ON AMTD

AMTD is a comprehensive financial institution headquartered in Hong Kong which was incorporated under the laws of the Cayman Islands. AMTD operates a full-service platform encompassing three business lines: investment banking, asset management, and strategic investment. AMTD's ADSs are listed on the New York Stock Exchange under the symbol "HKIB".

### Financial information on AMTD

Based on the published consolidated financial statements of AMTD for the two years ended 31 December 2018 prepared in accordance with the International Financial Reporting Standards of the International Accounting Standards Board, set out below is the key financial information of AMTD:

	<b>Financial year ended 31 December 2017</b> <i>HK\$'000</i>	<b>Financial year ended 31 December 2018</b> <i>HK\$'000</i>
Revenue	1,033,164	723,226
Profit before taxation	808,585	608,965
Profit after taxation	673,372	525,126

**As at 31**                      **As at 31**

	<b>December 2017</b>	<b>December 2018</b>
	HK\$'000	HK\$'000
Total assets	6,041,617	7,107,190
Total liabilities	3,372,341	3,912,788
Net assets	2,669,276	3,194,402

## INFORMATION ON THE CIDL GROUP

CIDL is an investment holding company. The CIDL Subsidiary has not commenced any business since its establishment other than advancing of the Chengdu Fuhui Debts. The principal assets held by CIDL Subsidiary are the Chengdu Fuhui Debts owed by Yuancheng Logistics to CIDL Subsidiary.

### Financial information on the CIDL Group

Based on the financial information of the CIDL Group, set out below is the financial information of the CIDL Group for the two financial years ended 31 December 2018:

	<b>Financial year ended 31 December 2017</b>	<b>Financial year ended 31 December 2018</b>
	HK\$'000	HK\$'000
Revenue	-	-
(Loss) / profit before taxation	(22)	14,745
(Loss) / profit after taxation	(22)	11,054
	<b>As at 31 December 2017</b>	<b>As at 31 December 2018</b>
	HK\$'000	HK\$'000
Total assets	2,949	381,339
Total liabilities	10,030	392,873
Net liabilities	7,081	11,534

## INFORMATION ON THE HOTEL HOLDING GROUP

The Hotel Holding Company, wholly-owned by P&R, is a limited liability company established in the BVI. It is the sole beneficial owner of Fine Cosmos which in turn holds the Hotel.

The Hotel Holding Group is engaged in the investment and development of the Hotel, the key specifications of which are as follows:

Location:	Nos. 5-7 Bonham Strand West and Nos. 169-171 Wing Lok Street, Sheung Wan, Hong Kong
No. of guestrooms:	98 guestrooms and suites (162 room bays)
No. of storeys:	32 storeys (including basement and ground floor)
Gross floor area:	Approximately 5,236 square metres
Covered floor area:	Approximately 6,838 square metres

The occupation permit for the Hotel was issued on 19 November 2019. It is expected that the Hotel Licence of the Hotel will be obtained before 30 June 2020.

### **Financial information of the Hotel Holding Group**

Based on the financial information of the Hotel Holding Group, set out below is the key financial information of the Hotel Holding Group for the two financial years ended 31 December 2018:

	Financial year ended <b>31 December 2017</b>	Financial year ended <b>31 December 2018</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	-	-
Loss before/after taxation	72	71
	As at <b>31 December 2017</b>	As at <b>31 December 2018</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Total assets	307,730	438,480
Total liabilities	646,978	777,799
Net liabilities	339,248	339,319

### **INFORMATION ON OTHER COUNTERPARTIES**

Cosmo Shares Purchaser is a company incorporated in the Cayman Islands, principally engaged in, among others, investment activities, focusing on financial institutions, internet technology, infrastructure.

CIDL Purchaser is a company incorporated in the Cayman Islands, and an investment holding company.

AMTD Shares Vendor is a company incorporated in the BVI, and the controlling shareholder of AMTD. AMTD is a comprehensive financial institution headquartered in Hong Kong which was incorporated under the laws of the Cayman Islands. AMTD operates a full-service platform encompassing three business lines: investment banking, asset management, and strategic investment. As disclosed in the prospectus of AMTD dated 2 August 2019, the shareholders of AMTD Shares Vendor include Infinity Power Investments Limited, a company wholly-owned by Mr. Calvin Choi, the chairman and chief executive officer of AMTD, and L.R. Capital Financial Holdings Limited, which is ultimately controlled by L.R. Capital Group. Infinity Power Investments Limited and L.R. Capital Financial Holdings Limited owned 32.5% and 61.6% of the total outstanding shares of AMTD Shares Vendor, respectively.

