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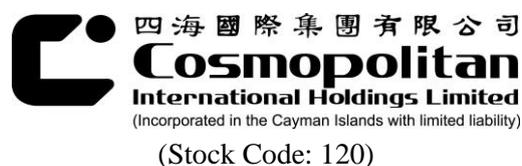
**DISCLOSEABLE TRANSACTION**



**DISCLOSEABLE TRANSACTION**



**CONNECTED TRANSACTION**



### **RH International Finance Limited**

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

## **(A) NOTIFIABLE AND CONNECTED TRANSACTIONS**

**Agreements**  
**in relation to the transfer of certain shares in**  
**Cosmopolitan International Holdings Limited**  
**and**  
**Beijing Sports and Entertainment Industry Group Limited**

## **(B) INSIDE INFORMATION**

**Memorandum of Understanding**  
**in respect of the possible disposal of the Subject Assets**  
**relating to the logistics business**

This joint announcement is made (i) by Century City, Paliburg and Regal pursuant to Chapter 14 and Chapter 14A of the Listing Rules and (ii) by Century City, Paliburg, Regal, RH International and Cosmopolitan 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. Share Transfer Agreements**

On 1 November 2019 (after trading hours), CMI (a wholly-owned subsidiary of Paliburg), RHI (a wholly-owned subsidiary of Regal), Valuegood (a wholly-owned subsidiary of P&R which

is a jointly-controlled entity owned as to 50% by Paliburg Group and 50% by Regal Group) and each of the Transfer Counterparties entered into the Share Transfer Agreements, pursuant to which -

(i) CMI and RHI agreed to transfer the Transfer Shares (Beijing SEIG) to the Transfer Counterparties at the Consideration (Beijing SEIG) of HK\$378,000,000, or at HK\$1.89 per Beijing SEIG Share, and

(ii) the Transfer Counterparties agreed to transfer the Transfer Shares (Cosmopolitan) to Valuegood at the Consideration (Cosmopolitan) of HK\$378,000,000, or at HK\$1.08 per Cosmopolitan Share.

The Transactions constitute a discloseable transaction under Chapter 14 of the Listing Rules for Century City and Paliburg and constitute a connected transaction under Chapter 14A of the Listing Rules for Regal.

## **II. CIDL MOU**

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**”).

On 1 November 2019 (after trading hours), CIDL Seller (being a wholly-owned subsidiary of Cosmopolitan) as the proposed seller and CIDL Purchaser (being a wholly-owned subsidiary of Beijing SEIG) as the proposed purchaser entered into the CIDL MOU.

**SAVE FOR THE PROVISIONS ON EXCLUSIVITY, CONFIDENTIALITY, COSTS, GOVERNING LAW AND JURISDICTION IN THE CIDL MOU, THE CIDL MOU IS NON-LEGALLY BINDING TO CIDL SELLER AND CIDL PURCHASER.**

**Negotiations in respect of the transactions contemplated under the CIDL MOU among the parties are still underway. Definitive agreements in respect of the possible transactions have not yet been settled and entered into by the relevant parties. The possible transactions remain subject to the negotiation and execution of the definitive agreements which may or may not occur. The holders of the securities and potential investors of Century City, Paliburg, Regal, RH International and Cosmopolitan are advised to exercise caution when dealing in the securities of Century City, Paliburg, Regal, RH International and Cosmopolitan.**

This joint announcement is made (i) by Century City, Paliburg and Regal pursuant to Chapter 14 and Chapter 14A of the Listing Rules and (ii) by Century City, Paliburg, Regal, RH International and Cosmopolitan 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. SHARE TRANSFER AGREEMENTS**

On 1 November 2019 (after trading hours), CMI (a wholly-owned subsidiary of Paliburg), RHI (a wholly-owned subsidiary of Regal), Valuegood (a wholly-owned subsidiary of P&R which is owned as to 50% by Paliburg Group and 50% by Regal Group) and each of the Transfer Counterparties entered into the Share Transfer Agreements, pursuant to which (i) CMI and RHI agreed to transfer the Transfer Shares (Beijing SEIG) to Transfer Counterparties at the Consideration (Beijing SEIG), and (ii) the Transfer Counterparties agreed to transfer the Transfer Shares (Cosmopolitan) to Valuegood at the Consideration (Cosmopolitan).

