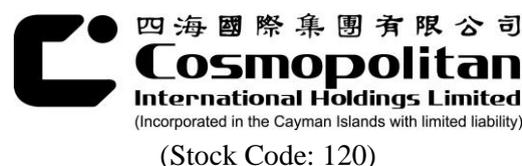


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RH International Finance Limited
(Incorporated in the British Virgin Islands with limited liability)
(Stock Code: 5425 & 5687)

INSIDE INFORMATION

Legal proceedings
initiated by Chengdu Fuhui Company Limited* (a wholly-owned subsidiary of
Cosmopolitan International Holdings Limited)
in respect of
the Deposit, the Loan Facility and the Second Loan Facility
in relation to
the Possible JV Investment

This joint announcement is made by Cosmopolitan, together with Century City, Paliburg, Regal and RH International (collectively, the “**Companies**”) of which Cosmopolitan is a subsidiary or a fellow subsidiary, pursuant to 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. Background

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

As disclosed in the Deposit and Loans Announcements and the Circular:-

- (a) Cosmopolitan Subsidiary paid the Deposit in a total sum of RMB170,000,000 in respect of the Possible JV Investment in the Target Company pursuant to the Deposit Agreement;
- (b) Cosmopolitan Subsidiary (as lender) granted to the Target Company (as borrower) a RMB100,000,000 secured loan facility pursuant to the Loan Agreement; and
- (c) Cosmopolitan Subsidiary (as lender) granted to the Target Company (as borrower) a RMB50,000,000 secured loan facility pursuant to the Second Loan Agreement.

II. Commencement of legal proceedings

On 16 January 2020, three 民事起訴狀 (Civil Complaints*) lodged by Cosmopolitan Subsidiary as plaintiff against certain defendants, including the Target Company and Mr. Huang, on the ground of certain breaches relating to (i) the Deposit Agreement, (ii) the Loan Agreement and (iii) the Second Loan Agreement, have been formally accepted by Chengdu Intermediate Court of Sichuan Province* (四川省成都市中級人民法院).

Reference is also made to the joint announcement dated 2 January 2020 and issued by Century City, Paliburg, Regal, RH International and Cosmopolitan in relation to, among others, the entering into of the CIDL Disposal Agreement for the proposed disposal of the Subject Assets by CIDL Seller (a wholly-owned subsidiary of Cosmopolitan). The CIDL Disposal Agreement is legally binding upon both CIDL Seller and CIDL Purchaser. Completion of the CIDL Disposal Agreement is only conditional upon the approval of the independent shareholders of Cosmopolitan in general meeting. CIDL Seller has disclosed in the CIDL Disposal Agreement these potential legal proceedings and accepted by the CIDL Purchaser. CIDL Seller has agreed to reimburse costs and expenses incurred by Cosmopolitan Subsidiary of up to HK\$5,000,000 in relation to Cosmopolitan Subsidiary's enforcement of its rights under the Deposit Agreement, the Loan Agreement and the Second Loan Agreement for a period of thirty-six (36) months after the completion of the CIDL Disposal Agreement. Upon completion of the CIDL Disposal Agreement, CIDL and its subsidiaries (excluding Beijing Fuli) will cease to be subsidiaries of Cosmopolitan. Accordingly, the results of the legal proceedings as disclosed herein will have no impact on the financial position or results of the Cosmopolitan Group upon completion of the CIDL Disposal Agreement.

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE RESPECTIVE COMPANIES ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE RESPECTIVE COMPANIES, RESPECTIVELY.

I. Background

Reference is made to the Deposit and Loans Announcements and the Circular. As disclosed in the Deposit and Loans Announcements and the Circular:-

- (a) Cosmopolitan Subsidiary paid the Deposit in a total sum of RMB170,000,000 in respect of the Possible JV Investment in the Target Company pursuant to the Deposit Agreement;

- (b) Cosmopolitan Subsidiary (as lender) granted to the Target Company (as borrower) a RMB100,000,000 secured loan facility pursuant to the Loan Agreement; and
- (c) Cosmopolitan Subsidiary (as lender) granted to the Target Company (as borrower) a RMB50,000,000 secured loan facility pursuant to the Second Loan Agreement.

II. Commencement of legal proceedings

On 16 January 2020, three 民事起訴狀 (Civil Complaints*) lodged by Cosmopolitan Subsidiary as plaintiff against certain defendants, including but not limited to, the Target Company and Mr. Huang, on the ground of certain breaches relating to (i) the Deposit Agreement, (ii) the Loan Agreement and (iii) the Second Loan Agreement, have been formally accepted by Chengdu Intermediate Court of Sichuan Province* (四川省成都市中級人民法院).

