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## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, certified public accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Century City International Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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### **VERY SUBSTANTIAL DISPOSAL IN RELATION TO DISPOSAL OF A PROPERTY HOLDING COMPANY AND NOTICE OF SPECIAL GENERAL MEETING**

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Capitalised terms used in the lower portion of this cover page shall have the respective meanings as those defined in the section headed “DEFINITIONS” in this circular.

A letter from the board of directors of Century City is set out on pages 1 to 14 of this circular.

The notice convening the Century City SGM to be held at Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Monday, 22 September 2025 at 11:00 a.m. is set out on pages 100 to 101 of this circular.

Century City Shareholders are advised to read the notice of the Century City SGM and if you are not able to attend the Century City SGM or its adjournment thereof (as the case may be) in person but wish to exercise your right as a Century City Shareholder, please complete, sign and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Century City’s share registrar, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding the Century City SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Century City SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

2 September 2025

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following words and expressions have the following meanings:*

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Business Days”	a day other than a Saturday or Sunday on which banks are open for general business in London, Hong Kong and Germany
“Century City”	Century City International Holdings Limited, a company incorporated in Bermuda, the issued ordinary shares of which are listed on the main board of the Stock Exchange (Stock Code: 355)
“Century City Directors”	directors of Century City
“Century City Group”	Century City and its subsidiaries
“Century City SGM”	the special general meeting of Century City to be convened for the Century City Shareholders to consider and, if thought fit, to approve, among other matters, the SP Transaction
“Century City Share(s)”	ordinary share(s) of par value of HK\$0.1 each in the capital of Century City
“Century City Shareholder(s)”	holder(s) of Century City Share(s)
“Completion”	completion of the transactions contemplated under the Share Purchase Agreement
“Completion Date”	the date on which Completion takes place
“Completion Notification”	the written notice, alongside all supporting documentation and evidence required by the Purchaser, to be delivered by the Seller to the Purchaser confirming that the conditions precedent are satisfied and the SP Transaction becomes unconditional pursuant to the Share Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Cosmopolitan”	Cosmopolitan International Holdings Limited, a company incorporated in the Cayman Islands, the issued ordinary shares of which are listed on the main board of the Stock Exchange (Stock Code: 120)
“Disposal”	the disposal of all of the Sale Shares in accordance with the Share Purchase Agreement
“Headline Purchase Price”	£19,500,000 (equivalent to approximately HK\$208,650,000)

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## DEFINITIONS

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“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Joint Announcement”	the announcement dated 29 July 2025 jointly published by Century City, Paliburg and Regal
“Latest Practicable Date”	26 August 2025, being the latest practicable date for ascertaining certain information in this circular before the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Time”	5:00 pm (the United Kingdom time) on 22 September 2025, as may be extended pursuant to the Share Purchase Agreement or agreed in writing between the Seller and the Purchaser
“P&R”	P&R Holdings Limited, a company owned as to 50% by a wholly-owned subsidiary of Paliburg and 50% by a wholly-owned subsidiary of Regal
“Paliburg”	Paliburg Holdings Limited, a company incorporated in Bermuda, the issued ordinary shares of which are listed on the main board of the Stock Exchange (Stock Code: 617)
“Paliburg Group”	Paliburg and its subsidiaries
“percentage ratios”	the percentage ratios calculated based on the requirements under Rule 14.07 of the Listing Rules
“Property”	Waterman House, located at 41 Kingsway, London, United Kingdom
“Purchaser”	MNX Properties Limited, a limited liability company incorporated in England and Wales
“Regal”	Regal Hotels International Holdings Limited, a company incorporated in Bermuda, the issued ordinary shares of which are listed on the main board of the Stock Exchange (Stock Code: 78)
“Regal Directors”	directors of Regal
“Regal Group”	Regal and its subsidiaries

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## DEFINITIONS

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“Relevant Companies” and each a “Relevant Company”	Regal, Paliburg, Century City, and certain of their respective wholly-owned subsidiaries which directly or indirectly hold the Seller, and Grand Modern Investments Limited
“Remaining Group”	the Century City Group immediately after Completion
“Sale Shares”	the entire issued share capital of the Target Company as at the Completion Date
“Seller”	Solarmoon International Limited, a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of Regal
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share Purchase Agreement”	the share purchase agreement dated 29 July 2025 and entered into between Seller, Purchaser and Regal in respect of the SP Transaction
“Shareholder’s Loan”	the aggregate amount owing from the Target Company to the Seller immediately prior to Completion, which is estimated to be approximately £19.46 million (equivalent to approximately HK\$208.22 million), whereas any excess amount shall be capitalised in full prior to Completion pursuant to the Share Purchase Agreement. The Shareholder’s Loan is unsecured, interest-free and has no fixed term of repayment. The Share Purchase Agreement also provides for adjustment to the amount of Shareholder’s Loan to be capitalised if and to the extent the parties identify in the period between the date of the Share Purchase Agreement and the Completion Date that the agreement or determination of the completion statements may result in an adjusting payment pursuant to paragraph (a)(ii) to the “Consideration” under the section headed “SHARE PURCHASE AGREEMENT”
“SP Transaction”	the Disposal, the repayment of the Shareholder’s Loan by the Target Company to the Seller and the transactions contemplated by the Share Purchase Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Waterman House Investments Limited, a private company limited by shares incorporated in England and Wales
“United Kingdom” or “UK”	The United Kingdom of Great Britain and Northern Ireland

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## DEFINITIONS

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“VAT”	value added tax
“£”	British Pound Sterling, the lawful currency of the United Kingdom
“%”	per cent.