Set out below is a summary of the principal terms and conditions of the two Share Transfer Agreements, the terms of which are similar to each other:

### **Date of the Share Transfer Agreements**

1 November 2019

### **Parties to the Share Transfer Agreements**

- (i) CMI (a wholly-owned subsidiary of Paliburg)
- (ii) RHI (a wholly-owned subsidiary of Regal)
- (iii) Valuegood (a wholly-owned subsidiary of P&R which is a jointly-controlled entity owned as to 50% by Paliburg Group and 50% by Regal Group)
- (iv) the Transfer Counterparties, being Hollyview International Limited or Mass Talent Financial Limited (as the case may be)

### **Assets subject to the Share Transfer Agreements**

Pursuant to the Share Transfer Agreements,

- (a) CMI and RHI agreed to transfer to the Transfer Counterparties the Transfer Shares (Beijing SEIG) at the Consideration (Beijing SEIG) of HK\$378,000,000 or at HK\$1.89 per Beijing SEIG Share, HK\$189,000,000 of Consideration (Beijing SEIG) is payable to CMI and HK\$189,000,000 of Consideration (Beijing SEIG) is payable to RHI; and
- (b) the Transfer Counterparties agreed to transfer to Valuegood the Transfer Shares (Cosmopolitan) at the Consideration (Cosmopolitan) of HK\$378,000,000 or at HK\$1.08 per Cosmopolitan Share, HK\$300,150,900 of Consideration (Cosmopolitan) is payable to Hollyview International Limited and HK\$77,849,100 of Consideration (Cosmopolitan) is payable to Mass Talent Financial Limited.

### **Consideration**

The Consideration (Beijing SEIG) and the Consideration (Cosmopolitan) were determined based on the agreed values of HK\$1.89 per Beijing SEIG Share and HK\$1.08 per Cosmopolitan Share. They were arrived at after arm's length commercial negotiations between the parties to the Share Transfer Agreements with reference to, among other things, the closing price of Cosmopolitan Shares on the date of the Share Transfer Agreements and commercial factors of the transactions set out below.

Under the Share Transfer Agreements, the Consideration (Cosmopolitan) receivable by each of the Transfer Counterparties has been set off against the Consideration (Beijing SEIG) payable by each of the Transfer Counterparties on a dollar-to-dollar basis upon

Completion.

The Transfer Counterparties completed their acquisition of the Transfer Shares (Cosmopolitan) at HK\$1.50 per Cosmopolitan Share in February 2019. Valuegood at the same time also completed its acquisition of the Transfer Shares (Beijing SEIG) at HK\$2.625 per Beijing SEIG Share, which were subsequently distributed to CMI of the Paliburg Group and RHI of the Regal Group by way of dividend declaration through P&R. Century City and Paliburg announced these transactions pursuant to the relevant share swap agreements dated 24 January 2019 in their joint announcement dated 24 January 2019 in accordance with the Listing Rules.

## Completion

The Completion took place on the date of the Share Transfer Agreements.

After Completion, P&R Group (including Valuegood) held approximately 62.8% of the issued ordinary shares of Cosmopolitan and Regal Group held approximately 12.0% of the issued ordinary shares of Cosmopolitan as of the date of this joint announcement. Accordingly, each of Century City and Paliburg was interested in approximately 74.8% of the issued ordinary shares of Cosmopolitan as of the date of this joint announcement.

## INFORMATION ABOUT THE ASSETS SUBJECT TO THE SHARE TRANSFER AGREEMENTS

### Transfer Shares (Cosmopolitan)

The Transfer Shares (Cosmopolitan), comprising 350,000,000 Cosmopolitan Shares, represent approximately 7.9% of the issued ordinary shares of Cosmopolitan as at the date of this joint announcement. 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.

As at the date of this joint announcement, Cosmopolitan is a listed subsidiary of P&R Group (including Valuegood). Paliburg Group and Regal Group each owns 50% shareholding interests in P&R. Regal itself is a listed subsidiary of Paliburg. Paliburg is a listed subsidiary of Century City. Cosmopolitan is therefore a listed subsidiary of Paliburg, and, through Paliburg, of Century City.

