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**DISCLOSEABLE  
TRANSACTION**

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**ENTERING INTO OF THE S&P AGREEMENT  
INVOLVING ACQUISITION OF A PROPERTY IN LONDON, THE UNITED KINGDOM**

**THE S&P AGREEMENT**

On 10 April 2019 (after trading hours), the Buyer (a wholly-owned subsidiary of Regal), the Seller and the Target Company entered into the S&P Agreement, pursuant to which (i) the Buyer agreed to buy and the Seller agreed to sell the Target Shares free from encumbrances at the Share Consideration; and (ii) the Buyer will, on Completion, pay the Discharge Sum (in the form of intercompany loan to be provided by the Buyer to the Target Company) to discharge the Debts in full.

The Share Consideration shall be an amount equal to GBP22 million (equivalent to approximately HK\$226.9 million) plus (a) the amount of freely available cash of the Target Company at Completion of not more than GBP500,000 (equivalent to approximately HK\$5,158,000) and less (b) the Discharge Sum and (c) if the amount of the Debts exceeds the Discharge Sum by greater than GBP1 million (equivalent to approximately HK\$10.3 million), 19% of the excess. The Transaction Consideration for the Acquisition (which comprises the Share Consideration and the Discharge Sum) shall not exceed GBP22.5 million (equivalent to approximately HK\$232.1 million).

The principal asset of the Target Company is the Property which is located in London, the United Kingdom. The Regal Group proposes to develop and renovate the Property as a hotel after Completion. Immediately after Completion, the Target Company will become a wholly-owned subsidiary of Regal and a subsidiary of each of Century City and Paliburg, and the Target Company will be cleared of the Debts and liabilities of any kind, save for the intercompany loan equivalent to the Discharge Sum owing by the Target Company to the Buyer.

**LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios exceeds 5% but all of them are below 25%, the Acquisition constitutes a disclosable transaction for each of Century City, Paliburg and Regal under Chapter 14 of the Listing Rules and is subject to announcement requirement.

**INTRODUCTION**

On 10 April 2019 (after trading hours), the Buyer (a wholly-owned subsidiary of Regal), the Seller and the Target Company entered into the S&P Agreement, pursuant to which (i) the Buyer agreed to buy and the Seller agreed to sell the Target Shares free from encumbrances at the Share Consideration; and (ii) the Buyer will, on Completion, pay the Discharge Sum (in the form of intercompany loan to be provided by the Buyer to the Target Company) to discharge the Debts in full.

The principal asset of the Target Company is the Property which is located in London, the United Kingdom. The Regal Group proposes to develop and renovate the Property as a hotel after Completion.

**THE S&P AGREEMENT**

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

Date:	10 April 2019
Parties:	<p>1. Full Season International Limited (a wholly-owned subsidiary of Regal) (as the Buyer)</p> <p>2. a European individual investor (as the Seller)</p> <p>3. Ministerium Capital S.A. (the Target Company)</p> <p>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 66.6% of the issued share capital of Regal. The Buyer is an investment holding company wholly-owned by Regal.</p> <p>The Seller is a European individual investor who is the sole legal and beneficial owner of the entire issued share capital of the Target Company, the principal asset of which is the Property located in London, the United Kingdom.</p> <p>To the best of the Century City Directors', the Paliburg Directors' and the Regal Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Seller and the Target Company is a third party independent of Century City, Paliburg, Regal and their respective connected persons (as defined in the Listing Rules).</p>