The Hotel Purchaser a company incorporated in the BVI, and a wholly-owned subsidiary of AMTD Shares Vendor.

## **REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTIONS**

The Century City Directors and Paliburg Directors consider that Cosmo Shares Transfer, when successfully implemented, would allow Cosmopolitan to enlarge its shareholders' base and to introduce the Cosmo Shares Purchaser as its new strategic investor, and consequentially, would potentially enhance the underlying embedded liquidity of the Cosmopolitan Shares as a whole.

The principal assets of CIDL Group (excluding Beijing Fuli) are the CIDL Subsidiary Deposits and the CIDL Loan, which are not related to the core business activity of the Cosmopolitan Group. After discontinuance of negotiations with a potential purchaser in respect of the entire interests in CIDL as set out in the announcement of Cosmopolitan dated 20 December 2019, Cosmopolitan is actively exploring other opportunities for the divestment of its interests in CIDL relating to the logistic business. The Century City Directors, the Paliburg Directors and the Cosmopolitan Directors consider that the successful implementation of the CIDL Related Transactions would therefore allow Cosmopolitan Group to successfully monetize the funds tied up in this non-core assets for re-deployment in AMTD.

The proceeds expected to be generated under the Cosmo Shares Transfer and the CIDL Disposal, respectively, shall be or are intended to be deployed for the AMTD Shares Acquisition, and is expected to result in P&R and Cosmopolitan holding, in aggregate, approximately (i) 5% of the total outstanding share capital of, (ii) 0.3% of the total voting power represented by the total outstanding share capital of; and (iii) 22% of the listed ADSs of AMTD. The Century City Directors, the Paliburg Directors and the Cosmopolitan Directors are of the view that this proposed investment in AMTD represents a long term, strategic investment in a listed financial services platform which is well positioned to capitalize on merchant banking opportunities emanating from the Asian Pacific region. Going forward, it is the plan of the management of the Century City Group to carry out an overall review on the businesses and investments of P&R and Cosmopolitan after completion of the Proposed Transactions, with the aim to rationalize their respective assets, the allocation of resources and to optimize the delineation of their respective businesses and investments. Cosmopolitan is seeking to expand and diversify its investment portfolio and through this strategic co-operative relationship with AMTD. Cosmopolitan expects that AMTD will be able to help in the capitalisation plan of Cosmopolitan and could also introduce to Cosmopolitan potential investment opportunities.

Based on the agreed value of the Hotel at HK\$1,200.0 million, each of Century City Group and Paliburg Group is expected to record a gain (before tax and non-controlling interests) of approximately HK\$491.4 million (subject to audit) as a result of the Hotel Interests Disposal. Upon the Hotel Interests Disposal Completion, such gain on disposal will be recorded in the consolidated financial statements of each of Century City and Paliburg. The Century City Group and the Paliburg Group could further strengthen cash position and lessen liabilities through the implementation of the Hotel Related Transactions.

By taking into consideration the abovementioned factors, the Century City Directors and the Paliburg Directors take the view that the implementation of the Proposed Transactions (i.e. the Shares Related Transactions, the CIDL Related Transactions and the Hotel Related Transactions), either individually or together, is in the best interests of each of Century City and Paliburg and their respective shareholders as a whole.

By taking into consideration the abovementioned factors, the Cosmopolitan Directors (excluding the independent non-executive Cosmopolitan Directors who will express their views after considering the advice of the independent financial adviser to the Cosmopolitan Independent Shareholders and Cosmopolitan Independent Board Committee) take the view that the terms of the CIDL Related Transactions are in the best interests of Cosmopolitan and the Cosmopolitan Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

### **I. THE SHARES RELATED TRANSACTIONS**

#### **A. COSMO SHARES TRANSFER**

The Cosmo Shares Transfer is a transaction for each of Century City and Paliburg since the Cosmo Shares Vendor is a member of each of the Century City Group and the Paliburg Group.