Cosmopolitan's consolidated profit/(loss) before and after tax for the two financial years ended 31 December 2018 and 31 December 2017 are set out below:

	Financial year ended 31 December 2018 HK\$ million	Financial year ended 31 December 2017 HK\$ million
Consolidated profit / (loss) before tax		
- Continuing operations	316.5	42.4
- Discontinued operation	-	(6.1)
	<u>316.5</u>	<u>36.3</u>
Consolidated profit / (loss) after tax		
- Continuing operations	201.9	16.8
- Discontinued operation	-	(5.0)
	<u>201.9</u>	<u>11.8</u>

Based on 2019 interim report of Cosmopolitan, the net asset value per Cosmopolitan Share as at 30 June 2019 was approximately HK\$0.20.

Based on the average closing price of Cosmopolitan Shares for the last 5 trading days immediately before the date of this joint announcement at HK\$1.124 per Cosmopolitan Share, the Transfer Shares (Cosmopolitan) were valued at HK\$393,400,000.

The Consideration (Cosmopolitan) per Cosmopolitan Share of HK\$1.08:

- (i) equals the closing price of HK\$1.08 per Cosmopolitan Share as quoted on the Stock Exchange on the date of this joint announcement;
- (ii) represents a discount of approximately 3.9% to the average closing price of HK\$1.124 per Cosmopolitan Share for the last 5 trading days immediately before the date of this joint announcement;
- (iii) represents a discount of approximately 4.3% to the average closing price of HK\$1.128 per Cosmopolitan Share for the last 10 trading days immediately before the date of this joint announcement; and
- (iv) represents a discount of approximately 10.9% to the average closing price of HK\$1.212 per Cosmopolitan Share for the last 30 trading days immediately before the date of this joint announcement.

#### **Transfer Shares (Beijing SEIG)**

The Transfer Shares (Beijing SEIG), comprising 200,000,000 Beijing SEIG Shares, represent approximately 15.4% of the issued shares of Beijing SEIG as at the date of this joint announcement. According to its recent annual report and interim report, Beijing SEIG is an investment holding company and its subsidiaries are principally engaged in air dome construction and operation, investment and operation of the sports and entertainment related business in the PRC, and the provision of air freight services in the wholesale market.

The consolidated loss before tax of Beijing SEIG for the two financial years ended 31 December 2018 and 31 December 2017 were approximately HK\$65.6 million and approximately HK\$7.9 million. The consolidated loss after tax of Beijing SEIG for the two financial years ended 31 December 2018 and 31 December 2017 were approximately HK\$66.8 million and approximately HK\$18.1 million. The net asset value per Beijing SEIG Share as at 30 June 2019 was approximately HK\$0.28 based on the consolidated net asset value of Beijing SEIG and the number of Beijing SEIG Shares in issue as at 30 June 2019 as set out in Beijing SEIG's recent interim report.

Based on the average closing price of Beijing SEIG Shares for the last 5 trading days immediately before the date of this joint announcement at HK\$0.333 per Beijing SEIG Share, the Transfer Shares (Beijing SEIG) were valued at HK\$66,600,000.

The Consideration (Beijing SEIG) per Beijing SEIG Share of HK\$1.89 represents:

- (i) a premium of approximately 455.9% over the closing price of HK\$0.340 per Beijing SEIG Share as quoted on the Stock Exchange on the date of this joint announcement;
- (ii) a premium of approximately 467.6% over the average closing price of HK\$0.333 per Beijing SEIG Share for the last 5 trading days immediately before the date of this joint announcement;

- (iii) a premium of approximately 472.7% over the average closing price of HK\$0.330 per Beijing SEIG Share for the last 10 trading days immediately before the date of this joint announcement; and
- (iv) a premium of approximately 472.7% over the average closing price of HK\$0.330 per Beijing SEIG Share for the last 30 trading days immediately before the date of this joint announcement.