<p>Assets to be acquired:</p>	<p>the Property (through the purchase of the Target Shares and the payment of the Discharge Sum)</p> <p>Upon Completion, the Target Company will be wholly owned by the Buyer and is therefore a wholly-owned subsidiary of Regal and a subsidiary of each of Century City and Paliburg.</p> <p>The Property is free from any leases and tenancies. At Completion, the Seller will deliver vacant possession of the Property to the Buyer.</p>
<p>Consideration:</p>	<p>The Buyer will pay the Transaction Consideration for the Acquisition (which comprises the Share Consideration and the Discharge Sum). The Transaction Consideration shall not exceed GBP22.5 million (equivalent to approximately HK\$232.1 million).</p> <p>The Share Consideration shall be an amount equal to GBP22 million (equivalent to approximately HK\$226.9 million) plus (a) the amount of freely available cash of the Target Company at Completion of not more than GBP500,000 (equivalent to approximately HK\$5,158,000) and less (b) the Discharge Sum and (c) if the amount of the Debts exceeds the Discharge Sum by greater than GBP1 million (equivalent to approximately HK\$10.3 million), 19% of the excess.</p> <p>The Transaction Consideration for the Acquisition payable by the Buyer was determined after arm's-length negotiation between the parties taking into account, among others, the value of the Property with reference to its location and specification and the market conditions regarding the hotel and tourism industry in London, the United Kingdom. The Century City Directors, the Paliburg Directors and the Regal Directors consider that the Transaction Consideration and the basis of its determination are fair and reasonable.</p>
<p>Deposit and payment terms:</p>	<p>Upon the execution of the S&amp;P Agreement by the parties, the Buyer paid the Deposit of GBP2.2 million (equivalent to approximately HK\$22.7 million) to the Seller's solicitors as stakeholder pending Completion. The balance of the Transaction Consideration will be paid by the Buyer in cash on Completion.</p> <p>The Deposit shall be refunded in full together with accrued interest thereon (if any) by the Seller to the Buyer in case of termination of the S&amp;P Agreement by the Buyer as set out in the section headed "Rescission" below in accordance with the S&amp;P Agreement.</p>

Rescission:	<p>At any time before Completion, the Buyer is entitled to rescind the S&amp;P Agreement by written notice to the Seller upon occurrence of certain events stipulated in the S&amp;P Agreement including, among other things,</p> <p>(a) in case any new entry is proposed or made on the title of the Property deduced to the Buyer of which the Seller cannot procure the removal before or with effect from Completion;</p> <p>(b) in case the Seller grants any rights of occupation in respect of the Property that cannot be terminated on Completion with immediate effect unless the Buyer has agreed in writing to the grant of any such right;</p> <p>(c) in case any damage to or destruction of all or part of the Property (compared with its condition at the date of the S&amp;P Agreement) as would cause, in the reasonable opinion of the Buyer, any mortgagee to refuse to accept the Property as security for the funds it would otherwise intend to advance, occurs;</p> <p>(d) in case there is material breach of warranties by the Seller;</p> <p>(e) in case the Seller is in breach of any of its obligations under the S&amp;P Agreement; or</p> <p>(f) in case any material or substantial adverse change occurs in the financial, business and/or legal prospects of the Target Company or the Property.</p>
Completion:	<p>Completion is expected to take place on 30 April 2019 (or such other date as may be agreed by the parties).</p> <p>Immediately after Completion, the Target Company will become a wholly-owned subsidiary of Regal and a subsidiary of each of Century City and Paliburg, and the Target Company will be cleared of the Debts and liabilities of any kind, save for the intercompany loan equivalent to the Discharge Sum owing by the Target Company to the Buyer.</p>

## INFORMATION ON THE TARGET COMPANY AND THE PROPERTY

The Target Company was incorporated in Luxembourg in June 2014. To the best of the knowledge of the Century City Directors, the Paliburg Directors and the Regal Directors, the Target Company is a special purpose vehicle holding the Property. The Target Company is the sole legal and beneficial owner of the Property. Based on the information available to the Buyer, further particulars of the Property are set out below:

Location:	41 Kingsway, London WC2B 6TP, the United Kingdom
Site area:	Approximately 250 square metres
Gross floor area:	Approximately 2,150 square metres
No. of storeys:	9 storeys (including basement and ground floor)
Use:	The Property was previously an office building for rental purposes. The Regal Group intends to develop and renovate the Property as a hotel.
Occupation:	Vacant

Based on the information available to the Buyer, the Target Company recorded net loss before tax of approximately EUR51,000 (equivalent to approximately HK\$459,000) and net loss after tax of approximately EUR54,000 (equivalent to approximately HK\$479,000) for the year ended 31 December 2017 and recorded net loss before tax of approximately EUR512,000 (equivalent to approximately HK\$4,578,000) and net loss after tax of approximately EUR608,000 (equivalent to approximately HK\$5,439,000) for the year ended 31 December 2018. As at 31 December 2018, the book value of the Property was approximately EUR20.6 million (equivalent to approximately HK\$184.2 million) and the Target Company had net liabilities of approximately EUR2.6 million (equivalent to approximately HK\$23.4 million).

