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**DISCLOSEABLE
TRANSACTION**

**DISCLOSEABLE
TRANSACTION**

**DISCLOSEABLE AND
CONNECTED TRANSACTION**

**ENTERING INTO OF THE S&P AGREEMENT
INVOLVING THE SALE AND PURCHASE OF A HOTEL**

THE S&P AGREEMENT

On 29 June 2017 (after trading hours), P&R Holdings (a 50-50 joint venture of Paliburg and Regal) and the Trustee (in its capacity as trustee of Regal REIT), among other parties, entered into the S&P Agreement pursuant to which, subject to the terms and conditions therein, the Trustee agreed to acquire from P&R Holdings the entire issued share capital of and the shareholder loan to Prosper Harvest for a consideration of HK\$1,360 million (subject to a current assets adjustment as detailed below). The principal asset of Prosper Harvest is its interest (through its wholly-owned subsidiaries, Leading Brand and Land Crown) in the iclub Ma Tau Wai Hotel which is located in To Kwa Wan, Kowloon.

LISTING RULES IMPLICATIONS

The Transaction constitutes a discloseable transaction for each of Century City, Paliburg and Regal under Chapter 14 of the Listing Rules. In addition, the Transaction constitutes a connected transaction for Regal subject to Regal Independent Shareholders' approval under Chapter 14A of the Listing Rules. Regal will convene a special general meeting to seek the Regal Independent Shareholders' approval for the Transaction. Regal has established the Regal Independent Board Committee and appointed Investec as the independent financial adviser to advise the Regal Independent Board Committee and the Regal Independent Shareholders in this regard. Regal will despatch the relevant circular (including the respective letters of advice from the Regal Independent Board Committee and Investec in relation to the Transaction) to its shareholders on or before 20 July 2017.

INTRODUCTION

Reference is made to the announcement jointly issued by Century City, Paliburg and Regal dated 23 May 2017.

On 23 May 2017, P&R Holdings and the Manager (in its capacity as manager of Regal REIT) executed a letter of intent setting out the principal terms of the possible disposal of the entire issued share capital of Prosper Harvest and the Shareholder Loan by P&R Holdings to Regal REIT or its designated wholly-owned subsidiary.

On 29 June 2017, P&R Holdings and the Trustee (in its capacity as trustee of Regal REIT), among other parties, entered into the S&P Agreement pursuant to which the Trustee agreed to acquire the entire issued share capital of and the Shareholder Loan to Prosper Harvest for a consideration of HK\$1,360 million, plus a current assets adjustment as set out under the section headed “THE S&P AGREEMENT – Consideration” below.

THE S&P AGREEMENT

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

- Date: 29 June 2017
- Parties:
- 1. P&R Holdings (as vendor)
 - 2. Trustee, in its capacity as trustee and on behalf of Regal REIT (as purchaser)
 - 3. Manager, in its capacity as manager of Regal REIT
 - 4. Paliburg and Regal (as guarantors)

As at the date of this joint announcement, Century City (through its wholly-owned subsidiaries) holds approximately 62.3% of the issued share capital of Paliburg which (through its wholly-owned subsidiaries) in turn holds approximately 65.5% of the issued share capital of Regal which (through its wholly-owned subsidiaries) in turn holds approximately 74.6% of the issued units of Regal REIT. P&R Holdings is owned as to 50% by a wholly-owned subsidiary of Paliburg and 50% by a wholly-owned subsidiary of Regal.

- Assets to be acquired:
- 1. The entire issued share capital of Prosper Harvest
 - 2. The Shareholder Loan as at the date of Completion which amounted to approximately HK\$1,000 million as at the date of this joint announcement

As at the date of this joint announcement, Prosper Harvest is wholly owned by P&R Holdings and is a subsidiary of Century City and Paliburg. Upon Completion, Prosper Harvest will be wholly owned by Regal REIT (a listed subsidiary of Century City, Paliburg and Regal). As such, Prosper Harvest will become a subsidiary of Regal and will remain to be a subsidiary of Century City and Paliburg.

