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EXERCISE OF OPTION

On 15 May 2014 (after trading hours), the Trustee (in its capacity as trustee and on behalf of Regal REIT) delivered the Exercise Notice to P&R Holdings, pursuant to which the Trustee has conditionally exercised the Option to acquire from P&R Holdings the entire issued share capital of and the shareholder loans to Fortune Mine (which, through its wholly-owned subsidiary, owns the North Point Hotel) for a consideration of HK\$1,650 million plus a customary adjustment on a dollar-for-dollar basis for the current assets of the Fortune Group as at completion of the NP Hotel Transaction, provided that such current assets adjustment will be capped at HK\$1.5 million.

This joint announcement is made pursuant to Rule 14.74(2) of the Listing Rules.

INTRODUCTION

Reference is made to the Joint Announcement and the Circulars.

As at the date of this joint announcement, Century City holds approximately 62.2% of the issued share capital of Paliburg, Paliburg holds approximately 61.0% of the issued share capital of Regal and Regal holds approximately 74.6% of the issued units of Regal REIT. Paliburg is a listed subsidiary of Century City, Regal is a listed subsidiary of Century City and Paliburg, and Regal REIT is a listed subsidiary of Century City, Paliburg and Regal. P&R Holdings is a joint venture held as to 50% by Regal and is a subsidiary of Century City and Paliburg.

On 28 June 2013 (after trading hours), P&R Holdings and the Trustee (in its capacity as trustee and on behalf of Regal REIT), among other parties, entered into the Option Agreement pursuant to which P&R Holdings granted the Option to the Trustee.

EXERCISE OF OPTION

On 15 May 2014 (after trading hours), the Trustee delivered the Exercise Notice to P&R Holdings, pursuant to which the Trustee has conditionally exercised the Option to acquire from P&R Holdings the entire issued share capital of and the shareholder loans to Fortune Mine (which, through its wholly-owned subsidiary, owns the North Point Hotel) for a consideration of HK\$1,650 million plus a customary adjustment as detailed below.

As set out in the Circulars, the initial exercise price for the Option as agreed between the parties pursuant to the terms of the Option Agreement was HK\$1,650 million, which shall be adjusted based on an updated valuation as of the last month end date before the grant of the occupation permit in respect of the North Point Hotel:

- (a) if the updated appraised value is lower than the initial appraised value (of HK\$1,650 million), the exercise price will be adjusted to the updated appraised value; or
- (b) if the updated appraised value is higher than the initial appraised value (of HK\$1,650 million), the exercise price will be adjusted to the average of the initial and updated appraised values.

On 8 May 2014, P&R Holdings informed the Manager and the Trustee that the occupation permit dated 5 May 2014 in respect of the North Point Hotel had been obtained. There was no change to the valuation of the North Point Hotel on an as-completed basis as of 30 April 2014 as appraised by Savills from the initial appraised value of HK\$1,650 million as of 25 June 2013. As such, the total consideration for the NP Hotel Transaction shall remain as HK\$1,650 million plus a customary adjustment on a dollar-for-dollar basis for the current assets (such as all receivables, refundable utility and other deposits placed with relevant authorities or suppliers and all cash and deposits at bank) of the Fortune Group as at completion of the NP Hotel Transaction, provided that such current assets adjustment will be capped at HK\$1.5 million. As at 31 December 2013, the current assets of the Fortune Group amounted to HK\$1.4 million. Apart from the North Point Hotel and the current assets, the Fortune Group does not have any other assets. As at 31 December 2013, apart from the NP Shareholder Loan, the Fortune Group had bank borrowings of approximately HK\$317.8 million which will be fully repaid on or before the date of completion of the NP Hotel Transaction. P&R Holdings and the Guarantors (on a several basis in equal proportions) have warranted in the Option Agreement that the Fortune Group shall not have any liabilities other than the NP Shareholder Loan at completion of the NP Hotel Transaction.

The consideration shall be payable by the Trustee in cash at completion of the NP Hotel Transaction. The option fee (of HK\$10 million) and the refundable cash collateral (of HK\$990 million) paid by the Trustee to P&R Holdings under the Option Agreement and any accrued and unpaid interest thereon will be applied to settle part of the consideration.

The Exercise Notice will become unconditional when all relevant and applicable provisions of the REIT Code and the Listing Rules have been complied with, including Regal obtaining the approval of its independent shareholders for the exercise of the Option.

With reference to the announcement of Regal dated 15 May 2014, the exercise of the Option constitutes a major transaction and a connected transaction for Regal subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. Save for the despatch of the circular by Regal and Regal's independent shareholders' approval in respect of the exercise of the Option, all relevant and applicable provisions of the REIT Code and the Listing Rules have been complied with as at the date of this joint announcement. If this remaining condition is not satisfied within three months from the date of the Exercise Notice, or such later date as may be agreed by P&R Holdings and the Trustee (acting on the recommendation and at the direction of the

Manager), then the Option will lapse with effect from the aforementioned date and the NP Hotel Transaction will not complete.

Completion of the NP Hotel Transaction shall take place within 10 Business Days from the day on which the Exercise Notice becomes unconditional.