As the highest applicable percentage ratio (as defined under the Listing Rules) for each of Century City and Paliburg in respect of the Cosmo Shares Transfer is more than 5% but are less than 25%, the Cosmo Shares Transfer constitutes a discloseable transaction for each of Century City and Paliburg and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

#### **B. AMTD I ACQUISITION**

The AMTD I Acquisition is a transaction for each of Century City and Paliburg since the AMTD I Purchaser is a member of each of the Century City Group and the Paliburg Group.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the AMTD I Acquisition is more than 25% but is less than 100% for Century City and is more than 5% but is less than 25% for Paliburg, the transaction contemplated under the AMTD I Acquisition constitutes a major transaction for Century City and a discloseable transaction for Paliburg. The major transaction for

Century City is subject to the reporting, announcement and shareholders' approval requirements while the discloseable transaction for Paliburg is only subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **II. THE CIDL RELATED TRANSACTIONS**

### **A. CIDL DISPOSAL**

The CIDL Disposal is a transaction for each of Century City, Paliburg and Cosmopolitan since CIDL Seller is a member of each of the Century City Group, the Paliburg Group and the Cosmopolitan Group.

As the highest applicable percentage ratio (as defined under the Listing Rules) for each of Century City, Paliburg and Cosmopolitan in respect of the CIDL Disposal is more than 5% but is less than 25%, the CIDL Disposal constitutes a discloseable transaction for each of Century City, Paliburg and Cosmopolitan and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **B. AMTD II ACQUISITION**

AMTD II Acquisition is a transaction for each of Century City, Paliburg and Cosmopolitan since the AMTD II Purchaser is a member of each of the Century City Group, the Paliburg Group and the Cosmopolitan Group.

As the highest applicable percentage ratio (as defined under the Listing Rules) for Century City in respect of the AMTD II Acquisition is more than 25% but is less than 100%, the AMTD II Acquisition constitutes a major transaction for Century City.

As the highest applicable percentage ratio (as defined under the Listing Rules) for each of Paliburg and Cosmopolitan in respect of the AMTD II Acquisition is more than 5% but is less than 25%, the AMTD II Acquisition constitutes a discloseable transaction for each of Paliburg and Cosmopolitan which is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The AMTD Shares Vendor is deemed to be a connected person of Cosmopolitan under Rule 14A.20 of the Listing Rules because it has entered into (i) the AMTD II Acquisition Agreement with the AMTD II Purchaser which is a wholly-owned subsidiary of Cosmopolitan; and (ii) the AMTD I Acquisition Agreement with the AMTD I Purchaser, a wholly-owned subsidiary of P&R which in turn is the holding company of Cosmopolitan, and as such, the AMTD II Acquisition constitutes a connected transaction for Cosmopolitan under Chapter 14A of the Listing Rules. As the completion of the AMTD II Acquisition is conditional upon the completion of the CIDL Disposal, the CIDL Disposal and the AMTD II Acquisition are considered on an aggregate basis and accordingly, the CIDL Related Transactions also constitute connected transactions for Cosmopolitan and are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **III. THE HOTEL RELATED TRANSACTIONS**

#### **A. HOTEL INTERESTS DISPOSAL**

The Hotel Interests Disposal (including the Hotel Call Option) is a transaction for each of Century City and Paliburg since the Hotel Holding Company is a member of each of the Century City Group and the Paliburg Group.

As the highest applicable percentage ratio (as defined under the Listing Rules) for each of Century City and Paliburg in respect of the Hotel Interests Disposal (including the Hotel Call Option) is more than 5% but is less than 25%, the Hotel Interests Disposal constitutes a discloseable transaction for Century City and Paliburg and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

#### **B. HOTEL FINANCIAL ASSISTANCE**

The provision of Hotel Financial Assistance is (i) a transaction for Century City and Paliburg since P&R as the lender of the Top Up Loan is a member of each of the Century City Group and the Paliburg Group; and (ii) a connected transaction for Regal, as one of the guarantors under the Project Loan Facility, because it will continue to provide the Guarantees to its connected person after completion of the Hotel Interests Disposal.