Consideration: HK\$1,360 million, plus an amount equivalent to the current assets (being the aggregate of all receivables, refundable utility and other deposits placed with

relevant authorities or suppliers in connection with the Hotel) of the Prosper Harvest Group as at Completion which shall be capped at HK\$2 million. As at 31 December 2016, the current assets of the Prosper Harvest Group amounted to approximately HK\$1.3 million, and apart from the Hotel and the current assets, the Prosper Harvest Group does not hold any other assets.

The consideration was determined after arm's-length negotiation between the parties taking into account, among others, the valuation of the Hotel of HK\$1,400 million as of 23 June 2017 as appraised by Colliers, the Shareholder Loan to be acquired by Regal REIT pursuant to the Transaction and that the Prosper Harvest Group shall not have any liabilities other than the Shareholder Loan at Completion, and the previous transactions involving the sale and purchase of the Prosper Harvest Group. The Century City Directors, the Paliburg Directors and the Regal Directors consider that the consideration and its basis are fair and reasonable.

Deposit and payment terms: Within one Business Day from the signing of the S&P Agreement, the Trustee shall pay the Deposit to P&R Holdings in cash.

The Deposit will not be deposited into an escrow account, and pursuant to the S&P Agreement, the Deposit may be used by P&R Holdings without restriction.

The Deposit (without accrued interest, if any) shall be refunded in full by P&R Holdings to the Trustee within ten Business Days after termination of the S&P Agreement in certain circumstances such as any of the conditions precedent set out below not being satisfied (or waived) on or before the Long Stop Date. The Guarantors have guaranteed the obligations of P&R Holdings pursuant to the S&P Agreement, and this would include the refund of such Deposit.

At Completion, the Deposit shall be applied on a dollar-for-dollar basis towards the Trustee's obligation to pay the total consideration for the Transaction. Payments of the Deposit and the remaining balance of the consideration will be financed by (a) existing and/or new bank facilities secured against the Hotel and/or other assets held by Regal REIT and/or (b) Regal REIT's internal resources.

Conditions precedent: Completion is conditional upon the satisfaction or waiver of the following conditions:

- (a) if applicable, Paliburg and Century City, obtaining its shareholders' approval of the transactions contemplated under the S&P Agreement, in a form satisfactory to the Trustee and the Manager and in accordance with their respective articles of association or bye-laws and the Listing Rules (as the case may be);
- (b) Regal obtaining the Regal Independent Shareholders' approval of the transactions contemplated under the S&P Agreement, in a form satisfactory

to the Trustee and the Manager and in accordance with its articles of association or bye-laws and the Listing Rules;

- (c) Regal REIT obtaining the independent Unitholders' approval of (i) the transactions contemplated under the S&P Agreement and other transactions contemplated under, associated with and/or related to the Transaction; and (ii) the Waiver Application, in accordance with the Trust Deed and REIT Code;
- (d) all necessary consents or waivers being granted by third parties (including any governmental or official authorities) in connection with the transactions contemplated under the S&P Agreement and no statute, regulation or decision which would prohibit, restrict or materially delay the sale and purchase of the entire issued share capital of Prosper Harvest, the assignment of the Shareholder Loan and/or the operation of the business activities of the Prosper Harvest Group by any member of the Prosper Harvest Group after Completion having been proposed, enacted or taken by any governmental or official authority;
- (e) the warranties remaining true and accurate and not misleading in any material respect at Completion and at all times between the date of the S&P Agreement and Completion;
- (f) each of P&R Holdings and the Guarantors having complied fully with obligations under the S&P Agreement and otherwise having performed in all material respects all of the covenants and agreements required to be performed by them under the S&P Agreement;
- (g) no compulsory acquisition or resumption of the Hotel and no notice of such intention received from any governmental authority; and
- (h) Regal REIT obtaining or procuring a new bank facility of an amount no less than HK\$500 million for the purposes of financing part of the consideration of the Transaction, on terms that the Manager considers to be reasonably satisfactory having regard to similar debt borrowings of similar size and nature in the current loan market in Hong Kong.

