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(stock code: 355)

**DISCLOSEABLE
TRANSACTION**

**EXERCISE OF OPTIONS TO
SUBSCRIBE FOR
CONVERTIBLE BONDS**



(stock code: 617)

**DISCLOSEABLE
TRANSACTION**

**EXERCISE OF OPTIONS TO
SUBSCRIBE FOR
CONVERTIBLE BONDS**



(stock code: 78)

**CONNECTED
TRANSACTION**

**EXERCISE OF AN OPTION TO
SUBSCRIBE FOR
CONVERTIBLE BONDS**

On 2 July 2013, the Paliburg Group and the Regal Group exercised the Options to subscribe for the Subject CB2013s.

The exercise of the Options constitutes a discloseable transaction for Century City and Paliburg under the Listing Rules. The exercise of the Option(2) constitutes a connected transaction for Regal subject to the reporting and announcement requirements but exempt from independent shareholders' approval under the Listing Rules.

INTRODUCTION

As at the date of this joint announcement, Century City holds approximately 62.2% of the issued share capital of Paliburg, Paliburg holds approximately 51.3% of the issued share capital of Regal. In 2008, the Paliburg Group subscribed for the CB2013(A) and the Regal Group subscribed for the CB2013(B). In conjunction with the aforesaid subscriptions, the Paliburg Group and the Regal Group were granted the Options to subscribe for the Subject CB2013s. On 2 July 2013, the Paliburg Group and the Regal Group exercised the Options to subscribe for the Subject CB2013s. Payments by the Paliburg Group and the Regal Group for the subscriptions of the Subject CB2013s shall be made on or before 23 July 2013 and the Subject CB2013s shall be issued on the same date of such payments.

Major terms of the Subject CB2013s

Set out below are the major terms of the Subject CB2013s.

Issuer : Apex Team, a wholly-owned subsidiary of Cosmo

To the best knowledge, information and belief of the Century City Directors, the Paliburg Directors and the Regal Directors having made all reasonable enquiries, save for the Paliburg Group's and the Regal Group's interests set out in the paragraph headed "Shareholding structure of Cosmo" and the

information set out in “Other relationships between the Century City Group, the Paliburg Group, the Regal Group and the Cosmo Group”, Apex Team and Cosmo are parties independent of (1) Century City and its connected persons; (2) Paliburg and its connected persons; and (3) Regal and its connected persons.

- Subscribers : (i) CB2013(C): Sun Joyous, a wholly-owned subsidiary of Paliburg
- (ii) CB2013(D): Well Mount, a wholly-owned subsidiary of Regal
- Principal amount : (i) CB2013(C): HK\$100 million
- (ii) CB2013(D): HK\$100 million
- Conversion : The holders of the Subject CB2013s can exercise the conversion rights attached to the Subject CB2013s to convert the outstanding principal amounts of the Subject CB2013s in whole or in part into the Subject Conversion Shares at any time on or before 16 September 2013, being the date falling 14 days prior to the maturity date of the Subject CB2013s.
- No conversion shall take place if as a result of such conversion, Cosmo will not be able to meet the public float requirement under the Listing Rules.
- Conversion price : HK\$0.06 per Subject Conversion Share, subject to adjustment for share consolidation, share subdivision, reclassification of share into other securities, capitalisation issues, capital distributions, rights issues, and certain other dilutive events, including a downward adjustment to the effect that should Cosmo issue new Cosmo Shares (or securities convertible into new Cosmo Shares) for cash or non-cash consideration per Cosmo Share which is less than the prevailing conversion price, the conversion price shall be adjusted downwards to such issue price (but such adjustment shall not be retroactive).
- The prevailing conversion price of HK\$0.06 per Subject Conversion Share represents:
- (i) a discount of approximately 1.6% to the closing price per Cosmo Share of HK\$0.061 quoted on the Stock Exchange on 2 July 2013, being the date of the exercise of the Options; and
- (ii) a discount of approximately 13.3% to the average closing price per Cosmo Share for the last five trading days up to and including 28 June 2013 (being the last trading day immediately before the date of the exercise of the Options) of HK\$0.0692.
- Coupon rate : The Subject CB2013s bear no coupon.