As the highest applicable percentage ratio (as defined under the Listing Rules) for Century City in respect of the Hotel Financial Assistance is more than 25% but is less than 100%, the Hotel Financial Assistance constitutes a major transaction for Century City and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) for Paliburg in respect of the Hotel Financial Assistance is more than 5% but is less than 25%, the Hotel Financial Assistance constitutes a discloseable transaction for Paliburg and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) for Regal in respect of the Hotel Financial Assistance is more than 0.1% but less than 5%, the Hotel Financial Assistance constitutes a connected transaction for Regal under Rule 14A.76(2)(a) and is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

### **IV. AGGREGATION OF THE PROPOSED TRANSACTIONS**

When the Shares Related Transactions, the CIDL Related Transactions and the Hotel Related Transactions are taken as a whole for the purpose of calculating the applicable percentage ratios (as defined under the Listing Rules), the highest applicable percentage ratio (as defined under the Listing

Rules) for each of Century City and Paliburg in respect of (i) the AMTD Shares Acquisition and the Hotel Financial Assistance in aggregate is more than 25% but is less than 100%; and (ii) the Cosmo Shares Transfer, the CIDL Disposal and the Hotel Interests Disposal in aggregate is more than 25% but is less than 75%. Accordingly, the Proposed Transactions constitute major transactions for each of Century City and Paliburg and are subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **V. GENERAL**

Each of Century City and Paliburg has obtained written approval from their respective shareholders for the Proposed Transactions from a closely allied group of shareholders of Century City and Paliburg.

For Century City, whose closely allied group of shareholders 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.

For Paliburg, whose closely allied group of shareholders 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) Cleerview 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 each of Century City and Paliburg will be convened for the purpose of approving the Proposed Transactions. Each of Century City and Paliburg expects to despatch a circular to their respective shareholders for information purpose only on or before 23 January 2020.

The EGM will be convened and held for the Cosmopolitan Independent Shareholders to consider and, if thought fit, approve the CIDL Related Transactions and other related matters. A circular containing, among others, (i) further details of the CIDL Related Transactions; (ii) financial information of the CIDL and AMTD; (iii) a letter from the independent financial adviser to the Cosmopolitan Independent Shareholders and Cosmopolitan Independent Board Committee advising on, among others, the fairness and reasonableness of the CIDL Related Transactions; and (iv) a notice convening the EGM, will be despatched to the Cosmopolitan Shareholders on or before 23 January 2020.

**Shareholders and potential investors should be aware that the Shares Related Transactions and the CIDL Related Transactions are subject to certain conditions being satisfied and accordingly, they may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the relevant companies.**

## **VI. RESMUPTION OF TRADING**

At the request of the Companies, trading in the shares of each of Century City, Paliburg, Regal and Cosmopolitan, and the medium term notes and the senior perpetual securities issued by RH International on the Stock Exchange was halted with effect from 9:00 a.m. on 2 January 2020 pending the release of this joint announcement. Applications have been made to the Stock Exchange for the resumption of trading in the shares of each of Century City, Paliburg, Regal and Cosmopolitan, and the medium term notes and the senior perpetual securities issued by RH International with effect from 9:00 a.m. on 3 January 2020.