*For the purposes of this circular, unless the context otherwise requires or expressly specified, conversion of British Pound Sterling into Hong Kong dollars is based on the exchange rate of £1= HK\$10.70. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or British Pound Sterling has been, could have been or may be converted at such or any other rate or at all.*

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## LETTER FROM THE BOARD OF DIRECTORS OF CENTURY CITY

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世紀城市國際控股有限公司  
**Century City**  
International Holdings Limited  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 355)

*Executive Directors:*

Mr. LO Yuk Sui

*(Chairman and Chief Executive Officer)*

Mr. Jimmy LO Chun To *(Vice Chairman)*

Ms. LO Po Man *(Vice Chairman)*

Mr. Kenneth NG Kwai Kai

*(Chief Operating Officer)*

Mr. Kelvin LEUNG So Po

Mr. Allen WAN Tze Wai

*Independent Non-Executive Directors:*

Mr. Anthony CHUANG

Ms. Winnie NG, JP

Mr. WONG Chi Keung

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head office and principal  
place of business:*

11th Floor, 68 Yee Wo Street

Causeway Bay

Hong Kong

2 September 2025

*To the Century City Shareholders*

Dear Sir or Madam,

**VERY SUBSTANTIAL DISPOSAL IN RELATION TO  
DISPOSAL OF A PROPERTY HOLDING COMPANY  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

Reference is made to the Joint Announcement in which it was announced that on 29 July 2025 (the United Kingdom time and before trading hours on 29 July 2025 Hong Kong time), the Seller (a wholly-owned subsidiary of Regal) as seller and Regal as Seller's guarantor entered into the Share Purchase Agreement with the Purchaser for a headline purchase price of £19,500,000 (equivalent to approximately HK\$208,650,000). Under the terms of the Share Purchase Agreement, the Seller conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Shares for a base consideration of £1 (subject to adjustments). In addition, as part of the SP Transaction, the Purchaser will upon Completion provide funding to the Target Company to enable and procure the Target Company to repay the Shareholder's Loan as will be owed by the Target Company to the Seller immediately prior to Completion; this is currently expected to be approximately £19.46 million (equivalent to approximately HK\$208.22 million). Regal agreed to guarantee the Seller's obligations under the Share Purchase Agreement. The Target Company is the sole legal and beneficial owner of the Property.

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## LETTER FROM THE BOARD OF DIRECTORS OF CENTURY CITY

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The purposes of this circular are to provide the Century City Shareholders with, among others, (i) further information in relation to the SP Transaction; (ii) a notice of the Century City SGM to consider and, if thought fit, to approve the ordinary resolution in relation to the SP Transaction; and (iii) other information in accordance with the requirements of the Listing Rules.

### SHARE PURCHASE AGREEMENT

The principal terms of the Share Purchase Agreement are set out as follows:

Date	29 July 2025
Parties	<p>(1) Solarmoon International Limited, an indirect wholly-owned subsidiary of Regal, as seller</p> <p>(2) MNX Properties Limited, as purchaser</p> <p>(3) Regal, as Seller's guarantor</p>
Subject matter	<p>The sale and purchase of the Sale Shares, representing the whole of the issued share capital of the Target Company. Under the Share Purchase Agreement, the Purchaser will upon Completion provide funding to the Target Company to enable and procure the Target Company to repay the Shareholder's Loan owed by the Target Company to the Seller at Completion.</p> <p>For further information on the Target Company, please refer to the section headed "INFORMATION ON THE TARGET COMPANY AND THE PROPERTY" below.</p>
Consideration	<p>The maximum total consideration to be received by the Seller under the Share Purchase Agreement is estimated to be not more than approximately £20.43 million (equivalent to approximately HK\$218.60 million), which is arrived at based on the aggregate of:</p> <p>(a) the consideration for the Sale Shares, being</p> <p>(i) base consideration of £1;</p> <p>(ii) <i>plus</i> the amount of the excess of net assets of the Target Company as at the Completion Date over £1 (if any), or <i>minus</i> the amount of the shortfall in net assets of the Target Company as at the Completion Date below £1 (which for the avoidance of doubt shall include any deficit in net assets), if any. It is presently estimated that the Target Company will have net assets of approximately £0.04 million as at the Completion Date; and</p>



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## LETTER FROM THE BOARD OF DIRECTORS OF CENTURY CITY

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- (iii) the Contingent Consideration (if any) calculated in accordance with the Share Purchase Agreement, as summarised below which is expected to be not more than approximately £0.93 million; and
- (b) the amount equal to the Shareholder's Loan amount outstanding immediately prior to Completion which is to be repaid by the Target Company to the Seller at Completion. It is presently estimated that the Target Company will, immediately prior to Completion, have a Shareholder's Loan amount outstanding of approximately £19.46 million.

If, before the fifth anniversary of the Completion Date, the Target Company transfers the legal and beneficial ownership of the Property to a third party outside of the Purchaser group for an amount (net of VAT) (such amount, the “**Subsequent Sale Consideration**”) greater than the Agreed Tax Base (“**Third Party Disposal**”), the Purchaser will compensate the Seller in cash. This compensation (“**Contingent Consideration**”) will be the lower of:

- (i) The product of X, Z and the Agreed Tax Loss; and
- (ii) The product of X, Z and the Gain.

In the above calculations:

**Agreed Tax Base** means the Headline Purchase Price plus any other costs or expenses actually incurred by the Target Company after Completion if and to the extent these costs would be deductible in calculating the Target Company's net taxable gain on disposal of the Property (whether or not a gain is actually made).

**Gain** means the difference between the Subsequent Sale Consideration and the Agreed Tax Base.

**Agreed Tax Loss** means the Target Company's acquisition cost for the Property plus all capitalised costs for the planning and development of the Property actually incurred by the Target Company prior to Completion if and to the extent these costs would be deductible in calculating the Target Company's taxable gain on disposal of the Property, minus the Headline Purchase Price (but provided that the Agreed Tax Loss shall not be less than £ zero).

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## LETTER FROM THE BOARD OF DIRECTORS OF CENTURY CITY

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**X** means the applicable rate of corporation tax in the United Kingdom on chargeable gains at the time of the Third Party Disposal.

**Z** means a value based on the timing of the Third Party Disposal in relation to the Completion Date:

- On or before the third anniversary: 1.00
- After the third anniversary and on or before the fourth anniversary: 0.50
- After the fourth anniversary and on or before the fifth anniversary: 0.20

A deposit of £2,925,000 (equivalent to approximately HK\$31,297,500) has been paid to the Seller's lawyer as stakeholder on the date of the Share Purchase Agreement. Upon Completion, the Purchaser shall (a) pay to the Seller the base consideration of £1.00; and (b) procure that the Target Company repays to the Seller the full Shareholder's Loan amount in full and final settlement of any and all Shareholder's Loan(s) (such obligation to be satisfied in part by way of the application of the aforesaid deposit of £2,925,000).

Payment of the net asset value adjustment (to either of the Seller or the Purchaser by the other), if any, shall be made within 10 Business Days of the agreement or determination of the completion statements. The draft completion statements shall be prepared and submitted by the Purchaser to the Seller within 20 Business Days of Completion and agreed or determined in accordance with the provisions of the Share Purchase Agreement.