The Trustee may (acting on the recommendation and at the direction of the Manager) waive (in whole or in part) any of conditions precedent (e), (f) and (h) above (subject to the REIT Code, the Listing Rules and any other applicable laws or regulation). If any of the conditions have not been satisfied or waived prior to the Long Stop Date, then the Trustee (acting on the recommendation and at the direction of the Manager) may, at its option without any penalty, (a) postpone the date by which the conditions must be satisfied or waived to a later date (being a Business Day) falling not more than 10 Business Days after the original date; or (b) terminate the S&P Agreement (whereby the Deposit shall be refunded to the Trustee).

Completion: Within five Business Days of the satisfaction or waiver (as the case may be) of the aforesaid conditions precedent, the Trustee shall give a notice to P&R Holdings confirming that the Trustee is prepared to proceed with Completion. Completion shall take place on such date as may be agreed in writing between the Trustee and P&R Holdings following the giving of such notice, and in any event within 10 Business Days following the giving of such notice.

P&R Holdings shall procure that at Completion, all liabilities of the Prosper Harvest Group (other than the Shareholder Loan) shall be discharged and all shares in the capital of each member of the Prosper Harvest Group shall be released from all encumbrances, and all other security created by the Prosper Harvest Group for all previous or existing borrowings shall be released.

At Completion, the Trustee may nominate such person(s) as it may determine in its sole discretion to be the transferee of the entire issued share capital of Prosper Harvest or the assignee of the Shareholder Loan and to execute the relevant Transaction Documents as transferee or assignee (as the case may be) in the place of the Trustee.

Representations, warranties and indemnity: The S&P Agreement contains customary representations and warranties given by P&R Holdings and the Guarantors, including those in respect of P&R Holdings, the Prosper Harvest Group and the Hotel. These include, among others:

- (a) the Prosper Harvest Group shall not, at Completion, have any liabilities other than the Shareholder Loan that will also be acquired by the Trustee; and
- (b) the members of the Prosper Harvest Group shall, at Completion, have no other operations other than the ownership and the operation of the Hotel.

Pursuant to the S&P Agreement, P&R Holdings and the Guarantors (on a several basis in equal proportions) have undertaken to indemnify the Trustee, the Manager and the Prosper Harvest Group for any loss, damages, costs (including legal costs), expenses and other liabilities which, the Trustee, the Manager and/or the Prosper Harvest Group may incur or suffer as a result of any breach of the warranties.

The S&P Agreement also sets out limitations on the liability of P&R Holdings and the Guarantors in respect of any breach of warranties. The maximum aggregate liability of P&R Holdings and the Guarantors in respect of all claims for breach of warranties under the S&P Agreement shall not exceed the total consideration for the Transaction. The S&P Agreement provides for a limitation period of 3 years following Completion for all claims (other than claims relating to tax-related warranties in which case the limitation period is 7 years, and certain stamp duty-related claims for which there is no limitation period).

Guarantee: The obligations of P&R Holdings under the S&P Agreement are guaranteed by each of the Guarantors on a several basis in equal proportions.

Tax: P&R Holdings and the Guarantors will at Completion enter into a deed of tax indemnity in favour of the Trustee and the Prosper Harvest Group. Pursuant to the deed, P&R Holdings and the Guarantors (on a several basis in equal proportions) will covenant, undertake and agree with the Trustee and the Prosper Harvest Group that they will indemnify on demand the Trustee and the Prosper Harvest Group in respect of, among other things, any tax liability resulting from or by reference to any event occurring on or before Completion or in respect of any income, profits or gains earned, accrued or received by the Prosper Harvest Group on or before Completion. A claim can be made on or prior to the seventh anniversary of the deed, save for certain stamp duty-related claims for which there is no limitation period.

Lease Agreement

Upon Completion, the Lessee (a wholly-owned subsidiary of Regal) will lease the Hotel from Land Crown (which will become an indirect wholly-owned subsidiary of Regal REIT then). The lease will be for a term of 5 years commencing on the date of Completion and may be extended at Land Crown's sole discretion for a further term up to 31 December 2027.