## **DEFINITIONS**

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

“ADS(s)”	American depositary shares of AMTD, each representing one Class A AMTD Share, that are listed on the New York Stock Exchange
“AMTD”	AMTD International Inc., a company incorporated in Cayman Islands, the ADSs of which are listed on the New York Stock Exchange (Symbol: HKIB)
“AMTD I Acquisition”	the acquisition of AMTD I Shares by the AMTD I Purchaser at the AMTD Shares Acquisition Price pursuant to the AMTD I Acquisition Agreement
“AMTD I Acquisition Agreement”	the agreement dated 31 December 2019 entered into between AMTD I Purchaser and the AMTD Shares Vendor in respect of the AMTD I Acquisition
“AMTD I Purchaser”	P&R Finance Limited, a company incorporated in Hong Kong, a wholly-owned subsidiary of P&R
“AMTD I Shares”	5,674,000 AMTD Shares to be acquired by the AMTD I Purchaser under the AMTD I Acquisition
“AMTD II Acquisition”	the acquisition of the AMTD II Shares by the AMTD II Purchaser at the AMTD Shares Acquisition Price pursuant to the AMTD II Acquisition Agreement
“AMTD II Acquisition Agreement”	the agreement dated 31 December 2019 entered into between AMTD II Purchaser and the AMTD Shares Vendor in respect of the AMTD II Acquisition
“AMTD II Purchaser”	Clear Radiant Limited, a company incorporated in the BVI, a wholly-owned subsidiary of Cosmopolitan
“AMTD II Shares”	6,069,000 AMTD Shares to be acquired by the AMTD II Purchaser under the AMTD II Acquisition
“AMTD Share(s)”	Class A ordinary shares of AMTD
“AMTD Shares Acquisition”	the transactions contemplated under the AMTD I Acquisition Agreement and the AMTD II Acquisition Agreement
“AMTD Shares Acquisition Price”	the price per AMTD Share under the AMTD I Acquisition and the AMTD II Acquisition payable by AMTD I Purchaser and AMTD II Purchaser, being US\$8.45 per AMTD Share
“AMTD Shares Vendor”	AMTD Group Company Limited, a company incorporated in the

	BVI, the controlling shareholder of AMTD
“Associate(s)”	has the meaning ascribed to such term in the Listing Rules
“Beijing Fuli”	北京富利投資管理有限公司 (Beijing Fuli Investment Management Company Limited*), a company established under the laws of the PRC, a wholly-owned subsidiary of CIDL
“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
“BVI”	the British Virgin Islands
“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”	board of Century City Directors
“Century City Directors”	directors of Century City
“Century City Group”	Century City and its subsidiaries
“Chengdu Fuhui Debts”	the total amount of the CIDL Subsidiary Deposit and the principal amounts outstanding under the CIDL Subsidiary Loan Facility and the Second CIDL Subsidiary Loan Facility, together with the interest accrued under the CIDL Subsidiary Deposit Agreement, the CIDL Subsidiary Loan Agreement and the Second CIDL Subsidiary Loan Agreement, owing to CIDL Subsidiary, inter alia, by the Yuancheng Logistics
“CIDL”	Cosmopolitan International Development Limited, a company incorporated in the BVI, a wholly-owned subsidiary of CIDL Seller and an indirect wholly-owned subsidiary of Cosmopolitan
“CIDL Completion Date”	the date on which completion of CIDL Disposal Agreement will take place, which shall be on or before 31 March 2020 or such other date as the parties to the CIDL Disposal Agreement may agree in writing
“CIDL Consideration”	the consideration for the CIDL Disposal, being a sum of HK\$400.0 million
“CIDL Disposal”	the transactions contemplated under the CIDL Disposal Agreement
“CIDL Disposal Agreement”	the sale and purchase agreement dated 31 December 2019 entered into between the CIDL Seller and the CIDL Purchaser in respect of the sale and purchase of the CIDL Share and CIDL Loan

“CIDL Group”	CIDL and its subsidiaries, including CIDL Subsidiary, but excluding Beijing Fuli
“CIDL Loan”	any and all loans and other debts owed to the CIDL Seller by CIDL Group and outstanding at CIDL Completion Date
“CIDL MOU”	the memorandum of understanding dated 1 November 2019 entered into between CIDL Seller and Sino Insight Investments Limited in relation to the potential disposal of CIDL
“CIDL Purchaser”	Fortis Fund IV Limited, a company incorporated in the Cayman Islands
“CIDL Related Transactions”	collectively, the CIDL Disposal and the AMTD II Acquisition
“CIDL Seller”	Groupsource Investments Limited, a company incorporated in the BVI, a wholly-owned subsidiary of Cosmopolitan
“CIDL Share”	the entire issued share capital of CIDL, which is legally and beneficially owned by the CIDL Seller as at the date hereof
“CIDL Subsidiary”	成都富薈實業有限公司 (Chengdu Fuhui Company Limited*), a company established under the laws of the PRC, a wholly-owned subsidiary of CIDL and an indirect wholly-owned subsidiary of Cosmopolitan
“CIDL Subsidiary Deposit”	the deposit in the total sum of RMB170.0 million paid by CIDL Subsidiary pursuant to the CIDL Subsidiary Deposit Agreement
“CIDL Subsidiary Deposit Agreement”	the agreement dated 16 August 2018 entered into between CIDL Subsidiary, Yuancheng Logistics and its controlling shareholder in respect of the payment of the CIDL Subsidiary Deposit for the Possible JV Investment, as amended and supplemented by the CIDL Subsidiary Deposit (Supplemental) Agreement
“CIDL Subsidiary Deposit (Supplemental) Agreement”	the agreement dated 31 August 2018 entered into between CIDL Subsidiary, Yuancheng Logistics and its controlling shareholder to amend and supplement the CIDL Subsidiary Deposit Agreement
“CIDL Subsidiary Loan Agreement”	the loan agreement dated 31 August 2018 entered into between CIDL Subsidiary (as the lender) and Yuancheng Logistics (as the borrower) in respect of the provision of the CIDL Subsidiary Loan Facility, as amended and supplemented on 30 September 2018
“CIDL Subsidiary Loan Facility”	the secured term loan facility of RMB100.0 million granted by CIDL Subsidiary (as the lender) to Yuancheng Logistics (as the borrower) pursuant to the CIDL Subsidiary Loan Agreement