## **REASONS FOR, AND BENEFITS OF, THE TRANSACTIONS UNDER THE SHARE TRANSFER AGREEMENTS**

The Share Transfer Agreements were negotiated as the relevant parties discussed the terms of the CIDL MOU set out below. Through entering into the CIDL MOU, Cosmopolitan Group is seeking to realise the Chengdu Fuhui Debt and to invest in Beijing SEIG by acquisition of the CB, which would entitle Cosmopolitan Group to possibly invest in the equity of Beijing SEIG at a lower price (and hence at a more attractive acquisition cost) as compared to the acquisition cost of HK\$2.625 per Beijing SEIG Share in early 2019. Furthermore, the current market price of Beijing SEIG Shares is also substantially lower than the Consideration (Beijing SEIG) per Beijing SEIG Share. If the total of 200,000,000 Beijing SEIG Shares distributed to CMI and RHI pursuant to the previous share swap transactions as announced in January 2019 were continued to be held, it might create general offer and reverse takeover implications in case Cosmopolitan Group eventually decides to exercise the conversion rights of the CB and convert the CB into Beijing SEIG Shares in full. After careful consideration, CMI, RHI and Valuegood considered that it is in their commercial interests to enter into the Share Transfer Agreements so as to allow the relevant parties to take back their shares under the share swap transactions as mentioned in the section "Consideration" above.

Taking into account of the aforesaid reasons, the Century City Directors consider that the terms of the Share Transfer Agreements are fair and reasonable, and are in the interests of the Century City Group and the Century City's shareholders as a whole.

Taking into account of the aforesaid reasons, the Paliburg Directors consider that the terms of the Share Transfer Agreements are fair and reasonable, and are in the interests of the Paliburg Group and the Paliburg's shareholders as a whole.

Taking into account of the aforesaid reasons, the Regal Directors (including its independent non-executive directors) consider that the terms of the Share Transfer Agreements are fair and reasonable, and that the Share Transfer Agreements and the transactions contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of business of Regal Group and are in the interests of the Regal Group and the Regal's shareholders as a whole.

## **LISTING RULES IMPLICATIONS OF THE SHARE TRANSFER AGREEMENTS**

To the best of the Century City Directors' knowledge, information and belief having made all reasonable enquiries, each of the Transfer Counterparties and their respective ultimate beneficial owners are third parties independent of Century City and its connected persons.

To the best of the Paliburg Directors' knowledge, information and belief having made all reasonable enquiries, each of the Transfer Counterparties and their respective ultimate beneficial owners are third parties independent of Paliburg and its connected persons.

For Regal, all the applicable percentage ratios in respect of the Transfer (Beijing SEIG) by RHI are more than 0.1% but less than 5%. On the basis that the Transfer (Beijing SEIG) by RHI would be taken as a connected transaction for Regal under Chapter 14A of the Listing Rules for the reason that the Transfer Counterparties may be deemed connected persons of Regal given that the Transfer Counterparties have entered into the Share Transfer Agreements with RHI and Paliburg Group through CMI in respect of the Transfer (Beijing SEIG), the Transfer (Beijing SEIG) by RHI would be exempted from circular and shareholders' approval requirements and only subject to announcement requirement under Chapter 14A of the Listing Rules. No Regal Directors have a material interest in the Share Transfer Agreements and accordingly no Regal Directors are required to abstain from voting on the board resolutions approving the Share Transfer Agreements and the transactions contemplated thereunder.

For Century City and Paliburg, as the highest of the relevant applicable percentage ratios set forth under Rule 14.07 of the Listing Rules in respect of each of the Transfer (Beijing SEIG) and the Transfer (Cosmopolitan) is more than 5% but less than 25% for each of Century City and Paliburg, they are classified as a discloseable transaction for each of Century City and Paliburg and are subject to the announcement requirement under Chapter 14 of the Listing Rules.

## **II. CIDL MOU**

### **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.

The Loan Facility bears interest at a rate of 18% per year. The Loan Facility was fully drawn and was repayable by the Target Company on 20 November 2018 (as extended). The Second Loan Facility bears interest at a rate of 24% per year. The Second Loan Facility was also fully drawn and was repayable by the Target Company on 20 November 2018.