In accordance with the terms of the Share Purchase Agreement, the Purchaser shall within 15 Business Days of entering into a binding agreement in respect of the Third Party Disposal (if any) notify (or procure the Target Company to notify) the Seller in writing of the relevant Third Party Disposal and within 20 Business Days of completion of the Third Party Disposal pay to the Seller the Contingent Consideration (if any) in cash.

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## LETTER FROM THE BOARD OF DIRECTORS OF CENTURY CITY

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The purpose of the Contingent Consideration mechanism is to enable the Seller to share, in the event of a Third Party Disposal, the benefit of the utilization of certain corporate tax losses that are currently embedded in the Target Company, provided such Third Party Disposal takes place within five years after Completion. It is presently estimated that the Agreed Tax Loss will be approximately £3.7 million. Based on the prevailing corporate tax rate of 25% in the United Kingdom, the Contingent Consideration is expected to be not more than approximately £0.93 million.

### Conditions precedent

Completion of the SP Transaction is subject to:

- (a) compliance with all necessary requirements in respect of the transactions contemplated under the Share Purchase Agreement by each of Century City, Paliburg and Regal with the Listing Rules, including but not limited to the despatch of the circulars by Century City, Paliburg and Regal in accordance with the Listing Rules; and
- (b) the Seller delivering to the Purchaser the Completion Notification confirming to the Purchaser:
  - (i) that the condition under (a) above has been satisfied in full;
  - (ii) that the following consents have been obtained:
    - (A) unanimous and irrevocable written approval of the board of directors of each of the Seller, the Target Company, Regal and Paliburg, and unanimous written approval of the board of directors of Century City (subject to approval of the Century City Shareholders at the Century City SGM), each approving the Seller's and (where applicable) Regal's entry into the Share Purchase Agreement and the SP Transaction;
    - (B) irrevocable approval of the sole shareholder of the Seller, and written shareholders' approval for each of Paliburg and Regal in compliance with Rule 14.44 of the Listing Rules, each approving the Seller's and (where applicable) Regal's entry into the Share Purchase Agreement and the SP Transaction;

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## LETTER FROM THE BOARD OF DIRECTORS OF CENTURY CITY

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- (C) unanimous approval of the board of directors of each Relevant Company approving completion of the SP Transaction and all matters contemplated by the Share Purchase Agreement;
  - (D) otherwise, all other approvals required pursuant to applicable laws and regulation or contract or constitutional documents to approve completion of the SP Transaction and all matters contemplated by the Share Purchase Agreement, including shareholder approvals of each Relevant Company if and to the extent required in accordance with applicable law; and
  - (E) passing of the shareholders' resolution at the Century City SGM by a simple majority vote to approve the SP Transaction; and
- (iii) that, for all purposes all transactions contemplated by the Share Purchase Agreement are unconditional.

The Purchaser may, by notice to the Seller, waive in whole or in part any of the conditions precedent on any terms it decides, except that no party may waive the requirement for Century City to approve the SP Transaction pursuant to the Century City SGM or any other acts or processes that are mandatory under the Listing Rules or otherwise prescribed by the Stock Exchange from time to time.

The Seller shall use all reasonable endeavours to procure that all the conditions precedent of the Share Purchase Agreement are satisfied as soon as reasonably practicable and the Completion Notification is delivered to the Purchaser as soon as reasonably practicable and, in any event, by the Longstop Time (as may have been extended pursuant to the Share Purchase Agreement).

As at the Latest Practicable Date, the conditions precedent have not been fulfilled.

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## LETTER FROM THE BOARD OF DIRECTORS OF CENTURY CITY

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If the conditions precedent of the Share Purchase Agreement are not fulfilled (or where applicable, waived by Purchaser) on or before the Longstop Time solely due to the fact that any circular of Century City, Paliburg or Regal remains subject to review or approval, or otherwise pending clearance, by the Stock Exchange, or pending the Century City SGM being taken place, the Seller may by written notice extend the Longstop Time by a maximum of 10 Business Days on each occasion, provided that:

- (a) the circular despatch time limit under Rule 14.41 of the Hong Kong Listing Rules shall at all times be complied with (and insofar as Paliburg or Regal is concerned, unless having obtained a grant of waiver from strict compliance with such requirement from the Stock Exchange, and in such case, all other conditions for the grant of such a waiver by the Stock Exchange remains to be complied); and
- (b) the Longstop Time, as extended, shall in no event be later than two months after the date to which it is extended pursuant to the Share Purchase Agreement, or such other time and date as may be agreed in writing between the Seller and the Purchaser.

If the conditions precedent of the Share Purchase Agreement are not fulfilled (or where applicable, waived by the Purchaser) on or before the Longstop Time (as may have been extended pursuant to the Share Purchase Agreement), the Seller may by written notice request to be given a period of maximum 7 calendar days to satisfy the conditions precedent provided that the circulars despatch time limit shall at all times comply with the Listing Rules. If the Purchaser by written notice to the Seller declines such request or the parties do not agree to proceed with Completion by the end of the period requested by the Seller, the Purchaser may by written notice to the Seller terminate the Share Purchase Agreement and the deposit of £2,925,000 (equivalent to approximately HK\$31,297,500) will be returned to the Purchaser together with any bank interest accrued thereon, and in such event the Seller shall also pay a break fee equivalent to £615,000 (equivalent to approximately HK\$6,580,500).

### Completion

Completion shall take place on 26 August 2025 if the Seller has delivered the Completion Notification to the Purchaser on or before 5:00 pm (UK time) on 15 August 2025, or otherwise on the 7th Business Day after the date on which the Completion Notification is delivered by the Seller to the Purchaser.

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## LETTER FROM THE BOARD OF DIRECTORS OF CENTURY CITY

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The Completion Notification would be delivered upon satisfaction of the conditions precedent which include, among others, the relevant resolution having been passed by the Century City Shareholders in the Century City SGM to be convened on 22 September 2025. Supposing that all conditions precedent would be fulfilled (or where applicable, waived by the Purchaser) by the date of the Century City SGM and the Completion Notification would be delivered to the Purchaser on the same date, Completion shall take place on 2 October 2025 in accordance with the terms of the Share Purchase Agreement.

### Seller's guarantee

Regal agrees to (a) guarantee to the Purchaser and each member of the Purchaser group the due and punctual performance and observance by the Seller of all obligations and liabilities under the Share Purchase Agreement and (b) indemnify the Purchaser and each member of the Purchaser group against all direct or indirect losses and liabilities which it incurs or suffers arising out of or in connection with any failure of the Seller to comply with any of its obligations, or to discharge any of its liabilities, under the Share Purchase Agreement.