“Companies”	Century City, Paliburg, Regal and RH International and Cosmopolitan
“Completion Accounts”	a consolidated statement of financial position of the Hotel Holding Company as at close of business on the Hotel Interests Disposal Completion Date duly certified by a director of the Hotel Holding Company as true and accurate in accordance with HKFRS and shall show a true and fair view of the Hotel Holding Company’s affairs and financial position (on a consolidated basis) as at the Hotel Interests Disposal Completion Date 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.
“Connected person”	has the meaning ascribed to such term in the Listing Rules
“Controlling shareholder”	has the same meaning as ascribed to it under the Listing Rules
“Cosmo Sale Shares”	an aggregate of 220,000,000 existing Cosmopolitan Shares
“Cosmo Shares Purchaser”	International Merchants Holdings, a company incorporated in the Cayman Islands
“Cosmo Shares Transfer”	the sales of an aggregate of 220,000,000 existing Cosmopolitan Shares by Cosmo Shares Vendor at HK\$1.70 per Cosmo Sale Share pursuant to the Cosmo Shares Transfer Agreement
“Cosmo Shares Transfer Agreement”	the agreement dated 31 December 2019 and entered into between Cosmo Shares Vendor and the Cosmo Shares Purchaser
“Cosmo Shares Vendor”	Lendas Investments Limited, a company incorporated in the BVI, a wholly-owned subsidiary of P&R
“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”	board of Cosmopolitan Directors
“Cosmopolitan Directors”	directors of Cosmopolitan
“Cosmopolitan Group”	Cosmopolitan and its subsidiaries

“Cosmopolitan Independent Board Committee”	an independent committee of the Cosmopolitan Board to be established to advise the Cosmopolitan Independent Shareholders on the CIDL Related Transactions
“Cosmopolitan Independent Shareholders”	Cosmopolitan Shareholders who are not prohibited or required to abstain from voting under the Listing Rules to approve the relevant transactions at the EGM
“Cosmopolitan Share(s)”	shares in the ordinary share capital of Cosmopolitan
“Cosmopolitan Shareholder(s)”	holder(s) of the Cosmopolitan Share(s)
“EGM”	the extraordinary general meeting of Cosmopolitan to be convened for considering and, if thought fit, approving the transactions contemplated under the CIDL Related Transactions
“Fine Cosmos”	Fine Cosmos Development Limited, a company incorporated in Hong Kong, a wholly-owned subsidiary of the Hotel Holding Company
“Guarantees”	guarantees for the Project Loan Facility provided by each of Paliburg and Regal in proportion to their respective equity interests in P&R on a several basis
“HKFRS”	the Hong Kong Financial Reporting Standards
“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”	a contemporary select-service hotel developed at Nos. 5-7 Bonham Strand West and Nos. 169-171 Wing Lok Street, Sheung Wan, Hong Kong
“Hotel Call Option”	the call option granted by P&R to the Hotel Purchaser under the Hotel Interests Disposal Agreement to purchase from P&R (i) an additional 1% equity interest in the Hotel Holding Company; (ii) an additional 1% of the Hotel Shareholders’ Loan; and (iii) 51% of the then outstanding Top Up Loan
“Hotel Consideration Adjustments”	any adjustments on the Hotel Interests Disposal Consideration in accordance with the terms and conditions of the Hotel Interests Disposal Agreement
“Hotel Deposit”	the hotel deposit in the total sum of HK\$60.0 million paid by Hotel Purchaser pursuant to the Hotel Interests Disposal Agreement
“Hotel Financial Assistance”	the Guarantees and the Top Up Loan as contemplated under the Hotel