As set out in the 2019 interim results announcements of Century City, Paliburg, Regal and Cosmopolitan, the total amount of the Deposit, the Loan Facility, the Second Loan Facility, and the interests accrued on the Loan Facility and the Second Loan Facility amounted to RMB360.7 million (before tax provision) in the books of Cosmopolitan as at 30 June 2019. They are secured primarily by equity pledges over certain PRC companies associated with the Target Company, guarantees provided by Mr. Huang and certain of his associates, and pledges over the receivables of the Target Company and certain associates of Mr. Huang. Due to the complex operating structure and the financial status of the Target Company and its subsidiaries, the negotiations on the final terms of the proposed investment have not progressed as smoothly as initially envisaged. Cosmopolitan has still been continuing its discussions with Mr. Huang and the Target Company on the investment proposal and, in the meantime, has also been conducting negotiations with a potential investor for its possible investment in these logistics businesses.

As at the date of this joint announcement, the Possible JV Investment in the Target Company has not materialized and the outstanding loans advanced by Cosmopolitan Subsidiary under the Loan Facility and the Second Loan Facility and accrued interests have not been repaid.

## PRINCIPAL TERMS OF THE CIDL MOU

On 1 November 2019 (after trading hours), CIDL Seller (being a wholly-owned subsidiary of Cosmopolitan) as the proposed seller and CIDL Purchaser (being a wholly-owned subsidiary of Beijing SEIG) as the proposed purchaser entered into the CIDL MOU. Save for the provisions on exclusivity, confidentiality, costs, governing law and jurisdiction in the CIDL MOU, the CIDL MOU is non-legally binding to CIDL Seller and CIDL Purchaser. The CIDL MOU contemplates that CIDL Seller and CIDL Purchaser will negotiate and enter into definitive agreement(s) pursuant to which CIDL Seller will sell its interests in the equity of and shareholders loans to CIDL (of which Cosmopolitan Subsidiary is a wholly-owned subsidiary) to CIDL Purchaser.

Principal terms of the CIDL MOU are set out as below:-

- Date : 1 November 2019
- Seller : CIDL Seller. CIDL Seller, through CIDL, indirectly wholly owns Cosmopolitan Subsidiary, which (i) paid the Deposit under the Deposit Agreement and (ii) granted the loan facilities under the Loan Agreement and the Second Loan Agreement.
- Purchaser : CIDL Purchaser. The principal business activity of CIDL Purchaser is investment holding.

CIDL Purchaser is a wholly-owned subsidiary of Beijing SEIG, the issued ordinary shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1803).

Upon completion of the Transactions on the date of the Share Transfer Agreements, Paliburg (being a majority shareholder of Cosmopolitan) and Regal (being a substantial shareholder of Cosmopolitan) have ceased to hold any interests in Beijing SEIG Shares. Save as disclosed above, to the best of the knowledge, information and belief of Century City Directors, Paliburg Directors, Regal Directors, RH International Directors and Cosmopolitan Directors, having made all reasonable enquiries, CIDL Purchaser and its ultimate beneficial owners are third parties independent of Century City, Paliburg, Regal, RH International and Cosmopolitan and their respective connected persons.

- Assets to be disposed of : the entire issued shares of CIDL and all the shareholders loan owing by CIDL to CIDL Seller ("**Subject Assets**").

- CIDL Consideration : An amount (in HK\$ equivalent) to be determined based on or by reference to (A) the amount of Chengdu Fuhui Debt of RMB320 million (representing the total amount of the Deposit and the principal amounts outstanding under the Loan Facility and the

Second Loan Facility) plus (B) the Contractual Interest (net of tax provision) being:

- (1) an interest at a rate of 18% per year on the Loan Facility and an interest rate of 0.1% per day on the Default Amount under the Loan Agreement;
- (2) an interest at a rate of 24% per year on the Second Loan Facility and an interest rate of 0.1% per day on the Default Amount under the Second Loan Agreement;
- (3) the following amount or an interest at the following rate on the Deposit under the Deposit Agreement:
  - (a) 20% per annum, if the Formal Agreement is not entered into for the Possible JV Investment by reasons caused by or attributable to the breach of the Bona Fide Obligation by Mr. Huang or the Target Company, or by reasons caused by or attributable to Mr. Huang or the Target Company;
  - (b) 8% per annum, if the Formal Agreement is not entered into for the Possible JV Investment on or before the expiry of the Exclusivity Period of the Possible JV Investment with no breach of the Exclusivity Undertakings or the Bona Fide Obligation of all the parties;
  - (c) no interest, if the Formal Agreement is not entered into for the Possible JV Investment by reasons caused by or attributable to the breach of the Bona Fide Obligation of Cosmopolitan Subsidiary; and
  - (d) an amount equal to the Deposit, if Mr. Huang or the Target Company breaches the Exclusivity Undertakings or any of them provided false, untrue or misleading representations, warranties, materials or information under the Deposit Agreement.