- Maturity date : 30 September 2013. On the maturity date, all of the remaining outstanding Subject CB2013s will be redeemed by Apex Team at a redemption price representing a yield-to-maturity of 5% per annum (compounded semi-annually).
- Voting : A holder of any Subject CB2013s will not be entitled to receive notice of, attend or vote at any general meeting of Cosmo by reason only of it being a holder of the Subject CB2013s.
- Listing : The Subject CB2013s are not listed on the Stock Exchange. No application will be made for the listing of the Subject CB2013s on the Stock Exchange or any other stock exchange.
- Ranking : The Subject Conversion Shares to be issued as a result of the exercise of the conversion rights attached to the Subject CB2013s will rank pari passu in all respects with all other Cosmo Shares outstanding at the date of conversion of the Subject CB2013s.
- Early redemption : Apex Team has the right, at any time prior to the maturity date, if not more than 10% of the principal amount of any of each of the Subject CB2013s is still outstanding, by giving not less than 15 nor more than 30 business days' notice to the holders of such Subject CB2013s to redeem the Subject CB2013s at an amount equal to the outstanding principal amounts of the Subject CB2013s together with a redemption premium equal to 5% per annum (to be calculated on a semi-annual compound basis).
- Guarantor : Cosmo

Subject Conversion Shares

The aggregate number of Subject Conversion Shares which will fall to be issued on conversion of the Subject CB2013s at the prevailing conversion price of HK\$0.06 per Subject Conversion Share is 3,333,333,332 Subject Conversion Shares, representing 28.3% of the existing issued ordinary share capital of Cosmo and 22.0% of the issued ordinary share capital of Cosmo as enlarged by the allotment and issue of the Subject Conversion Shares.

INFORMATION ON COSMO

The Cosmo Group is principally engaged in property investment and development, securities investment and other investments.

Shareholding structure of Cosmo

The Paliburg Group holds the CB2013(A) and the Regal Group holds the CB2010 and CB2013(B). Pursuant to the exercise of the Options, the Paliburg Group and the Regal Group will be issued the CB2013(C) and CB2013(D) respectively.

Set out below for illustration purposes is the shareholding structure of Cosmo in the following scenarios:

	As at the date of this joint announcement		Assuming conversions in full of the Subject CB2013s		Assuming conversions in full of the Subject CB2013s and the CB2010 and partial conversion of the CB2013(A) to the extent that public float is maintained ⁽²⁾	
	No. of Cosmo Shares		No. of Cosmo Shares		No. of Cosmo Shares	
		%		%		%
The Paliburg Group	2,016,666,666	17.11	3,683,333,332	24.36	5,151,666,665	25.60
The Regal Group	334,000,000	2.83	2,000,666,666	13.23	5,536,916,666	27.52
Giant Sino Group Limited	4,403,576,090	37.37	4,403,576,090	29.13	4,403,576,090	21.88
Culture Landmark Investment Limited	1,446,064,745	12.27	1,446,064,745	9.56	1,446,064,745	7.19
Other shareholders	3,584,823,450	30.42	3,584,823,450	23.72	3,584,823,450	17.81
Total	11,785,130,951	100.00	15,118,464,283	100.00	20,123,047,616	100.00

Notes:

- Under the respective terms of the Cosmo CBs, no conversion of the Cosmo CBs shall take place if after such conversion, Cosmo will not be able to meet the public float requirement of the Listing Rules. The Cosmo CBs are not subject to any restriction that disallows them to be converted in case that a mandatory general offer will be triggered under the Takeovers Code as a result of the conversion. The Century City Group, the Paliburg Group and the Regal Group will comply with the requirements of the Listing Rules and the Takeovers Code in respect of the conversion of the Cosmo CBs. As at the date of this joint announcement, none of the Cosmo CBs have been converted by the Paliburg Group or the Regal Group. Paliburg and Regal are considering their position on the Cosmo CBs, in particular whether or not to convert their respective Cosmo CBs, whether in whole or in part, which will be based on their assessment of, inter alia, the financial status and business prospects of the Cosmo Group and general market conditions.
- On the basis that CB2013(A) with a principal amount of HK\$88.1 million is converted by the Paliburg Group and none of the CB2013(B) is converted by the Regal Group.