## Related Transactions

“Hotel Holding Company”	Dense Globe Investments Limited, a company incorporated in the BVI, a wholly-owned subsidiary of P&R
“Hotel Holding Company Sale Loan”	equivalent to 50% of all amounts, including principal and interest, owing by Fine Cosmos to P&R as at the Hotel Interests Disposal Completion Date, and for the avoidance of doubt, excluding the Top Up Loan
“Hotel Holding Company Sale Share(s)”	50 ordinary share(s) in the issued share capital of the Hotel Holding Company, representing 50% equity interest of the entire issued share capital of the Hotel Holding Company as at the date of this joint announcement
“Hotel Holding Group”	Hotel Holding Company and Fine Cosmos
“Hotel Interests Disposal”	the disposal of the Hotel Holding Company Sale Shares and the Hotel Holding Company Sale Loan by P&R to the Hotel Purchaser pursuant to the terms of the Hotel Interests Disposal Agreement
“Hotel Interests Disposal Agreement”	the sale and purchase agreement dated 31 December 2019 and entered into between P&R and the Hotel Purchaser in respect of the Hotel Interests Disposal
“Hotel Interests Disposal Completion”	the completion of the Hotel Interests Disposal
“Hotel Interests Disposal Completion Date”	the date of completion of the Hotel Interests Disposal
“Hotel Interests Disposal Consideration”	the consideration in the amount of HK\$270.0 million, subject to Hotel Consideration Adjustments (if any), for the Hotel Interests Disposal
“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)
“Hotel Management Agreement”	the hotel management agreement dated 31 December 2019 and entered into between Fine Cosmos and Regal Hotels International Limited, a wholly-owned subsidiary of Regal
“Hotel Management Fee”	the hotel management fee which consists of a base fee of an amount equal to 2% of the total revenue of the Hotel and an incentive fee at the range of 1% to 6% based on the excess of the gross operating profit over a base fee and the fixed charges as contemplated under the Hotel Management Agreement