Under the Lease Agreement, the annual rental payable by the Lessee to Land Crown amounts to HK\$54.4 million, HK\$57.8 million, HK\$61.2 million, HK\$64.6 million and HK\$68.0 million (representing 4.0%, 4.25%, 4.5%, 4.75% and 5.0% of the total consideration (excluding the current assets adjustment) for the Transaction) respectively for the first 5 years of the lease. If extended, the annual rent payable for such extended lease term will be determined based on a market rental review performed by an independent professional property valuer jointly appointed by the Lessee and Land Crown.

The Lessee will engage Regal Hotels International Limited, another wholly-owned subsidiary of Regal, to manage the Hotel.

Undertaking by P&R Holdings

Subject to the Lease Agreement becoming and remaining effective and the Lessee committing no default and breach under the Lease Agreement during the first 5 years of the lease term under the Lease Agreement (each a "**Lease Year**"), if at the end of each Lease Year there is any shortfall of the total cumulative net income derived by the Lessee from the Hotel (the "**Total Net Income**") below the total cumulative payments (including rent) under the Lease Agreement (the "**Total Payments**") (the "**Shortfall**"), P&R Holdings shall within 3 months from the end of each Lease Year reimburse such Shortfall or additional Shortfall (from the previous Lease Year end) to the Lessee during the first 5 years of the lease. If the Shortfall is reduced (from the previous Lease Year end), the Lessee shall refund an amount equal to such reduction to P&R Holdings. Such amount of reimbursement or refund, if any, shall be payable by P&R Holdings to the Lessee or by the Lessee to P&R Holdings (in case of refund) within 7 days after the receipt from the Lessee of a calculation schedule as certified by the directors of the Lessee (or certified by auditors if so requested by P&R Holdings), which shall be conclusive save for any manifest mistake.

INFORMATION ON PROSPER HARVEST AND THE HOTEL

Prosper Harvest was incorporated in the British Virgin Islands in May 2011. In February 2013, P&R Holdings acquired from a wholly-owned subsidiary of Regal the entire equity interest in and the then shareholder loan to Prosper Harvest at a consideration of approximately HK\$46.52 million. In December 2016, P&R Holdings disposed of a 50% equity interest in Prosper Harvest to Dragon Pier Investments Limited (“**Dragon Pier**”) for a consideration of approximately HK\$150.7 million and in May 2017, in order to facilitate the Transaction, P&R Holdings acquired 50% equity interest in Prosper Harvest from Dragon Pier at a consideration of approximately HK\$165.7 million. P&R Holdings’ total net payment for the Hotel (taking into account the aforesaid transactions involving Prosper Harvest) amounted to approximately HK\$875 million. The Prosper Harvest Group is engaged in the investment and development of the Hotel. Prosper Harvest is the sole owner of Leading Brand which in turn holds the entire issued share capital of Land Crown. Land Crown is the sole owner of the Land and the developer of the Hotel with the following key specifications:

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| Location: | No. 8 Ha Heung Road (formerly known as Nos. 8, 8A, 10, 10A, 12 and 12A, Ha Heung Road), Kowloon, Hong Kong |
| No. of guestrooms: | 340 |
| No. of storeys: | 22 storeys (including basement and ground floor) |
| Gross floor area: | Approximately 6,298 square metres |
| Covered floor area: | Approximately 9,490 square metres |
| Facilities: | Lounge, computer area and fitness area |

The occupation permit for the Hotel was issued by the Building Authority on 23 November 2016 and the Hotel Licence was issued on 17 May 2017. The Hotel commenced operation on 23 May 2017 under the “iclub by Regal (富薈酒店)” brand and is still in the soft-opening phase.

Prosper Harvest recorded consolidated net loss (both before and after tax) of approximately HK\$63,000 for the year ended 31 December 2015 and approximately HK\$136.3 million for the year ended 31 December 2016. As at 31 December 2016, Prosper Harvest had consolidated net liabilities of approximately HK137.3 million.