## **REASONS FOR THE TRANSACTION**

The 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.

The 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.

The Regal Group 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 Limited, aircraft ownership and leasing business and other investments including financial assets investments.

The Property is an existing building located in London, the United Kingdom. After Completion, the Regal Group intends to implement the existing relevant planning permission(s) to develop and renovate the Property as a hotel. The Acquisition (if materialises) allows the Regal Group to capture the potential of the property market in a prime location in London, the United Kingdom, and to diversify

its property investment portfolio geographically into the hotel development sector in London, the United Kingdom.

The terms of the S&P Agreement were agreed between the parties after commercial negotiations at arm's length. The Transaction Consideration payable by the Buyer was agreed after taking into account the value of the Property with reference to its location and specification and the market conditions regarding the hotel and tourism industry in London, the United Kingdom.

The Transaction Consideration of the Acquisition will be funded by the internal cash resources of the Regal Group.

The Buyer is considering to carry out a renovation project in respect of the Property through the establishment of a joint venture with a local joint venture partner who may own a minority interest in the joint venture. Discussions with the potential joint venture partner are undergoing but no formal agreement has been reached as at the date of this joint announcement. Further announcement will be made in respect of this potential joint venture where required by the Listing Rules.

The Century City Directors consider that the terms of the Acquisition are fair and reasonable and in the interests of Century City and its shareholders as a whole.

The Paliburg Directors consider that the terms of the Acquisition are fair and reasonable and in the interests of Paliburg and its shareholders as a whole.

The Regal Directors consider that the terms of the Acquisition are fair and reasonable and in the interests of Regal and its shareholders as a whole.

**LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios exceeds 5% but all of them are below 25%, the Acquisition constitutes a disclosable transaction for each of Century City, Paliburg and Regal under Chapter 14 of the Listing Rules and is subject to announcement requirement.

**DEFINITIONS**

“Acquisition”	the acquisition by the Buyer of the Property through the purchase of the Target Shares and the payment of the Discharge Sum, on the terms and subject to the conditions of the S&P Agreement
“Buyer”	Full Season International Limited, a wholly-owned subsidiary of Regal
“Century City”	Century City International Holdings Limited, a company incorporated in Bermuda and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (Stock Code: 355)

“Century City Directors”	the directors of Century City
“Century City Group”	Century City and its subsidiaries
“Completion”	completion of the S&P Agreement
“Deposit”	a deposit of GBP2.2 million (equivalent to approximately HK\$22.7 million) paid by the Buyer to the Seller’s solicitors as stakeholder upon execution of the S&P Agreement by the parties
“Debts”	the total outstanding debts (including principal and interest) of the Target Company as at Completion of approximately GBP18.4 million (equivalent to approximately HK\$189.6 million) as set out in the S&P Agreement
“Discharge Sum”	the actual redemption amount (in the form of intercompany loan to be provided by the Buyer to the Target Company) to discharge the Debts in full on Completion
“EUR”	Euro, the lawful currency of European Union
“GBP”	British Pound Sterling, the lawful currency of the United Kingdom
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Property”	freehold land and premises known as Waterman House, 41 Kingsway, London WC2B 6TP, the United Kingdom

“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 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) and whose issued units are listed on the Main Board of the Stock Exchange (Stock Code: 1881)
“Seller”	a European individual investor, the sole legal and beneficial owner of the Target Shares
“Share Consideration”	the consideration for the purchase of the Target Shares pursuant to the S&P Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“S&P Agreement”	the sale and purchase agreement dated 10 April 2019 entered into between the Buyer, the Seller and the Target Company in respect of the Acquisition
“Target Company”	Ministerium Capital S.A., the sole legal and beneficial owner of the Property
“Target Shares”	the entire issued share capital of the Target Company
“Transaction Consideration”	the total consideration payable by the Buyer for the Acquisition, being the aggregate amount of the Share Consideration and the Discharge Sum

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, 10 April 2019

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  
Ms. Winnie NG, JP  
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  
Ms. Winnie NG, JP  
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  
Ms. Winnie NG, JP  
Mr. WONG Chi Keung