Payment Terms : CIDL Consideration is expected to be settled by the CB issued by Beijing SEIG and any balance of CIDL Consideration will be settled by Loan Notes to be issued by Beijing SEIG.

Conditions : Completion is expected to be subject to:

- (1) CIDL Purchaser being satisfied with the legal and financial due diligence on the Subject Assets;
- (2) the transactions not being classified as an extreme transaction or a reverse takeover transaction under the Listing Rules for Beijing SEIG;
- (3) the Stock Exchange granting listing approvals in respect of the shares of Beijing SEIG falling to be issued upon the exercise of the conversion rights attaching to the CB;
- (4) approval of the transactions by the shareholders of Beijing SEIG at its general meeting in accordance with the requirements of the Listing Rules being obtained;

- (5) approval of the transactions by Cosmopolitan's shareholders (other than those who are required by the Listing Rules to abstain) being obtained, including the possible issue of new Cosmopolitan Shares by Cosmopolitan for settlement of the consideration of the put option or the call option;
- (6) approval of the transactions by the respective shareholders of Century City and Paliburg as and when required under the Listing Rules being obtained; and
- (7) other conditions as may be agreed and set out in the definitive agreement for the transactions.

Call Option: It is contemplated that CIDL Purchaser may grant a call option to CIDL Seller whereby CIDL Seller will have the right to require CIDL Purchaser to sell the Subject Assets to it for 115% of the CIDL Consideration.

Put Option: It is contemplated that CIDL Seller may grant a put option to CIDL Purchaser whereby CIDL Purchaser will have the right to require CIDL Seller to purchase the Subject Assets from it for 100% of the CIDL Consideration.

Settlement of call option or put option: It is contemplated that CIDL Seller will settle the consideration for the call option or the put option (as the case may be) as follows:

- (i) in cash;
- (ii) by surrendering any outstanding CB and/or the Loan Notes (to be valued at its face value but any accrued coupon interest will be waived);
- (iii) by delivering new ordinary shares of Cosmopolitan; or
- (iv) by combination of (i), (ii) and/or (iii) as CIDL Seller may select.

For the purposes of (iii), the issue price of the shares of Cosmopolitan will be fixed at such price per Cosmopolitan Share as stipulated under the terms of the relevant definitive agreement.

Principal terms of CB : The principal amount of the CB together with the principal amount of the Loan Notes is expected to be equal to CIDL Consideration.

The CB will bear a 3.0% coupon per annum, accrued semi-annually and payable upon redemption.

The CB will mature on the date falling 48 months after the date of issuance of the CB. Beijing SEIG shall mandatorily redeem all outstanding CB in cash at its face value together with accrued coupon interest on the maturity date. Neither Beijing SEIG nor the CB Holder has the right to early redemption.

The CB will be guaranteed by Beijing SEIG (if it is not the issuer) and secured by a charge over the Subject Assets (and its subsidiaries).

CB Holder will be entitled to convert the CB into 350,000,000 ordinary shares of Beijing SEIG at the CB conversion price initially at HK\$0.98 per Beijing SEIG Share (subject to adjustment), details of which will be set out in the definitive CB instrument.

Principal terms of  
Loan Notes

: The principal amount of the Loan Notes together with the principal amount of the CB is expected to be equal to CIDL Consideration.

The Loan Notes will bear a 3.0% coupon per annum, accrued semi-annually and payable upon redemption.

The Loan Notes will mature on the date falling 48 months after the date of issuance of the Loan Notes. Beijing SEIG shall mandatorily redeem all outstanding Loan Notes in cash at its face value together with accrued coupon interest on the maturity date. Neither Beijing SEIG nor the Loan Notes holder has the right to early redemption.