The three “Civil Complaints” are summarised as follows:

A. Civil Complaint in relation to the Deposit Agreement

Plaintiff	Cosmopolitan Subsidiary
Defendants	(i) the Target Company; (ii) Mr. Huang; and (iii) fourteen (14) defendants who are associates of the Target Company and Mr. Huang and/or guarantors of the Deposit Agreement
Material alleged breaches	Breach of undertakings given by the Target Company and Mr. Huang to Cosmopolitan Subsidiary.
Material reliefs sought by the plaintiff	<ul style="list-style-type: none"> (i) Payment of RMB 340 million, representing the refund of the paid Deposit of RMB 170 million plus the additional amount of RMB 170 million in accordance with the terms of the Deposit Agreement; (ii) Enforcement of the security in respect of the Deposit Agreement; and (iii) Recovery of costs.

B. Civil Complaint in relation to the Loan Agreement

Plaintiff	Cosmopolitan Subsidiary
Defendants	(i) the Target Company; (ii) Mr. Huang; and (iii) fourteen (14) defendants who are associates of the Target Company and Mr. Huang and guarantors of the Loan Agreement

Material alleged breaches	The Target Company, as borrower, failed to repay the principal of the Loan Facility and pay the accrued interest due on 20 November 2018
Material reliefs sought by the plaintiff	<ul style="list-style-type: none"> (i) Payment of the principal of the Loan Facility of RMB 100 million plus total interest accrued on the Loan Facility up to the actual date of repayment. The total interest accrued up to 31 December 2019 was RMB 30.6 million; (ii) Enforcement of the security in respect of the Loan Agreement; and (iii) Recovery of costs.

C. Civil Complaint in relation to the Second Loan Agreement

Plaintiff	Cosmopolitan Subsidiary
Defendants	(i) the Target Company; (ii) Mr. Huang; and (iii) ten (10) defendants who are associates of Target Company and Mr. Huang and/or guarantors of the Second Loan Agreement
Material alleged breaches	the Target Company, as borrower, failed to repay the principal of the Second Loan Facility and pay the accrued interest due on 20 November 2018
Material reliefs sought by the plaintiff	<ul style="list-style-type: none"> (i) Payment of the principal of the Second Loan Facility of RMB 50 million plus total interest accrued on the Second Loan Facility up to the actual date of repayment. The total interest accrued up to 31 December 2019 was RMB 15.4 million; (ii) Enforcement of the security in respect of the Second Loan Agreement; and (iii) Recovery of costs.

D. JUDGMENT OR ADJUDICATION

As at the date of this joint announcement, the trial for the Civil Complaints has not yet commenced.

E. LATEST DEVELOPMENT AND POSSIBLE EFFECTS

As set out in the 2019 interim report of Cosmopolitan, the aggregate book value of the Deposit, the Loan Facility and the Second Loan Facility (together with the interest accrued) was approximately RMB 360.7 million (before tax provision). The total amount of the claims under the Civil Complaints is more than their aggregate book value as at 30 June 2019.

Cosmopolitan Subsidiary has ceased negotiation in respect of the Possible JV Investment and it is presently in the process of conducting settlement negotiation with the defendants of the Civil Complaints with a view to reaching a settlement proposal before the commencement of the trials for the Civil Complaints.

At this stage, the outcome of the settlement negotiation and the Civil Complaints is yet to be evaluated. The Cosmopolitan Directors will continue to monitor the progress of the settlement negotiation and the Civil Complaints and will make timely disclosures as and when required under the Listing Rules or other relevant laws.

Cosmopolitan further noted that 遠成集團遂寧西部物流有限公司 (Yuancheng Group Suining Xibu Logistics Company Limited*) has applied to 四川省遂寧市船山區人民法院 (Chuanshan District of Suining People's Court of Sichuan Province*) for a scheme of arrangement with its creditors and such application has been accepted by the aforesaid court and a manager has been appointed by the aforesaid court. The entire equity of 遠成集團遂寧西部物流有限公司 (Yuancheng Group Suining Xibu Logistics Company Limited*) has been pledged in favour of Cosmopolitan Subsidiary as security for the Deposit, the Loan Facility and the Second Loan Facility under the Deposit Agreement, the Loan Agreement and the Second Loan Agreement.