Other relationships between the Century City Group, the Paliburg Group, the Regal Group and the Cosmo Group

The Regal Group and the Cosmo Group each hold a 50% equity interest in a joint venture which in turn holds 30% equity interests in the project companies undertaking a property development project in Chengdu, Sichuan Province, PRC. The remaining 70% equity interests in the project companies are held by subsidiaries of P&R Holdings, which is owned as to 50% by each of the Paliburg Group and the Regal Group. On 26 June 2013, the Paliburg Group provided a revolving loan facility to the Cosmo Group. On 27 June 2013, among other transactions, (i) the aforesaid joint venture and P&R Holdings respectively entered into conditional agreements to dispose of their entire interests in the project companies to the Cosmo Group; (ii) the Regal Group entered into a conditional agreement to dispose of companies holding a piece of land in Tianjin, the PRC to the Cosmo Group; and (iii) P&R Holdings entered into a conditional agreement to acquire certain properties in Hong Kong from the Cosmo Group. Further information regarding the aforesaid transactions was set out in the joint announcement of Century City, Paliburg and Regal dated 27 June 2013.

Mr. Ng Kwai Kai, Kenneth, an executive director of Century City, Paliburg and Regal, is a non-executive director of Cosmo. Mr. Leung So Po, Kelvin, an executive director of Century City, is a non-executive director of Cosmo. Mr. Wong Po Man, Kenneth, an executive director of Paliburg, is a non-executive director of Cosmo. Based on the latest available public information, Mr. Lam Kwing Wai, Alvin Leslie, a director of a wholly-owned subsidiary of Regal, is interested in approximately 7.03% of the issued ordinary share capital of Cosmo as at the date of this joint announcement.

REASONS FOR THE TRANSACTION

The Century City Group and the Paliburg Group are principally engaged in property development and investment, construction and building related businesses, and securities and other investments. The Regal Group is principally engaged in hotel ownership (through its 74.6%-owned subsidiary Regal Real Estate Investment Trust ("Regal REIT")), management and operation. It also engages in property development and investment, as well as asset management of Regal REIT and securities and other investments.

The last day to exercise the Options to subscribe for the Subject CB2013s fell on 2 July 2013. Century City, Paliburg and Regal consider that the subscription of the Subject CB2013s (or the CB2013(D) in the case of Regal) pursuant to the exercise of the Options (or the Option(2) in the case of Regal) gives them opportunities to determine whether to further invest in Cosmo Shares by converting the Subject CB2013s at the conversion price of the Subject CB2013s. Such conversion price represents discounts to the recent closing prices of Cosmo Shares (as shown in the section headed "Conversion price" above). Before deciding to convert any Subject CB2013s, Century City, Paliburg and Regal will take into account, inter alia, the financial status and business prospects of the Cosmo Group, and general market conditions.

The Century City Directors (including the independent non-executive directors) consider that the exercise of the Options is 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 exercise of the Options is fair and reasonable and in the interests of Paliburg and its shareholders

as a whole. The Regal Directors (including the independent non-executive directors) consider that the exercise of the Option(2) is fair and reasonable and in the interests of Regal and its shareholders as a whole.

GENERAL

As at the date of this joint announcement, the Paliburg Group and the Regal Group hold approximately 17.1% and 2.8% of the issued share capital of Cosmo while Paliburg holds approximately 51.3% of the issued share capital of Regal and Century City holds approximately 62.2% of the issued share capital of Paliburg.

As one of the applicable percentage ratios in respect of the exercise of the Options for Century City and Paliburg is more than 5% but all the applicable percentage ratios are less than 25%, the exercise of the Options constitutes a discloseable transaction for Century City and Paliburg under the Listing Rules.

As the Paliburg Group directly holds more than 10% of the issued share capital of Cosmo, the exercise of the Option(2) constitutes a connected transaction for Regal under Rule 14A.13(2)(a)(ii) of the Listing Rules. As certain applicable percentage ratios in respect of the exercise of the Option(2) for Regal are more than 0.1% but all the applicable percentage ratios are less than 5%, the exercise of the Option(2) constitutes a connected transaction for Regal subject to the reporting and announcement requirements but exempt from independent shareholders' approval requirement under the Listing Rules.