The Loan Notes will be guaranteed by Beijing SEIG (if it is not the issuer) and secured by a charge over the Subject Assets (and its subsidiaries).

Exclusivity period:

During the period of 45 days from and including the date of the CIDL MOU (or such longer period as may be agreed between the parties), except with the prior written consent of CIDL Purchaser, none of CIDL Seller and its affiliates shall, directly or indirectly,

- (i) solicit, initiate or encourage the submission of any proposals or offers from Third Party relating to any investment, purchase, issuance or sale or other disposition of any equity securities or any material assets of CIDL, the Subject Assets and its underlying assets (including any assignment, exclusive licence, or transfer of any material intellectual property) or any merger, recapitalization or other business combination transaction involving CIDL, the Subject Assets and its underlying assets (the “**Competing Transaction**”);
- (ii) participate in any discussions or negotiations with the Third Party with respect to, or authorize, assist, propose or enter into a definitive agreement or an agreement in principle with the Third Party with respect to any Competing Transaction; or
- (iii) otherwise cooperate in any way with, or assist or participate in, or facilitate or encourage any effort by the Third Party to do or seek to do any of the foregoing or seek to circumvent the CIDL Transaction or further a Competing Transaction.

## **BENEFITS OF THE TRANSACTIONS UNDER THE CIDL MOU**

The Cosmopolitan Directors consider that the CIDL MOU, if materializes, would allow Cosmopolitan to realise the Chengdu Fuhui Debt into more liquid CB and could allow Cosmopolitan to make its shareholding investment in Beijing SEIG.

Despite having entered into the CIDL MOU, CIDL Seller and CIDL Purchaser acknowledge that Cosmopolitan Subsidiary will continue to conduct negotiation with Mr. Huang and the Target Company regarding the Possible JV Investment and the repayment of the Loan Facility and the Second Loan Facility.

**SAVE FOR THE PROVISIONS ON EXCLUSIVITY, CONFIDENTIALITY, COSTS, GOVERNING LAW AND JURISDICTION IN THE CIDL MOU, THE CIDL MOU IS NON-LEGALLY BINDING TO CIDL SELLER AND CIDL PURCHASER.**

**Negotiations in respect of the transactions contemplated under the CIDL MOU among the parties are still underway. Definitive agreements in respect of the possible transactions have not yet been settled by the relevant parties. The possible transactions remain subject to the negotiation and execution of the definitive agreements which may or may not occur. The holders of the securities and potential investors of Century City, Paliburg, Regal, RH International and Cosmopolitan are advised to exercise caution when dealing in the securities of Century City, Paliburg, Regal, RH International and Cosmopolitan.**

### **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, 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.

#### IV. DEFINITIONS

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

“Beijing SEIG”	Beijing Sports and Entertainment Industry Group 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: 1803)
“Beijing SEIG Shares”	the ordinary shares in the share capital of Beijing SEIG
“Bona Fide Obligation”	the obligation of the parties to the Deposit Agreement that they shall, after the execution of the Deposit Agreement dated 16 August 2018, actively conduct bona fide negotiations with an aim to settle the terms of the Possible JV Investment along the material terms as referenced to in the Deposit Agreement and enter into the Formal Agreement
“CB”	convertible bonds convertible into 350,000,000 Beijing SEIG Shares to be issued by Beijing SEIG to CIDL Seller, the principal of which together with the principal of the Loan Notes will be equivalent to the CIDL Consideration
“CB Holder”	holder of CB
“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
“Chengdu Fuhui Debt”	the total amount of the Deposit and the principal amounts outstanding under the Loan Facility and the Second Loan Facility, together with the Contractual Interest, owing to Cosmopolitan Subsidiary by the Target Company
“CIDL”	Cosmopolitan International Development Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of CIDL Seller
“CIDL Consideration”	the consideration for the CIDL Transaction, which will be determined based on or by reference to the amount of the Chengdu Fuhui Debt
“CIDL MOU”	a memorandum of understanding dated 1 November 2019 and entered into between CIDL Seller and CIDL Purchaser in relation to the CIDL Transaction