REASONS FOR THE TRANSACTIONS

Century City, through its subsidiaries, is principally engaged in property development and investment, construction and building related businesses, hotel ownership, hotel operation and management, asset management, aircraft ownership and leasing business and other investments including financial assets investments.

Paliburg is a listed subsidiary of Century City. Paliburg, through its subsidiaries, is principally engaged in property development and investment, construction and building related businesses, hotel

ownership, hotel operation and management, asset management, aircraft ownership and leasing business and other investments including financial assets investments.

Regal is a listed subsidiary of Century City and Paliburg. Regal, through its subsidiaries, is principally engaged in hotel ownership business undertaken through Regal REIT, hotel operation and management businesses, asset management of Regal REIT, property development and investment, including those undertaken through the joint venture in P&R Holdings and the interest in the retained houses in Regalia Bay in Stanley, aircraft ownership and leasing business and other investments including financial assets investments.

Regal REIT is a listed subsidiary of Century City, Paliburg and Regal. Regal REIT is a Hong Kong collective investment scheme authorised under section 104 of the SFO and its units have been listed on the Stock Exchange since 30 March 2007. Its principal activity is to own and invest in income-producing hotels, hospitality-related properties and other commercial properties with the objectives of producing stable and growing distributions to the unitholders of Regal REIT and to achieve long-term growth in the net asset value per unit of Regal REIT. The Manager is a wholly-owned subsidiary of Regal and is the manager of Regal REIT.

P&R Holdings is a 50-50 owned joint venture of Paliburg and Regal and a subsidiary of Century City and Paliburg. The P&R Group is principally engaged in the development of real estate projects for sale and/or leasing, the undertaking of related investment and financing activities, and the acquisition or making of any investments (directly or indirectly) in the financial assets of or interests in, or extending loans to, any private, public or listed corporations or undertakings that have interests in real estate projects or other financial activities where the underlying assets or security comprise real estate properties.

The Hotel's occupation permit and the Hotel Licence have been issued. It has commenced operations and is still in the soft-opening phase. Pursuant to the S&P Agreement, Regal REIT will acquire the entire equity interest in and the Shareholder's Loan to the Prosper Harvest Group which owns the Hotel at a consideration determined with reference to, among others, an independent valuation of the Hotel. After Completion, the Regal Group (through Regal REIT and the Prosper Harvest Group) will own the Hotel, and (through wholly-owned subsidiaries of Regal) will operate and manage the Hotel. The Regal Directors consider that the Transaction provides an opportunity for the Regal Group (through Regal REIT) to consolidate its interest in the Hotel which will be operated and managed by the Regal Group.

Regal REIT will finance the payment of the consideration for the Transaction by among others existing and/or new bank facilities secured against the Hotel and/or other assets held by Regal REIT. The Century City Group and the Paliburg Group intend to use the proceeds arising from the Transaction for working capital purposes. Given that Prosper Harvest will remain to be a subsidiary of Century City and Paliburg after Completion, no gain or loss arising from the Transaction is expected to be reported by Century City and Paliburg.

The Century City Directors (including the independent non-executive directors) consider that the terms of the Transaction are fair and reasonable and in the interests of Century City and its shareholders as a whole.

The Paliburg Directors (including the independent non-executive directors) consider that the terms of the Transaction are fair and reasonable and in the interests of Paliburg and its shareholders as a whole.

The Regal Directors (excluding the independent non-executive directors forming part of the Regal Independent Board Committee which will express their opinion after taking into consideration the advice of Investec) consider that the terms of the Transaction are fair and reasonable and in the interests of Regal and its shareholders as a whole.

Mr. LO Yuk Sui, Miss LO Po Man, Mr. Donald FAN Tung, Mr. Jimmy LO Chun To and Mr. Kenneth NG Kwai Kai (all being executive directors of Regal) are executive directors of Century City and Paliburg, while Mr. NG Siu Chan and Mr. WONG Chi Keung (both being independent non-executive directors of Regal) are independent non-executive directors of Century City and Paliburg. All of these directors have abstained from voting on the relevant board resolution of Regal relating to the Transaction.