### Basis of determining the Headline Purchase Price

The consideration (i.e. the Headline Purchase Price of £19,500,000 which is equivalent to approximately £915 per square foot based on internal areas of 21,312 square feet, on a cash-free, debt-free basis) was determined after a competitive process and an arm's length negotiation between the Seller and the Purchaser. In determining the Headline Purchase Price, the Seller has taken several factors into consideration, including (a) the reasons for the SP Transaction as set out in the section headed "REASONS FOR AND BENEFITS OF THE SP TRANSACTION" below, (b) the acquisition price of approximately £22 million paid by the Regal Group for the Property in April 2019, (c) the Property being offered with vacant possession, (d) the prime location of the Property, and (e) transacted prices for comparable freehold commercial properties located in Central London over the past 3 years as provided by a commercial property agent to the Seller ranging from £653 to £1,049 per square foot, based on internal areas of such properties varying between approximately 11,000 and 183,000 square feet.

As further described in the section headed "REASONS FOR AND BENEFITS OF THE SP TRANSACTION" below, the Regal Group has been actively pursuing the disposal of some of its non-core assets with a view to reinforcing its liquidity resources and, in line with its assets disposal plan, the Regal Group has been considering the possible disposal of the Property at a satisfactory price since 2024. To facilitate the marketing and sale of the Property, the Seller engaged certain property agents to assist in identifying and contacting prospective purchasers and promoting the Property to such parties. One of the property agents, being a leading investment and development advisor in Central London and the United Kingdom since 1985, provided the Seller with the relevant transacted prices for comparable freehold commercial properties in Central London as follow for the Seller's reference. To the best of the knowledge, information and belief of Century City Directors, having made all reasonable enquiries, such information relating to the transacted prices for comparable

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## LETTER FROM THE BOARD OF DIRECTORS OF CENTURY CITY

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freehold commercial properties in Central London over the past three years were sourced comprehensively from the agent's internal database and represented all relevant data contained therein. As the agent is a leading investment and development advisor in Central London and the United Kingdom since 1985, Century City Directors consider that their reliance on such information is reasonable.

<b>Address</b>	<b>Transaction date</b>	<b>Net Internal Area (square feet)</b>	<b>Capital Value per square feet Existing use</b>
Norfolk House, 13 Southampton Place, WC1	April 2025	16,752	£1,049 Offices and retail
York House, 23 Kingsway, WC2	January 2025	51,483	£653 Multi-let offices
90 High Holborn, WC1	October 2024	183,000	£874 Multi-let offices
77 Kingsway, WC2	September 2024	47,730	£670 Multi-let offices
15-23 Lincolns Inn Fields, WC2	June 2024	67,241	£653 Single let offices with potential for conversion to residential
51 Lincolns Inn Fields, WC2	February 2024	11,246	£756 Acquired by LSE for their own occupation
52 Bedford Row, WC1	January 2024	28,892	£1,038 Vacant offices. Acquired by neighbouring owners
Kean House, 6 Kean Street, WC2	October 2023	26,005	£731 Multi-let, partly refurbished offices
South West Wing Bush House, Strand, WC2	July 2022	103,700	£819 Acquired by King's College (existing tenant)
22 Kingsway, WC2	May 2022	123,863	£840 Planning consent implemented for 313 bed hotel. Acquired by Scape for student accommodation development.

The Headline Purchase Price of £915 per square foot falls towards the upper end of the observed range referred to above which reflects the Property's vacant status and its prime location. Whilst the Headline Purchase Price of £19,500,000 offered by the Purchaser, in £-terms, implies an approximately 11% discount to the original acquisition price of approximately £22 million, the Headline Purchase Price is among the highest offers that was received during the competitive marketing process undertaken since early 2024. The Purchaser's offer was also the most serious and the most committed offer received.

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## LETTER FROM THE BOARD OF DIRECTORS OF CENTURY CITY

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In light of the above, the Century City Directors consider that the terms of the SP Transaction (including the total consideration) are on normal commercial terms and fair and reasonable and in the interests of Century City and its shareholders as a whole.

### INFORMATION ON THE TARGET COMPANY AND THE PROPERTY

The Target Company is incorporated in the United Kingdom and is wholly-owned by the Seller. It is principally engaged in property holding and holds the Property, a freehold building located at 41 Kingsway, London, United Kingdom.

Set out below is the financial information of the Target Company for the two years ended 31 December 2023 and 2024:

	For the year ended 31 December 2023	For the year ended 31 December 2024
Loss before taxation	HK\$1.1 million	HK\$1.6 million
Loss after taxation	HK\$1.1 million	HK\$1.6 million

As at 31 December 2024, the carrying amount of the Property at the Target Company, the shareholder's loan owing from the Target Company to the Seller and the net liabilities of the Target Company were approximately HK\$226.4 million, approximately HK\$233.2 million and approximately HK\$5.4 million, respectively.

In 2019, the Regal Group acquired the entire issued shares of the holding company of the Property, which has 9 storeys (including 1 basement) with a total gross floor area of approximately 2,150 square metres (23,140 square feet). The Property is currently not occupied. Vacant possession of the Property will be delivered on Completion.

### FINANCIAL EFFECT

Upon completion of the SP Transaction, the Target Company will cease to be a subsidiary of Century City and the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of Century City.

Century City would expect to record an accounting gain before tax and non-controlling interests of approximately HK\$15.5 million (before expenses) as a result of the SP Transaction, which was derived from (i) a foreign currency exchange gain of approximately HK\$18.7 million on the carrying amount of the Property at the Century City Group level based on an exchange rate of HK\$10.7 to £1 against the exchange rate as at 31 December 2024 of HK\$9.74 to £1 and (ii) the release of an exchange equalisation reserve debit balance of approximately HK\$3.2 million to the consolidated statement of profit or loss primarily in relation to the carrying amount of the Property converted to HK\$ as at 31 December 2024. Such gain would be subject to audit by the auditors of Century City.



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## LETTER FROM THE BOARD OF DIRECTORS OF CENTURY CITY

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Based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix III to this circular, assuming, among other things, the SP Transaction had been completed on 31 December 2024, the consolidated total assets of the Century City Group as at 31 December 2024 would decrease by approximately HK\$0.1 million from HK\$36,441.5 million to HK\$36,441.4 million and the consolidated total liabilities of the Century City Group as at 31 December 2024 would decrease by approximately HK\$0.1 million from HK\$22,696.8 million to HK\$22,696.7 million, respectively on a pro forma basis.

