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#### DISCLOSEABLE TRANSACTION

#### SUPPLEMENTAL FRAMEWORK AGREEMENT IN RESPECT OF AN INVESTMENT IN A LOGISTICS SERVICES PROVIDER IN MAINLAND CHINA

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#### ISSUE OF UNLISTED CONVERTIBLE BONDS UNDER GENERAL MANDATE

This joint announcement is made further to the joint announcements of Cosmopolitan International Holdings Limited (the “**Company**”) and Century City International Holdings Limited (“**Century City**”) dated 13 January 2016 (the “**Initial Announcement**”) and 11 March 2016 (the “**Second Announcement**”) and together with the Initial Announcement, collectively the “**Previous Announcements**”) respectively in relation to the Framework Agreement. Unless expressly defined in this joint announcement or the context requires otherwise, terms defined in the Previous Announcements shall have the same meanings when used in this joint announcement.

#### 1. SUPPLEMENTAL FRAMEWORK AGREEMENT

On 12 April 2016 (after trading hours), Sunview, the Existing Owner and Logistics Shanghai entered into a supplemental framework agreement (the “**Supplemental Framework Agreement**”) to amend the terms of the Framework Agreement. The material amendments relate to the following aspects.

- 1.1 **Logistics HK** - The company in which Sunview and the Existing Owner will hold 60% and 40% shareholding interests will be a company incorporated in the Cayman Islands, instead of Hong Kong as announced in Previous Announcements. Any reference to “Logistics HK” in the Previous Announcements and in this joint announcement should be read and understood accordingly.
- 1.2 **Logistics Holdco** - Sunview will acquire indirectly, through its wholly owned subsidiaries, 99% (instead of 100% as announced in the Initial Announcement) in Logistics Holdco under the Acquisition. The Existing Owner will hold the remaining 1% shareholding interests in the Logistics Holdco. However, the shareholder’s rights including right to vote, right to receive income distributions or capital distribution of assets of Logistics Holdco, in respect of such 1% shareholding interests shall be conferred on Sunview’s wholly-owned subsidiary

which will acquire the 99% shareholding interests in Logistics Holdco under the Acquisition. This change is intended to meet the legal requirements in the PRC.

1.3 **Reorganisation** – In connection with the Reorganisation, the registered capital of Logistics Shanghai (previously RMB500,000 and owned as to 95% by the Existing Owner with the remaining 5% owned by another third party) has already been increased to RMB3.5 million, and it is now directly and solely held by Logistics Holdco. As part of the requirements of the Reorganisation, the Supplemental Framework Agreement also provides that Logistics Shanghai's registered capital should be fully paid up and its net asset value as at 31 March 2016 shall not be less than RMB3 million.

1.4 **Acquisition and Subscription** - The Supplemental Framework Agreement provides that the Acquisition will be executed and completed prior to Subscription, and not after the Subscription as announced in the Initial Announcement.

*(a) Acquisition*

Sunview's wholly-owned subsidiary as transferee will enter into the equity transfer agreement with the Existing Owner and the other third party as transferors to acquire 99% (instead of 100% as announced in the Initial Announcement) shareholding interests in Logistics Holdco, as mentioned above. The amount of consideration for such shareholdings in Logistics Holdco will remain the same at HK\$4,150,000 payable in cash.

The remaining 1% shareholding interests in Logistics Holdco will be held by the Existing Owner as mentioned above.

The *execution* of the above equity transfer agreement to effect the Acquisition is subject to fulfilment of the prescribed conditions precedent, including : (i) the formal legal documentation to give effect to the transactions contemplated under the Framework Agreement (as amended by the Supplemental Framework Agreement), including the shareholders agreement with respect to Logistics HK (incorporating the terms of the Subscription) (the "**Shareholders Agreement**"), the Consultancy Agreement, the Non-Competition Undertakings, the issue of the Convertible Bonds, the Lease and the Option, having been duly executed by the relevant parties in escrow; and (ii) the shareholders and/or board of directors of Sunview and the Company passing resolutions to approve the transaction documents in respect of the Acquisition and the Subscription.

The *completion* of the Acquisition is further subject to, inter alia, fulfilment of the prescribed conditions precedent, including the Reorganisation having been duly completed; the net asset value of Logistics Shanghai as at 31 March 2016 being not less than RMB3 million; the relevant registration and filings procedures under the relevant laws of the PRC being completed; and absence of material adverse change affecting the transactions contemplated under the Framework Agreement (as amended by the Supplemental Framework Agreement). Further, the Existing Owner shall procure, as part of these conditions precedent, that in respect of the existing tenancy agreements made by the Landlord and third party tenants thereof, the Landlord shall contract with Logistics Shanghai to hold the economic benefits thereunder for Logistics Shanghai from 1 April 2016. The Existing Owner will also undertake that the Landlord's existing logistics or courier services agreements made with other parties will be transferred to (or replaced by new agreements made with) Logistics Holdco within three months after the completion of the Acquisition and Logistics Holdco shall be entitled to all the economic benefits thereunder.