LISTING RULES IMPLICATIONS

Based on the applicable percentage ratios, the Transaction constitutes a disclosable transaction for each of Century City, Paliburg and Regal under Chapter 14 of the Listing Rules. In addition, the Transaction constitutes a connected transaction for Regal subject to Regal Independent Shareholders' approval under Chapter 14A of the Listing Rules.

Regal will convene a special general meeting to seek the Regal Independent Shareholders' approval for the Transaction. Mr. LO Yuk Sui, Century City, Paliburg, Cosmopolitan and their respective associates in aggregate holding approximately 68.2% of the issued share capital of Regal as at the date of this joint announcement, will abstain from voting at the special general meeting. Apart from Mr. LO Yuk Sui, Century City, Paliburg, Cosmopolitan and their respective associates, as at the date of this joint announcement, no other shareholders of Regal have a material interest in the Transaction (other than their interests as shareholders of Regal). Regal has established the Regal Independent Board Committee and appointed Investec as the independent financial adviser to advise the Regal Independent Board Committee and the Regal Independent Shareholders in this regard. Regal will despatch the relevant circular (including the respective letters of advice from the Regal Independent Board Committee and Investec) to its shareholders on or before 20 July 2017.

DEFINITIONS

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| “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 |
| “Capital Merit” | Capital Merit Investments Limited, a wholly-owned subsidiary of Paliburg |
| “Century City” | Century City International Holdings Limited, a company incorporated in Bermuda and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (Stock Code: 355) |

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| “Century City Directors” | the directors of Century City |
| “Century City Group” | Century City and its subsidiaries |
| “Colliers” | Colliers International (Hong Kong) Limited, the independent property valuer in respect of the Hotel |
| “Completion” | completion of the S&P Agreement |
| “Cosmopolitan” | Cosmopolitan International Holdings Limited, a company incorporated in the Cayman Islands and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (Stock Code: 120) |
| “Deposit” | a deposit of HK\$200 million to be paid by the Trustee to P&R Holdings under the S&P Agreement |
| “Guarantors” | Paliburg and Regal |
| “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” | iclub Ma Tau Wai Hotel, a hotel developed and erected on the Land |
| “Hotel Licence” | the hotel licence 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) |
| “Investec” | Investec Capital Asia Limited, a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed to advise the Regal Independent Board Committee and the Regal Independent Shareholders on the Transaction |
| “Land” | a parcel of land located at No. 8 Ha Heung Road (formerly known as Nos. 8, 8A, 10, 10A, 12 and 12A, Ha Heung Road), To Kwa Wan, Kowloon |

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| “Land Crown” | Land Crown International Limited, the direct wholly-owned subsidiary of Leading Brand and the sole legal and beneficial owner of the Land |
| “Leading Brand” | Leading Brand Holdings Limited, the direct wholly-owned subsidiary of Prosper Harvest |
| “Lease Agreement” | the lease agreement to be entered into between the Lessee (as lessee) and Land Crown (as lessor) in respect of the lease of the Hotel upon Completion |
| “Lessee” | Favour Link International Limited (a wholly-owned subsidiary of Regal) |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Long Stop Date” | 30 September 2017 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) |
| “Manager” | Regal Portfolio Management Limited, the manager of Regal REIT and a wholly-owned subsidiary of Regal |
| “Paliburg” | Paliburg Holdings Limited, a company incorporated in Bermuda and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (Stock Code: 617) |
| “Paliburg Directors” | the directors of Paliburg |
| “Paliburg Group” | Paliburg and its subsidiaries |
| “percentage ratios” | the percentage ratios calculated based on the requirements under Rule 14.07 of the Listing Rules |
| “Prosper Harvest” | Prosper Harvest Investments Limited |
| “Prosper Harvest Group” | Prosper Harvest and its subsidiaries |
| “P&R Group” | P&R Holdings and its subsidiaries |
| “P&R Holdings” | P&R Holdings Limited, a joint venture established and owned by Capital Merit and RHIL as to 50% and 50% respectively |