“CIDL Purchaser”	Sino Insight Investments Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Beijing SEIG
“CIDL Seller”	Groupsource Investments Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Cosmopolitan
“CIDL Transaction”	the sale and purchase of the entire issued shares of CIDL and all the shareholders loan owing by CIDL to CIDL Seller in accordance with the terms of the CIDL MOU
“CMI”	Capital Merit Investments Limited, a wholly-owned subsidiary of Paliburg
“Competing Transaction”	shall have the meaning set out in “principal terms of the CIDL MOU” under Part II of this joint announcement
“Completion”	the completion of the Transactions in accordance with the terms and conditions of the Share Transfer Agreements
“connected person”	has the meaning ascribed to such term in the Listing Rules
“Consideration (Beijing SEIG)”	the total consideration payable by Transfer Counterparties to CMI and RHI for the Transfer (Beijing SEIG) of HK\$378,000,000
“Consideration (Cosmopolitan)”	the total consideration payable by Valuegood to Transfer Counterparties for the Transfer (Cosmopolitan) of HK\$378,000,000
“Contractual Interest”	all of the interests accrued under the Deposit Agreement, the Loan Agreement and the Second Loan Agreement up to the date when the definitive agreement in respect of the transactions under the CIDL MOU is entered into
“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 Shares”	shares in the ordinary share capital of Cosmopolitan
“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

“Default Amount”	the outstanding principal amount and the accrued interest thereon of each of the Loan Facility and the Second Loan Facility as of their respective repayment date as stipulated under the Loan Agreement or the Second Loan Agreement
“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
“Exclusivity Period of the Possible JV Investment”	18 months from the date of the Deposit Agreement dated 16 August 2018
“Exclusivity Undertakings”	the undertakings as set out in the section 3 in the Letter from the Cosmopolitan Board in the Circular
“Formal Agreement”	a legally binding agreement in respect of the Possible JV Investment by Cosmopolitan Group
“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
“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
“Loan Notes”	promissory notes to be issued by Beijing SEIG to CIDL Seller, the principal of which together with the principal of the CB will be equivalent in amount to the CIDL Consideration

“Mr. Huang”	黃遠成 (Huang Yuan Cheng*), a citizen of PRC and the controlling shareholder of the Target Company
“P&R”	P&R Holdings Limited, a company owned as to 50% by Paliburg Group and 50% by Regal Group
“P&R Group”	P&R and its subsidiaries
“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 Target Company) or the major businesses of Target Company by Cosmopolitan Subsidiary
“PRC”	The People's Republic of China, which will, for the purpose of this joint announcement, excludes 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
“RHI”	Regal Hotels Investments Limited, a wholly-owned subsidiary of Regal
“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
“Share Transfer Agreements”	the two agreements dated 1 November 2019 and entered into amongst CMI, RHI, Valuegood and each of the Transfer Counterparties in relation to the Transactions
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Assets”	shall have the meaning set out in “principal terms of the CIDL MOU” under Part II of this joint announcement
“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
“Third Party”	any person other than CIDL Purchaser
“Transactions”	the transactions contemplated under the Share Transfer Agreements, including the Transfer (Beijing SEIG), the Transfer (Cosmopolitan) and the setting off of the Consideration (Cosmopolitan) against the Consideration (Beijing SEIG) in accordance with the Share Transfer Agreements
“Transfer (Beijing SEIG)”	the transfer of the Transfer Shares (Beijing SEIG) by CMI and RHI to Transfer Counterparties in accordance with the Share Transfer Agreements
“Transfer (Cosmopolitan)”	the transfer of the Transfer Shares (Cosmopolitan) by Transfer Counterparties to Valuegood in accordance with the Share Transfer Agreements
“Transfer Counterparties”	Hollyview International Limited and Mass Talent Financial Limited, which together held the Transfer Shares (Cosmopolitan) prior to completion of the Transactions
“Transfer Shares (Beijing SEIG)”	a total of 200,000,000 Beijing SEIG Shares to be transferred to the Transfer Counterparties under the Share Transfer Agreements
“Transfer Shares (Cosmopolitan)”	a total of 350,000,000 Cosmopolitan Shares to be transferred to Valuegood under the Share Transfer Agreements
“Valuegood”	Valuegood International Limited, a wholly-owned subsidiary of P&R
“%”	per cent

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, 1 November 2019

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