The Acquisition will be completed on the business day immediately after the above conditions precedent are fulfilled. The long stop date by which the conditions precedent are to be fulfilled or waived is also extended as mentioned in paragraph 1.5 below.

*(b) Subscription*

The Existing Owner will subscribe for 400 shares (instead of 4 shares as announced in the Initial Announcement) at par, that is, US\$1.00 each in Logistics HK. On completion of the Subscription, Sunview and the Existing Owner will have 600 shares and 400 shares in Logistics HK. Their percentage shareholdings in Logistics HK will remain the same at 60% and 40% respectively as before.

The Shareholders Agreement incorporating the terms of the Subscription will be executed on the business day immediately after the date of completion of the Acquisition. The completion of the Subscription is subject to fulfilment of the conditions precedent including (i) the regulatory approvals required for the issue of the Convertible Bonds and Conversion Shares under the Listing Rules being obtained; (ii) the Acquisition being completed; and (iii) Sunview being satisfied as to the financial, legal and business aspects of the results of the due diligence investigation of the affairs of Logistics Holdco and Logistics Shanghai.

The Subscription will be completed on the business day immediately after the fulfilment of these conditions. The long stop date by which the conditions precedent are to be fulfilled or waived is also extended, as mentioned in paragraph 1.5 below.

1.5 **Long stop date** - The Supplemental Framework Agreement provides that the long stop date by which the conditions precedent for the Acquisition and Subscription as mentioned in paragraphs 1.3 and 1.4 must be fulfilled or waived, if applicable, has been extended to 30 April 2016 (or such other date as may be agreed by the parties in writing).

1.6 **Other transactions**

The underlying agreements to give effect to the other transactions contemplated under the Framework Agreement (as amended by the Supplemental Framework Agreement), including the Shareholders Agreement, the Consultancy Agreement, the Non-Competition Undertakings, the issue of the Convertible Bonds, the Lease and the Option, will be exchanged and take effect on completion of the Subscription, instead of the Acquisition as announced in the Previous Announcements.

1.7 **Convertible Bonds** - The terms of issue of the Convertible Bonds have remained the same as before save that the rights of the Issuer to exercise its early redemption right under the Framework Agreement is changed as underlined below: -

“The Issuer may exercise right to early redeem any Convertible Bonds at 100% of the outstanding principal amount of the relevant Convertible Bonds on or after the first anniversary of the date of issue of the Convertible Bonds:

- (a) if the average daily closing price per share (calculated over any period of 30 consecutive trading days commencing at any time on or after the first anniversary of the date of issue of the Convertible Bonds) is not less than 130% of the Conversion Price and the average daily trading volume over the same 30 trading days period is

at least HK\$5 million, provided that such period shall end not more than five (5) trading days [Previously : "on a day"] before the date of issue of the redemption notice by the Issuer; or

- (b) if not less than 90 per cent. principal amount of the Convertible Bonds originally issued has already been converted, redeemed or purchased and cancelled.

The Issuer may exercise the early redemption right on giving 40 trading days' ("notice period") notice to the holders specifying the early redemption date to fall 40 trading days after the date of such notice. The exercise of early redemption right under paragraph (a) above [Words newly added] is subject to (i) the average daily closing price per share, calculated over the notice period, not being less than 130% of the Conversion Price and (ii) the average daily trading volume calculated over the notice period not being less than HK\$5 million. If any of these 2 conditions are not satisfied, the early redemption date will automatically be deferred to a later trading day so that the average daily closing price per share and the average daily trading volume, in each case calculated over the relevant 40 trading days within the notice period as extended satisfied the above criteria. The Issuer shall notify the holders of the Convertible Bonds to be redeemed about the deferred early redemption date in writing."

- 1.8 **Shareholders Agreement** – Sunview, Existing Owner and Logistics HK will enter into the Shareholders Agreement providing for the management and other aspects of Logistics Group. The revised funding arrangements provided by the Supplemental Framework Agreement are as follows.

Sunview will provide or procure advancement of HK\$4,150,000 as its initial shareholder's loan to fund the Acquisition, of which 40% shall be assigned to the Existing Owner as mentioned in the Initial Announcement. Sunview will also make available loans up to RMB25 million in aggregate for a term of six years to Logistics Group to fund its working capital. It will further advance RMB2.5 million for use by Logistics Shanghai in connection with the Option – see paragraph 1.9 below. These loans procured by Sunview to Logistic Group will carry interest at 5% per annum. The total capital commitments of the Group towards Logistics Group amount to approximately HK\$37 million.