Further information in relation to the Option, the exercise of the Option and the North Point Hotel was set out in the Joint Announcement and the Circulars.

GENERAL

With reference to the circular of Century City dated 29 June 2013, the SW Hotel Transaction, the Option and the possible exercise of the Option in aggregate constituted a major transaction for Century City subject to the reporting, announcement and shareholders’ approval requirements under the Listing Rules and were approved by way of written shareholders’ approval of a closely allied group of shareholders of Century City. With reference to the circular of Paliburg dated 29 June 2013, the SW Hotel Transaction, the Option and the possible exercise of the Option in aggregate constituted a major transaction for Paliburg subject to the reporting, announcement and shareholders’ approval requirements under the Listing Rules and were approved by way of written shareholders’ approval of a closely allied group of shareholders of Paliburg.

This joint announcement is made pursuant to Rule 14.74(2) of the Listing Rules.

DEFINITIONS

“Business Day”	a day (excluding Saturdays, Sundays and public holidays) on which commercial banks are open for business in Hong Kong and the Stock Exchange is open for trading
“Century City”	Century City International Holdings Limited, a company incorporated in Bermuda and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (Stock Code: 355)
“Circulars”	the respective circulars of Century City and Paliburg both dated 29 June 2013
“Exercise Notice”	the notice issued by the Trustee on 15 May 2014 in accordance with the terms of the Option Agreement to conditionally exercise the Option
“Fortune Group”	Fortune Mine and its subsidiary
“Fortune Mine”	Fortune Mine Limited

“Guarantors”	Paliburg and Regal
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Joint Announcement”	the joint announcement of Century City, Paliburg and Regal dated 28 June 2013
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manager”	Regal Portfolio Management Limited, the manager of Regal REIT and a wholly-owned subsidiary of Regal
“North Point Hotel”	a hotel located at Nos. 14-20 Merlin Street, North Point, Hong Kong
“NP Hotel Transaction”	pursuant to the exercise of the Option, (a) the acquisition by the Trustee (acting on the instructions of the Manager) (or its nominee) of the entire issued share capital of Fortune Mine; and (b) the assignment of the NP Shareholder Loan to the Trustee
“NP Shareholder Loan”	all amounts due (including principal, interests and other sums (if any)), owing or payable by Fortune Mine to P&R Holdings
“Option”	the call option granted by P&R Holdings to the Trustee entitling Regal REIT (or its trustee or nominee) in its sole discretion to acquire the entire issued share capital of Fortune Mine and to be assigned the NP Shareholder Loan
“Option Agreement”	the agreement dated 28 June 2013 entered into between Regal, the Manager, the Trustee, P&R Holdings and Paliburg in relation to the Option
“Paliburg”	Paliburg Holdings Limited, a company incorporated in Bermuda and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (Stock Code: 617)
“P&R Holdings”	P&R Holdings Limited, a joint venture established and owned by a wholly-owned subsidiary of Paliburg and a wholly-owned subsidiary of Regal as to 50% each

“Regal”	Regal Hotels International Holdings Limited, a company incorporated in Bermuda and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (Stock Code: 78)
“Regal REIT”	Regal Real Estate Investment Trust, a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the issued units of which are listed on the Main Board of the Stock Exchange (Stock Code: 1881)
“REIT Code”	the Code on Real Estate Investment Trusts published by the Securities and Futures Commission (as amended from time to time)
“Savills”	Savills Valuation and Professional Services Limited, the independent valuer in respect of the North Point Hotel
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SW Hotel Transaction”	(a) the acquisition by the Trustee (acting on the instructions of the Manager) (or its nominee) of the entire issued share capital of Plentiful Investments Limited; and (b) the assignment to the Trustee of the shareholder loan payable by Plentiful Investments Limited to P&R Holdings, as set out in the Circulars
“Trustee”	DB Trustees (Hong Kong) Limited, in its capacity as trustee of Regal REIT

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

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

Hong Kong, 16 May 2014

As at the date of this joint announcement, the board of directors of Century City comprises the following members:

Executive directors:

Mr. LO Yuk Sui
(Chairman and Chief Executive Officer)
Mr. Jimmy LO Chun To
(Vice Chairman)
Miss LO Po Man
(Vice Chairman)
Mr. Kenneth NG Kwai Kai
(Chief Operating Officer)
Mr. Donald FAN Tung
Mr. Kelvin LEUNG So Po

Independent non-executive directors:

Mr. Anthony CHUANG
Mr. NG Siu Chan
Mr. WONG Chi Keung

As at the date of this joint announcement, the board of directors of Paliburg comprises the following members:

Executive directors:

Mr. LO Yuk Sui
(Chairman and Chief Executive Officer)
Mr. Jimmy LO Chun To
(Vice Chairman and Managing Director)
Mr. Donald FAN Tung
(Chief Operating Officer)
Miss LO Po Man
Mr. Kenneth NG Kwai Kai
Mr. Kenneth WONG Po Man

Independent non-executive directors:

Mr. Bowen Joseph LEUNG Po Wing, GBS, JP
Mr. NG Siu Chan
Hon. Abraham SHEK Lai Him, GBS, JP
Mr. WONG Chi Keung