“Hotel Purchaser”	AMTD Property Investment Holdings Limited, a company incorporated in the BVI, a wholly-owned subsidiary of AMTD Shares Vendor
“Hotel Put Option”	the put option granted by the Hotel Purchaser to P&R under the Hotel Interests Disposal Agreement to sell to the Hotel Purchaser, subject to the exercise of the Hotel Call Option by the Hotel Purchaser, (i) an additional equity interest of up to 49% in the Hotel Holding Company; (ii) up to an additional 49% of the Hotel Shareholders’ Loan; and (iii) up to an additional 49% of the then outstanding Top Up Loan, at an option price of up to HK\$676.20 million plus the face value of up to 49% of the then outstanding Top Up Loan
“Hotel Related Transactions”	collectively, the Hotel Interests Disposal and the Hotel Financial Assistance
“Hotel Shareholders’ Agreement”	the shareholders agreement dated 31 December 2019 and entered into, among others, P&R, the Hotel Purchaser and AMTD
“Hotel Shareholder’s Loan”	all amounts, including principal and interest, owing by Fine Cosmos to the shareholders of the Hotel Holding Company and for the avoidance of doubt, excluding the Top Up Loan
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the relevant company and its Connected Persons of the relevant company in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Facility”	a property loan to be obtained by Fine Cosmos from a financial institution(s) on normal commercial terms for similar financing transactions in Hong Kong for a principal amount of up to HK\$660.0 million and with a tenor of no less than three (3) years for the replacement of the Project Loan Facility and the Top Up Loan
“NTAV”	the aggregate value (on a consolidated basis) of all tangible current assets of the Hotel Holding Company which are readily convertible into cash or cash equivalents (including utilities and other miscellaneous pre-paid deposits, prepaid rates and government rent, and other prepaid expenses relating to the property, but excluding the property and all furniture, fixtures and equipment therein, any intangible assets, other fixed assets and deferred tax) minus the aggregate value of all current liabilities (actual, contingent or otherwise, but excluding the Top Up Loan) as at the Hotel Interests Disposal Completion Date
“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”	board of Paliburg Directors
“Paliburg Directors”	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
“Possible JV Investment”	a possible acquisition of certain equity interest in Yuancheng Logistics (or directly or indirectly in the relevant parent companies of Yuancheng Logistics) or the major businesses of Yuancheng Logistics by CIDL Subsidiary pursuant to the CIDL Subsidiary Deposit Agreement and the CIDL Subsidiary Deposit (Supplemental) Agreement
“PRC”	The People's Republic of China, which, for the purpose of this joint announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Project Loan Facility”	a project loan facility granted to Fine Cosmos by certain bank secured and charged by the Hotel, the amount of which will be capped at HK\$357.2 million upon completion of the Hotel Interests Disposal
“Proposed Transactions”	collectively, the Shares Related Transactions, the CIDL Related Transactions and the Hotel Related Transactions
“P&R”	P&R Holdings Limited, a company owned as to 50% by Paliburg Group and 50% by Regal Group, and the vendor of the Hotel Interests Disposal
“P&R Group”	P&R and its subsidiaries
“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”	board of Regal Directors
“Regal Directors”	directors of Regal
“Regal Group”	Regal and its subsidiaries
“RH International”	RH International Finance Limited, a company incorporated in the BVI, a wholly-owned subsidiary of Regal, the medium term notes and the senior perpetual securities of which are listed on the Main Board of the Stock Exchange (Stock Code: 5687 and 5425)
“RH International Board”	board of RH International Directors

“RH International Directors”	Directors of RH International
“RMB”	Renminbi, the lawful currency of the PRC
“Second CIDL Subsidiary Loan Agreement”	the loan agreement dated 20 September 2018 entered into between CIDL Subsidiary (as the lender) and Yuancheng Logistics (as the borrower) in respect of the provision of Second CIDL Subsidiary Loan Facility
“Second CIDL Subsidiary Loan Facility”	the secured term loan facility of RMB50.0 million granted by CIDL Subsidiary (as the lender) to Yuancheng Logistics (as the borrower) pursuant to the Second CIDL Subsidiary Loan Agreement
“Share Mortgage”	the mortgage on Hotel Holding Company Sale Shares between the Hotel Purchaser and P&R
“Shares Related Transactions”	collectively, the Cosmo Shares Transfer and the AMTD I Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning as ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules
“Top Up Loan”	a term loan in the amount of up to HK302.8 million to be advanced by P&R (as the lender) to Fine Cosmos (as the borrower) for the development of the Hotel after completion of the Hotel Interests Disposal
“US\$”	United States dollars, the lawful currency of the United States of America
“Yuancheng Logistics”	遠成物流股份有限公司 (Yuancheng Logistics Company Limited*), a company established under the laws of the PRC
“%”	per cent.

\* *For identification purpose only*

*For the purpose of this announcement, unless the context otherwise requires or expressly specified, conversion of United States dollars into Hong Kong dollars is based on the approximate exchange rate of HK\$7.80 to US\$1.00. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or United States dollars has been, could have been or may be converted at such or any other rate or at all.*

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  
**Regal Hotels International Holdings Limited**  
**Eliza Lam Sau Fun**  
*Secretary*

By order of the board of directors of  
**RH International Finance Limited**  
**Kenneth Ng Kwai Kai**  
*Director*

By order of the board of directors of  
**Paliburg 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, 2 January 2020

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  
*(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  
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

As at the date of this joint announcement, the RH International Board comprises the following members:

**Directors:**

Mr. LO Yuk Sui  
Mr. Donald FAN Tung  
Mr. Jimmy LO Chun To  
Miss LO Po Man

Mr. Kenneth NG Kwai Kai  
Mr. Allen WAN Tze Wai  
Ms. Belinda YEUNG Bik Yiu