Funding calls by Logistics HK on its shareholders to advance further shareholder's loans are subject to unanimous decision of the board of directors of Logistics HK. Such calls shall be made on both shareholders pro rata to their shareholdings in Logistics HK.

The Supplemental Framework Agreement provides for Sunview's rights, ranking in priority to those of the Existing Owner, to distributions of dividends from Logistics Group up to an aggregate of RMB48 million (or RMB28 million if Sunview receives refund of the consultancy fee of HK\$23,800,000 under the Consultancy Agreement). Subject to Logistics Group having fully discharged its obligations in respect of the said priority rights of Sunview to dividends, Sunview shall then be entitled to receive full repayments of the outstanding shareholder loans and interests accrued due from Logistics Group to Sunview as prescribed by the Supplemental Framework Agreement (including the above mentioned loans of RMB 25 million and RMB 2.5 million) before repayment of the HK\$4,150,000 initial shareholder's loans owed to Sunview and the Existing Owner respectively. Subject to the above arrangements and provisions of the Shareholders Agreement, Sunview and the Existing Owner shall be entitled to distributions by Logistics Group in proportion to their shareholdings in Logistics HK.

The Supplemental Framework Agreement does not change the rights of appointment by the parties to the board of directors of Logistics HK: The board of directors of Logistics HK will have 5 directors, of which Sunview and the Existing Owner have rights to appoint up to 3 and 2 directors respectively.

- 1.9 **Option** – Under the Supplemental Framework Agreement, Logistics Shanghai will be granted, on completion of the Subscription, the Option to purchase the relevant shareholding interests in the companies (the "**Option Companies**") owning, directly and indirectly, the Option Properties, instead of the Option Properties themselves as announced in the Initial Announcement. The Option is granted by the Existing Owner and his associate holding direct and indirect shareholding interests in the Option Companies. The Option will be exercisable by Logistics Shanghai at its discretion. The exercise period remains unchanged at 3 years after completion of the Subscription, extendable for 1 more year (totalling 4 years from the completion of the Subscription) in case the period for achievement Target Business Scale under the Consultancy Agreement is also extended for 1 year under its terms, details of which were set out in the Initial Announcement. The exercise price of the Option is RMB200 million subject to adjustment mentioned below.

In connection with the Option, Logistics Shanghai will procure a loan of RMB2.5 million advanced to the relevant Option Company, which is funded by Sunview as mentioned – see paragraph 1.8 above. The loan is for settlement of part of consideration and related costs and taxes (the "**Outstanding Payments**") outstanding from the relevant Option Company to a third party transferor for the transfer of the relevant portions of the Option Properties under the relevant pre-existing land acquisition contract. The RMB2.5 million loan will carry interest at 5% per year. The outstanding loan, together with interest accrued, shall be due for repayment (a) immediately if the Outstanding Payments are not settled by 31 December 2016 (and in that case the exercise price of the Option will be reduced to RMB190 million) or (b) immediately after the Option has lapsed if it is not exercised by then, as the case may be.

Save as disclosed in this joint announcement, there is no other material change to the terms of the Framework Agreement under the Supplemental Framework Agreement.

## 2. GENERAL

- 2.1 The amendments to the Framework Agreement provided by the Supplemental Framework Agreement were agreed after arm's length negotiations between the parties. Directors of the Company and directors of Century City consider that the terms of the transactions contemplated under the Framework Agreement as amended by the Supplemental Framework Agreement, taken as a whole, are fair and reasonable and in the interests of the shareholders of the Company and of Century City as a whole respectively.
- 2.2 This joint announcement is issued in respect of the Supplemental Framework Agreement to amend the terms of the Framework Agreement constituting a discloseable transaction for each of the Company and Century City under Chapter 14 of the Listing Rules as announced in the Initial Announcement.
- 2.3 Shareholders and potential investors should note that the completion of the Acquisition and the Subscription and as a result the completion of the issuance and subscription of the Convertible Bonds are subject to the conditions precedent, material particulars of which are set out in this joint announcement, which are to be fulfilled and/or waived (as the case may be). Therefore, they may or may not be taken place.

2.4 **Holders of the securities of the Company and Century City and their potential investors are reminded to exercise caution when dealing in the securities of the Company and Century City.**

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  
**Cosmopolitan International Holdings Limited**  
**Eliza Lam Sau Fun**  
Secretary

Hong Kong, 12 April 2016

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

**Executive directors:**

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

**Independent non-executive directors:**

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

As at the date of this joint announcement, the board of directors of the Company 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. Daniel BONG Shu Yin  
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