### REASONS FOR AND BENEFITS OF THE SP TRANSACTION

In 2019, the Regal Group acquired the entire issued shares of the holding company of the Property, which has been recorded as property, plant and equipment in the Regal Group's financial statements. Initially, the Regal Group had intended to develop the Property into a hotel. However, following the outbreak of the Covid-19 pandemic in 2020 which significantly disrupted the global and Hong Kong economies, the changes in the overseas business environment and the intensified geopolitical tension that cast uncertainty over international trade and relations, the Regal Group decided to reassess the prospects of its overseas investments and concluded that it would be appropriate to focus primarily on its core hotel and property businesses in Hong Kong. As stated in the interim report for the six months ended 30 June 2024 and the annual report for the year ended 31 December 2024 of the Century City Group, the Regal Group has been actively pursuing the disposal of some of its non-core assets with a view to reinforcing its liquidity resources and that, in line with its assets disposal plan, the Regal Group might consider divesting the Property if a satisfactory offer is received.

The Century City Directors believe that the SP Transaction represents a good opportunity to realise the value of the Property at a reasonable price. It is estimated that the Regal Group will receive gross proceeds (before expenses) of approximately HK\$208.7 million and net proceeds (after expenses) of approximately HK\$202 million from the SP Transaction and it intends to apply such proceeds to reduce its indebtedness.

The terms of the Share Purchase Agreement were determined after a competitive process and arm's length negotiations between the parties thereto and are on normal commercial terms. The Century City Directors consider that the terms of the SP Transaction (including the total consideration) are on normal commercial terms and fair and reasonable and in the interests of Century City and its shareholders as a whole.

### INFORMATION ON CENTURY CITY, PALIBURG, REGAL AND THE SELLER

The Century City Group is principally engaged in property development and investment, construction and building related businesses, hotel ownership, hotel operation and management, asset management, aircraft ownership and leasing business and other investments including financial assets investments.

The Paliburg Group is principally engaged in property development and investment, construction and building related businesses, hotel ownership, hotel operation and management, asset management, aircraft ownership and leasing business and other investments including financial assets investments.

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## LETTER FROM THE BOARD OF DIRECTORS OF CENTURY CITY

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The 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.

The Seller is a wholly-owned subsidiary of Regal (which in turn is a listed subsidiary of Century City and Paliburg) and is principally engaged in investment holding.

As at the Latest Practicable Date, Century City indirectly held approximately 62.3% of the total issued shares of Paliburg, whereas Paliburg indirectly held 69.3% of the total issued shares of Regal.

### INFORMATION ON THE PURCHASER

To the best of the knowledge, information and belief of Century City Directors, having made all reasonable enquiries, the Purchaser is an investment company incorporated in the United Kingdom with limited liability. The directors of the Purchaser are Artur Süsskind (Germany), Harry Habermann (Germany), Dr. Leo Rokeach (Germany), Robert Stafler (London) and Ashley Marks (London), and its business is led by its London-based directors. The single largest and ultimate beneficial owner of the Purchaser is Harry Habermann holding a 45% interest in the Purchaser. He is also the single largest and ultimate beneficial owner of the freehold property and the operations of a boutique hotel located in the same vicinity as the Property.

To the best of the knowledge, information and belief of the Century City Directors, having made all reasonable enquiries, the Purchaser and all its ultimate beneficial owners and directors are third parties fully independent of Century City and its connected persons.

### LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios for Century City in respect of the SP Transaction exceeds 75%, the SP Transaction constitutes a very substantial disposal for Century City under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders’ approval requirements under the Listing Rules.

Pursuant to Rule 5.02A(5) of the Listing Rules, a valuation of a property interest is not required if the carrying amount of a property interest in Century City being disposed of is below 1% of the Century City Group’s total assets and the total carrying amount of property interests not valued does not exceed 10% of the Century City Group’s total assets. As at the date of the Share Purchase Agreement, the carrying amount of the Property at the Century City Group of HK\$189.9 million as at 31 December 2024 was approximately 0.52% of the Century City Group’s total assets of HK\$36,441.5 million as at 31 December 2024. Since the Target Company has no other property interest (other than the Property), the total carrying amount of other property interests not valued did not exceed 10% of the Century City Group’s total assets as at 31 December 2024. Therefore, a valuation of the Property is not required.

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## LETTER FROM THE BOARD OF DIRECTORS OF CENTURY CITY

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The Century City SGM will be convened for the purpose of seeking approval from the Century City Shareholders in relation to the SP Transaction. To the best of the Century City Directors' knowledge, information and belief, having made all reasonable enquiries, no Century City Shareholder or its/his/her associate(s) has a material interest in the SP Transaction and accordingly, no Century City Shareholder is required to abstain from voting at the Century City SGM to approve the SP Transaction. The passing of the resolution to approve the SP Transaction requires a simple majority vote.

Grand Modern Investments Limited, which holds approximately 52.7% of the issued share capital of Century City as at the Latest Practicable Date, has irrevocably undertaken that it will vote in favour of the resolution to be proposed at the Century City SGM to approve the SP Transaction.

### CENTURY CITY SGM

A notice convening the Century City SGM to be held at Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Monday, 22 September 2025 at 11:00 a.m. at which an ordinary resolution will be proposed to the Century City Shareholders to consider and, if thought fit, approve the SP Transaction, is set out on pages 100 to 101 of this circular.

In accordance with Rule 13.39(4) of the Listing Rules, the voting of Century City Shareholders at the Century City SGM will be taken by poll. The results of the poll will be published on the websites of Century City and the Stock Exchange.

Century City Shareholders are advised to read the notice of the Century City SGM and if you are not able to attend the Century City SGM or its adjournment thereof (as the case may be) in person but wish to exercise your right as a Century City Shareholder, please complete, sign and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Century City's share registrar, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding the Century City SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Century City SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

**Completion of the SP Transaction is conditional upon the satisfaction or, if applicable, waiver of the relevant conditions precedent. Accordingly, the SP Transaction may or may not proceed. Holders of securities and potential investors of Century City are reminded to exercise caution when dealing in the securities of Century City.**

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## LETTER FROM THE BOARD OF DIRECTORS OF CENTURY CITY

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### CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlements of the Century City Shareholders to attend and vote at the Century City SGM, the register of ordinary shareholders of Century City will be closed from Wednesday, 17 September 2025 to Monday, 22 September 2025, both days inclusive, during which period no transfer of Century City Shares will be registered.