Reference is also made to the joint announcement dated 2 January 2020 and issued by Century City, Paliburg, Regal, RH International and Cosmopolitan in relation to, among others, the entering into of the CIDL Disposal Agreement for the proposed disposal of the Subject Assets by CIDL Seller (a wholly-owned subsidiary of Cosmopolitan). The CIDL Disposal Agreement is legally binding upon both CIDL Seller and CIDL Purchaser. Completion of the CIDL Disposal Agreement is only conditional upon the approval of the independent shareholders of Cosmopolitan in general meeting. CIDL Seller has disclosed in the CIDL Disposal Agreement these potential legal proceedings and accepted by the CIDL Purchaser. CIDL Seller has agreed to reimburse costs and expenses incurred by Cosmopolitan Subsidiary of up to HK\$5,000,000 in relation to Cosmopolitan Subsidiary's enforcement of its rights under the Deposit Agreement, the Loan Agreement and the Second Loan Agreement for a period of thirty-six (36) months after the completion of the CIDL Disposal Agreement. Upon completion of the CIDL Disposal Agreement, CIDL and its subsidiaries (excluding Beijing Fuli) will cease to be subsidiaries of Cosmopolitan. Accordingly, the results of the legal proceedings as disclosed herein will have no impact on the financial position or results of the Cosmopolitan Group upon completion of the CIDL Disposal Agreement.

III. GENERAL

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 Holdings Limited, aircraft ownership and leasing business and other investments including financial assets investments.

Cosmopolitan is a listed subsidiary of Paliburg and, through Paliburg, of Century City. 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.

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE RESPECTIVE COMPANIES ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE RESPECTIVE COMPANIES, RESPECTIVELY.

IV. DEFINITIONS

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

“Beijing Fuli”	北京富利投资管理有限公司 (Beijing Fuli Investment Management Company Limited*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of CIDL
“Century City”	Century City International Holdings Limited, a company incorporated in Bermuda with limited liability, 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
“CIDL”	Cosmopolitan International Development Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of CIDL Seller as at the date of this joint announcement
“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 Subject Assets
“CIDL Purchaser”	Fortis Fund IV Limited, a company incorporated in the Cayman Islands
“CIDL Seller”	Groupsource Investments Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Cosmopolitan

“Cosmopolitan”	Cosmopolitan International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, 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 Subsidiary”	成都富薈實業有限公司 (Chengdu Fuhui Company Limited*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of Cosmopolitan
“Deposit”	the deposit in the total sum of RMB170,000,000 paid by Cosmopolitan Subsidiary pursuant to the Deposit Agreement
“Deposit Agreement”	the agreement dated 16 August 2018 entered into between Cosmopolitan Subsidiary, Mr. Huang and the Target Company in relation to the payment of the Deposit for the Possible JV Investment, as amended and supplemented by the Deposit (Supplemental) Agreement
“Deposit (Supplemental) Agreement”	the agreement dated 31 August 2018 entered into between Cosmopolitan Subsidiary, Mr. Huang and the Target Company to amend and supplement the Deposit Agreement
“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
“Loan Agreement”	the loan agreement dated 31 August 2018 entered into between Cosmopolitan Subsidiary (as the lender) and the Target Company (as the borrower) in relation to the provision of the Loan Facility, as amended and supplemented by the Loan Facility Amendment Agreement
“Loan Facility”	the secured term loan facility of RMB100,000,000 granted by Cosmopolitan Subsidiary (as the lender) to the Target Company (as the borrower) pursuant to the Loan Agreement
“Loan Facility Amendment Agreement”	the agreement dated 30 September 2018 entered into between Cosmopolitan Subsidiary (as the lender) and the Target Company (as the borrower) to amend and supplement the Loan Agreement

“Mr. Huang”	黃遠成 (Huang Yuan Cheng*), a citizen of PRC and the controlling shareholder of the Target Company
“Paliburg”	Paliburg Holdings Limited, a company incorporated in Bermuda with limited liability, 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
“Possible JV Investment”	a possible acquisition of a majority stake in the Target Company (or directly or indirectly in the relevant parent companies of the Target Company) or the major businesses of the Target Company by Cosmopolitan Subsidiary
“PRC”	The People's Republic of China, which will, for the purpose of this joint announcement, exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Regal”	Regal Hotels International Holdings Limited, a company incorporated in Bermuda with limited liability, 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 which is a wholly-owned subsidiary of Regal and incorporated in the British Virgin Islands, 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 Loan Agreement”	the loan agreement dated 20 September 2018 entered into between Cosmopolitan Subsidiary (as the lender) and the Target Company (as the borrower) in relation to the provision of Second Loan Facility

“Second Loan Facility”	the secured term loan facility of RMB50,000,000 granted by Cosmopolitan Subsidiary (as the lender) to Target Company (as the borrower) pursuant to the Second Loan Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Assets”	the entire issued shares of CIDL and all the shareholders loan(s) owing by CIDL to CIDL Seller
“Target Company”	遠成物流股份有限公司 (Yuancheng Logistics Company Limited*), a company incorporated in the PRC with limited liability

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
Paliburg 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
**Cosmopolitan 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

Hong Kong, 16 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

* Translations or transliterations are for reference only