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| “Regal” | Regal Hotels International Holdings Limited, a company incorporated in Bermuda and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (Stock Code: 78) |
| “Regal Directors” | the directors of Regal |
| “Regal Group” | Regal and its subsidiaries |
| “Regal Independent Board Committee” | the independent board committee of Regal, comprising Ms. Alice KAN Lai Kuen and Professor Japhet Sebastian LAW (both being independent non-executive directors of Regal), established to advise the Regal Independent Shareholders on the Transaction |
| “Regal Independent Shareholders” | Regal Shareholders other than Mr. LO Yuk Sui, Century City, Paliburg, Cosmopolitan and their respective associates (as defined in the Listing Rules) |
| “Regal REIT” | Regal Real Estate Investment Trust, a Hong Kong collective investment scheme authorised under section 104 of the SFO, the issued units of which are listed on the Main Board of the Stock Exchange (Stock Code: 1881) |
| “Regal Shareholders” | holders of ordinary shares of par value HK\$0.10 each in the capital of Regal |
| “REIT Code” | the Code on Real Estate Investment Trusts published by the SFC (as amended from time to time) |
| “RHIL” | Regal Hotels Investments Limited, a wholly-owned subsidiary of Regal |
| “SFC” | the Securities and Futures Commission |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Shareholder Loan” | all amounts due (including principal, interests and other sums (if any)), owing or payable by the Prosper Harvest Group to P&R Holdings |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “S&P Agreement” | the sale and purchase agreement dated 29 June 2017 entered into between the Manager, the Trustee, P&R Holdings, Paliburg and Regal in respect of the Transaction |

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| “Transaction” | (a) the acquisition by the Trustee (acting on the recommendation and the instructions of the Manager) (or its nominee) of the entire issued share capital of Prosper Harvest; and (b) the assignment of the Shareholder Loan to the Trustee (or its nominee), on the terms and subject to the conditions of the S&P Agreement |
| “Transaction Documents” | collectively, (1) the S&P Agreement; (2) the loan assignment of the Shareholder Loan; (3) the deed of tax indemnity to be given by P&R Holdings and the Guarantors in relation to the Transaction; (4) the Lease Agreement; (5) the lease guarantee to be given by Regal in relation to the Lease Agreement; (6) the hotel management agreement in respect of the management of the Hotel; and (7) all agreements to be entered into by any party or their associated companies pursuant to, or referred to in any of the foregoing |
| “Trust Deed” | the trust deed dated 11 December 2006 constituting Regal REIT entered into between the Trustee and the Manager, as the same may be amended or supplemented from time to time |
| “Trustee” | DB Trustees (Hong Kong) Limited, in its capacity as trustee of Regal REIT |
| “Unitholders” | holders of the units of Regal REIT from time to time |
| “Waiver Application” | the waiver application from strict compliance with certain requirements under Chapter 8 of the REIT Code in respect of certain continuing connected transactions contemplated in relation to the Hotel |

By Order of the Board
**Century City International
Holdings Limited**
Eliza Lam Sau Fun
Secretary

By Order of the Board
Paliburg Holdings Limited
Eliza Lam Sau Fun
Secretary

By Order of the Board
**Regal Hotels International
Holdings Limited**
Eliza Lam Sau Fun
Secretary

Hong Kong, 29 June 2017

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

Executive directors:

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

Independent non-executive directors:

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

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

Executive directors:

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

Independent non-executive directors:

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

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

Executive directors:

Mr. LO Yuk Sui
(Chairman and Chief Executive Officer)
Miss LO Po Man
(Vice Chairman and Managing Director)
Ms. Belinda YEUNG Bik Yiu
(Chief Operating Officer)
Mr. Donald FAN Tung
Mr. Jimmy LO Chun To
Mr. Kenneth NG Kwai Kai
Mr. Allen WAN Tze Wai

Non-executive director:

Dr. Francis CHOI Chee Ming, GBS, JP
(Vice Chairman)

Independent non-executive directors:

Ms. Alice KAN Lai Kuen
Professor Japhet Sebastian LAW
Mr. NG Siu Chan
Mr. WONG Chi Keung