The record date for determining the entitlements of the Century City Shareholders to attend and vote at the Century City SGM will be Monday, 22 September 2025. To be eligible to attend and vote at the Century City SGM, all transfers of Century City Shares accompanied by the relevant share certificates must be lodged with Century City's branch share registrar in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:30 p.m. on Tuesday, 16 September 2025.

### RECOMMENDATION

The Century City Directors are of the opinion that the transactions contemplated under the Share Purchase Agreement and the SP Transaction are fair and reasonable and believe that entering into the Share Purchase Agreement is in the interests of Century City and the Century City Shareholders as a whole. Accordingly, the Century City Directors recommend the Century City Shareholders to vote in favour of the ordinary resolution set out in the notice of the Century City SGM to approve the Share Purchase Agreement and the SP Transaction and the transactions contemplated thereunder.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of the board of  
**Century City International Holdings Limited**  
**LO Yuk Sui**  
*Chairman*

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## **APPENDIX I FINANCIAL INFORMATION OF THE CENTURY CITY GROUP**

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### **1. FINANCIAL INFORMATION OF THE CENTURY CITY GROUP**

Financial information of the Century City Group for each of the three years ended 31 December 2022, 2023 and 2024 were set out in the relevant annual reports of Century City published on the Stock Exchange's website (<http://www.hkexnews.hk>) and the Century City's website (<http://www.centurycity.com.hk>). Please also see below links to the annual reports:

- Annual report of Century City for the year ended 31 December 2024 (pages 64 to 194):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0428/2025042803589.pdf>
- Annual report of Century City for the year ended 31 December 2023 (pages 64 to 190):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042603907.pdf>
- Annual report of Century City for the year ended 31 December 2022 (pages 69 to 197):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042702416.pdf>

Each of the aforesaid consolidated financial statements of the Century City Group are incorporated by reference to this circular and forms part of this circular.

### **2. STATEMENT OF INDEBTEDNESS**

As at the close of business on 31 July 2025, being the latest practicable date for the purpose of this statement of indebtedness, the Century City Group had outstanding borrowings of approximately HK\$19,495.8 million which represented (i) bank loans of HK\$18,925.7 million secured by certain of the Century City Group's property, plant and equipment, investment properties, right-of-use assets, properties under development, properties held for sale, time deposits and bank balances; (ii) other borrowings of HK\$541.0 million; and (iii) lease liabilities of HK\$29.1 million.

All of the above outstanding borrowings except lease liabilities of the Century City Group were guaranteed by certain subsidiaries of Century City.

As at the close of business on 31 July 2025, the Century City Group had contingent liabilities relating to the corporate guarantees provided in respect of a banking facility granted to an associate in the amount of HK\$389.5 million which was fully utilised.

In addition, a corporate guarantee was given to a bank by the Regal Group for a performance bond issued by the bank in relation to a property development contract undertaken by the Regal Group amounting to HK\$15.0 million.

Furthermore, a corporate guarantee was given to a bank by Regal Group for a letter of guarantee issued by the bank in connection with an appeal against a notice of stamp duty assessment in the amount of HK\$93.0 million issued by the Inland Revenue Department of Hong Kong SAR in relation to the sublease agreement entered into between the Airport Authority and Regal Group.

In addition, the Cosmopolitan group had provided guarantees to banks in connection with mortgage facilities granted to certain purchasers of its properties amounting to approximately RMB135.3 million (approximately HK\$147.3 million) as at 31 July 2025.

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## **APPENDIX I FINANCIAL INFORMATION OF THE CENTURY CITY GROUP**

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Save as disclosed above and apart from intra-group liabilities, the Century City Group did not, as at the close of business on 31 July 2025, have any material outstanding (i) debt securities, whether issued and outstanding, authorised or otherwise created but unissued, or term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Century City Group or by third parties) or unsecured; (ii) other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured; (iii) mortgage or charges; or (iv) guarantees or other contingent liabilities.

### **3. WORKING CAPITAL**

The Century City Directors are of the opinion that, after taking into account (i) the internal resources of the Century City Group; (ii) the Century City Group's presently available banking facilities and other borrowings; and (iii) the expected financing and refinancing of certain bank loans, the Century City Group has sufficient working capital for its requirements for at least 12 months from the date of this circular.

Century City has obtained the relevant confirmation in respect of the sufficiency of working capital of the Century City Group from its auditors as required under Rule 14.66(12) of the Listing Rules.

### **4. MATERIAL ADVERSE CHANGE**

The Century City Directors confirm that there has been no material adverse change in the financial or trading position of the Century City Group since 31 December 2024, the date to which the latest published audited consolidated accounts of the Century City Group were made up.

### **5. FINANCIAL AND TRADING PROSPECTS OF CENTURY CITY GROUP**

#### **REGAL GROUP**

The economy of Hong Kong is on a path of gradual but uneven recovery. While Hong Kong will continue to face challenges due to the increased global economic uncertainties, it is also endowed with many development opportunities as it actively aligns with the national development strategies of China. Hong Kong is committed to consolidate and enhance its status as an international financial, shipping and trade centre. At the same time, it is proceeding forward with the Northern Metropolis as its growth engines and to deepen its collaboration with the Greater Bay Area. It can be anticipated that as Hong Kong further integrates with the national development of China, it will be able to benefit from a series of supportive measures from the Central Government.

To reinforce the role of Hong Kong as an international tourism hub, the Culture, Sports and Tourism Bureau announced in December 2024 the Development Blueprint for Hong Kong's Tourism Industry 2.0 (Blueprint 2.0), setting forth strategies primarily to enrich and develop Hong Kong's tourism products and initiatives with local and international characteristics as well as to enhance the service quality and support of its tourism industry on all fronts. In addition, major infrastructure projects, such as the Kai Tak Sports Park and the Three-runway System (3RS) at the Hong Kong

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## APPENDIX I FINANCIAL INFORMATION OF THE CENTURY CITY GROUP

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International Airport, have also been completed in 2024 to support the launch of the Blueprint 2.0. The completion of the 3RS signifies a significant advancement in the development of Hong Kong as an aviation hub, which aims to handle 120 million passengers and 10 million tons of cargo annually by 2035.

Stepping into 2025, the local tourist market continued to show signs of recovery. During the Lunar New Year golden week, Hong Kong received about 1.3 million visitors. For the whole month of January 2025, there was a total of about 4.7 million visitors, with around 3.7 million coming over from the Mainland, marking annual increases of 24.0% and 25.0%, respectively. These are both new record highs since the pandemic times. Hong Kong has always been a vibrant and resilient city. Through its own committed initiatives and the strong support from the Central Government, it is expected that the tourism industry in Hong Kong will be able to achieve a prosperous and sustainable development.