DEFINITIONS

“Apex Team”	Apex Team Limited, a wholly-owned subsidiary of Cosmo
“CB2010(s)”	the zero coupon guaranteed convertible bonds due on 30 September 2013 (as further extended) issued by Fancy Gold in 2007 in an aggregate principal amount of HK\$205 million and held as to HK\$141.45 million by Valuegood as at the date of this joint announcement
“CB2013(A)”	the zero coupon guaranteed convertible bonds due on 30 September 2013 (as extended) issued by Apex Team in 2008 to Jumbo Pearl in the principal amount of HK\$100 million
“CB2013(B)”	the zero coupon guaranteed convertible bonds due on 30 September 2013 (as extended) issued by Apex Team in 2008 to Time Crest in the principal amount of HK\$100 million
“CB2013(C)”	the zero coupon guaranteed convertible bonds to be issued by Apex Team to Sun Joyous pursuant to the exercise of the Option(1) with a principal amount of HK\$100 million

“CB2013(D)”	the zero coupon guaranteed convertible bonds to be issued by Apex Team to Well Mount pursuant to the exercise of the Option(2) with a principal amount of HK\$100 million
“CB2013s”	the CB2013(A), CB2013(B), CB2013(C) and CB2013(D) collectively
“Century City”	Century City International Holdings Limited, a company incorporated in Bermuda with limited liability 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, for the purposes of this joint announcement excluding the Regal Group
“Cosmo”	Cosmopolitan International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (Stock Code: 120)
“Cosmo CBs”	the CB2010s and the CB2013s collectively
“Cosmo Group”	Cosmo and its subsidiaries
“Cosmo Shares”	ordinary shares of par value HK\$0.0002 each in the capital of Cosmo
“Fancy Gold”	Fancy Gold Limited, a wholly-owned subsidiary of Cosmo
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Jumbo Pearl”	Jumbo Pearl Investments Limited, a wholly-owned subsidiary of Paliburg
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(1)”	the option granted by Apex Team to Sun Joyous to subscribe for CB2013(C) pursuant to the agreement dated 6 December 2007 entered into among Jumbo Pearl, Sun Joyous, Apex Team and Cosmo (as supplemented by the supplemental agreement dated 16 November 2012) in respect of the subscription of the CB2013(A) and the granting of such option

“Option(2)”	the option granted by Apex Team to Well Mount to subscribe for CB2013(D) pursuant to the agreement dated 6 December 2007 entered into among Time Crest, Well Mount, Apex Team and Cosmo (as supplemented by the supplemental agreement dated 16 November 2012) in respect of the subscription of the CB2013(B) and the granting of such option
“Options”	the Option(1) and the Option(2) collectively
“Paliburg”	Paliburg Holdings Limited, a company incorporated in Bermuda with limited liability 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, for the purposes of this joint announcement excluding the Regal Group
“percentage ratios”	the percentage ratios calculated based on the requirements under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China
“P&R Holdings”	P&R Holdings Limited, a joint venture established and owned by Capital Merit Investments Limited (a wholly-owned subsidiary of Paliburg) and Regal Hotels Investments Limited (a wholly-owned subsidiary of Regal) as to 50% and 50% respectively
“Regal”	Regal Hotels International Holdings Limited, a company incorporated in Bermuda with limited liability 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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject CB2013s”	the CB2013(C) and CB2013(D) collectively
“Subject Conversion Share(s)”	the new Cosmo Share(s) falling to be issued upon the exercise of the conversion rights attached to the Subject CB2013s

“Sun Joyous”	Sun Joyous Investments Limited, a wholly-owned subsidiary of Paliburg
“Takeovers Code”	the Code on Takeovers and Mergers
“Time Crest”	Time Crest Investments Limited, a wholly-owned subsidiary of Regal
“Valuegood”	Valuegood International Limited, a wholly-owned subsidiary of Regal
“Well Mount”	Well Mount Investments Limited, a wholly-owned subsidiary of Regal

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, 2 July 2013

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

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. Donald FAN Tung
(Chief Operating Officer)
Mr. Jimmy LO Chun To
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, SBS, 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)
Ms. Belinda YEUNG Bik Yiu
(Chief Operating Officer)
Mr. Donald FAN Tung
Mr. Jimmy LO Chun To
Miss LO Po Man
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