As one of the major hotel owners in Hong Kong, the directors of the REIT Manager are optimistic that Regal REIT will be able to benefit from the anticipated revival of the local tourist and hotel businesses and that its operating results would gradually improve in the coming years.

Apart from its core investments in hotels, which are principally held through Regal REIT, the Regal group also holds significant investments in real estate and financial assets. Faced with a complicated economic environment and the impact of continuingly high interest rates, the operating conditions for many businesses in Hong Kong have been relatively challenging. To reinforce its liquidity resources, the Regal group is actively progressing with the disposals of some of its non-core assets.

The Regal group believes in the resilience of Hong Kong's economy and is hopeful that, as the local economic conditions improve, it will be able to regain its growth momentum.

### COSMOPOLITAN GROUP

The Central Government has recently reassured its commitment to stabilise the real estate market in China. It is expected that more easing measures and fiscal stimulus will be released during the course of this year to further support the property sector. With the gradual revival in market sentiment since the fourth quarter of 2024, property prices in first tier cities have started to reverse the downward trend with increased transaction volume in the first two months of this year. It is expected that this recovery process will continue to spill over to major second tier cities.

Accordingly, the directors of Cosmopolitan remain hopeful that the remaining commercial components in the Cosmopolitan group's two development projects in Chengdu and Tianjin, which command significant value, will be able to generate for the Cosmopolitan group substantial revenues in the coming years.

### PALIBURG GROUP

Although the overall external environment is still crowded with many uncertainties, particularly having regard to the escalated geopolitical and trade tensions, the Paliburg Group remains optimistic in the future economic development of Hong Kong.

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## APPENDIX I FINANCIAL INFORMATION OF THE CENTURY CITY GROUP

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Amid this fast changing market environment, the Paliburg Group is actively implementing plans to capitalise on the significant value of its assets portfolio in Hong Kong and China, with a view to generating additional liquid funds to reinforce its financial strength.

### CENTURY CITY GROUP

The five listed member companies of the Century City Group each undertakes a different but complementary business scope, controlling among them a substantial and diversified portfolio of quality assets.

Future outlook on the overall business environment may still be volatile and challenging. The Century City Group will continue to place principal focus on its existing assets portfolio and business operations, and will be cautious in committing to new investments.



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## **APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY**

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### **UNAUDITED FINANCIAL INFORMATION OF THE TARGET COMPANY**

#### **REPORT ON REVIEW OF HISTORICAL FINANCIAL INFORMATION OF WATERMAN HOUSE INVESTMENTS LIMITED FOR THE YEARS ENDED 31 DECEMBER 2022, 31 DECEMBER 2023 AND 31 DECEMBER 2024 AND FOR THE THREE MONTHS ENDED 31 MARCH 2025**

(incorporated in England and Wales with limited by shares)

To the Board of Directors of Century City International Holdings Limited

### **INTRODUCTION**

We have reviewed the unaudited historical financial information set out on pages 21 to 26 which comprise the unaudited statements of financial position of Waterman House Investments Limited (the “Target Company”) as at 31 December 2022, 2023, 2024 and 31 March 2025 and the unaudited statements of comprehensive income, the unaudited statements of changes in equity and the unaudited statements of cash flows for the year then ended 31 December 2022, 2023 and 2024 and for the three month ended 31 March 2025 (“Relevant Periods”) and explanatory notes (the “Historical Financial Information”). The Historical Financial Information has been prepared by the directors of the Company solely for the purpose of inclusion in the circular to be issued by Century City International Holdings Limited (the “Company”) in connection with the disposal of the 100% equity interests in the Target Company in accordance with Rule 14.68(2)(a)(i)(A) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rule”).

The directors of the Company are responsible for the preparation and presentation of the Historical Financial Information of the Target Company in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information and Rule 14.68(2)(a)(i) of the Listing Rule. The directors are also responsible for such internal control as management determines is necessary to enable the preparation and presentation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express a conclusion on the Historical Financial Information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### **SCOPE OF REVIEW**

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2400, Engagements to Review Financial Statements issued by The Hong Kong Institute of Certified Public Accountants (“HKICPA”) and with reference to Practice Note 750, Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal issued by the HKICPA. A review of the Historical Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review

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## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

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procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the Historical Financial Information of the Target Company for the Relevant Periods is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information.

### MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

Without qualifying our conclusion, we draw attention to note 2 to the Historical Financial Information, which states that as at 31 March 2025, the Target Company has net current liabilities and net liabilities of £23,830,058 and £590,799 respectively. The directors of the Company are of the opinion that on the basis of the successful implementation of the measures as set forth in note 2 to the Historical Financial Information in the foreseeable future and after assessing the Target Company's current and forecasted cash positions, the Group will be able to meet in full the Target Company's financial obligations as they fall due for the twelve months from 31 March 2025. These conditions, along with other matters as set forth in note 2 to the Historical Financial Information, indicate the existence of a material uncertainty which may cast significant doubt over the Target Company's ability to continue as a going concern.

**Suya WWC CPA Limited**  
*Certified Public Accountants*

Chung King Ho

Practising Certificate Number: P06894

Hong Kong, 2 September 2025

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## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

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### UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Three months ended		Year ended	
	31 March	31 December	31 December	31 December
	2025	2024	2023	2022
	£	£	£	£
Revenue	—	—	—	—
Other income and gain, net	356	70,595	317	19
Administrative expenses	<u>(27,321)</u>	<u>(236,988)</u>	<u>(109,973)</u>	<u>(97,909)</u>
<b>Loss before taxation</b>	(26,965)	(166,393)	(109,656)	(97,890)
Taxation	<u>—</u>	<u>(180)</u>	<u>(64)</u>	<u>—</u>
<b>Loss for the period/year</b>	<u><u>(26,965)</u></u>	<u><u>(166,573)</u></u>	<u><u>(109,720)</u></u>	<u><u>(97,890)</u></u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

### UNAUDITED STATEMENTS OF FINANCIAL POSITION

	<i>Note</i>	As at			
		31 March 2025	31 December 2024	31 December 2023	31 December 2022
		£	£	£	£
<b>NON-CURRENT ASSETS</b>					
Properties		<u>23,239,259</u>	<u>23,239,259</u>	<u>23,239,259</u>	<u>23,238,703</u>
<b>CURRENT ASSETS</b>					
Debtors		22,627	54,870	37,284	31,343
Cash and bank balances		<u>101,369</u>	<u>109,625</u>	<u>284,333</u>	<u>394,831</u>
		<u>123,996</u>	<u>164,495</u>	<u>321,617</u>	<u>426,174</u>
<b>CURRENT LIABILITIES</b>					
Creditors and accruals	3	<u>(23,954,054)</u>	<u>(23,967,588)</u>	<u>(23,958,137)</u>	<u>(23,952,418)</u>
<b>Net current liabilities</b>		<u>(23,830,058)</u>	<u>(23,803,093)</u>	<u>(23,636,520)</u>	<u>(23,526,244)</u>
<b>Net liabilities</b>		<u>(590,799)</u>	<u>(563,834)</u>	<u>(397,261)</u>	<u>(287,541)</u>
<b>EQUITY</b>					
Share capital		300	300	300	300
Reserves		<u>(591,099)</u>	<u>(564,134)</u>	<u>(397,561)</u>	<u>(287,841)</u>
<b>Total equity</b>		<u>(590,799)</u>	<u>(563,834)</u>	<u>(397,261)</u>	<u>(287,541)</u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

### UNAUDITED STATEMENTS OF CHANGES IN EQUITY

	Share capital £	Accumulated losses £	Total Equity £
At 1 January 2022	300	(189,951)	(189,651)
Loss for the year	<u>—</u>	<u>(97,890)</u>	<u>(97,890)</u>
At 31 December 2022 and at 1 January 2023	300	(287,841)	(287,541)
Loss for the year	<u>—</u>	<u>(109,720)</u>	<u>(109,720)</u>
At 31 December 2023 and at 1 January 2024	300	(397,561)	(397,261)
Loss for the year	<u>—</u>	<u>(166,573)</u>	<u>(166,573)</u>
At 31 December 2024 and at 1 January 2025	300	(564,134)	(563,834)
Loss for the period	<u>—</u>	<u>(26,965)</u>	<u>(26,965)</u>
At 31 March 2025	<u>300</u>	<u>(591,099)</u>	<u>(590,799)</u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

### UNAUDITED STATEMENTS OF CASH FLOWS

	Three months ended		Year ended	
	31 March 2025	31 December 2024	31 December 2023	31 December 2022
	£	£	£	£
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Loss before taxation	(26,965)	(166,393)	(109,656)	(97,890)
Adjustments for:				
Interest income	(356)	(948)	(317)	(19)
	(27,321)	(167,341)	(109,973)	(97,909)
Changes in debtors	32,243	(17,586)	(5,941)	88,027
Changes in creditors and accruals	(13,534)	9,451	5,719	7,378
Cash used in operations	(8,612)	(175,476)	(110,195)	(2,504)
Interest received	356	948	317	19
Overseas tax paid	—	(180)	(64)	—
Net cash flows used in operating activities	(8,256)	(174,708)	(109,942)	(2,485)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Additions to properties	—	—	(556)	(2,500)
Net cash flows used in investing activities	—	—	(556)	(2,500)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(8,256)	(174,708)	(110,498)	(4,985)
Cash and bank balances at beginning of period/year	109,625	284,333	394,831	399,816
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR</b>	<u>101,369</u>	<u>109,625</u>	<u>284,333</u>	<u>394,831</u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>				
Cash and bank balances	<u>101,369</u>	<u>109,625</u>	<u>284,333</u>	<u>394,831</u>

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## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

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### NOTES TO THE UNAUDITED HISTORICAL FINANCIAL INFORMATION

#### 1. GENERAL

Century City International Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda. The head office and principal place of business of the Company is located at 11th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong.

The Company and its subsidiaries (collectively referred to as the “Group”) were 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.

Waterman House Investments Limited (the “Target Company”) is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor, Chancery House, St Nicholas Way, Sutton, Surrey, SM1 1JB.

The principal activity of the Target Company continued to be that of the development and the running of hotels.

On 29 July 2025 (the United Kingdom time and before trading hours on 29 July 2025), the Solarmoon International Limited (a wholly-owned subsidiary of Regal Hotels International Holdings Limited (“Regal”)) as seller (“Seller”) and Regal as Seller’s guarantor entered into the a share purchase agreement (“Share Purchase Agreement”) with MNX Properties Limited (a limited liability company established in England and Wales) (“Purchaser”) for a headline purchase price of £19,500,000 (equivalent to approximately HK\$208,650,000). Under the terms of the Share Purchase Agreement, the Seller conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the entire shares capital of the Target Company for a base consideration of £1 (subject to adjustments). In addition, as part of the share purchase transaction, the Purchaser will upon completion provide funding to the Target Company to enable and procure the Target Company to repay the shareholder’s loan as will be owed by the Target Company to the Seller immediately prior to completion; this is currently expected to be approximately £19.46 million (equivalent to approximately HK\$208.22 million). Regal agreed to guarantee the Seller’s obligations under the Share Purchase Agreement.

The maximum total consideration to be received by the Seller is estimated to be not more than approximately £20.43 million (equivalent to approximately HK\$218.60 million), which is arrived at based on the aggregate of (a) the base consideration for the shares of £1 in cash; (b) plus the amount of the excess of net assets of the Target Company as at the completion date over £1 or minus the amount of the shortfall in net assets of the Target Company as at the completion date below £1, if any; (c) plus the maximum amount of the contingent consideration calculated in accordance with the Share Purchase Agreement, if any; and (d) the shareholder’s loan amount as will be outstanding immediately prior to completion, which amount is to be repaid by the Target Company to the Seller in accordance with the Share Purchase Agreement.

#### 2. BASIS OF PREPARATION AND PRESENTATION

The historical financial information comprising the unaudited statements of financial position of Target Company as at 31 December 2022, 2023 and 2024 and 31 March 2025 the unaudited statements of comprehensive income, the unaudited statements of changes in equity and the unaudited statements of cash flows for the year then ended 31 December 2022, 2023 and 2024 and for the three months ended 31 March 2025 and explanatory notes (the “Historical Financial Information”) has been prepared in accordance with Rule 14.68(2)(a)(i)(A) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rule”), and solely for the purposes of inclusion in this circular.

The unaudited Historical Financial Information for each of the years ended 31 December 2022, 2023 and 2024 and three months ended 31 March 2025 has been prepared by the directors of the Company in accordance with the same accounting policies as those adopted by the Group in the preparation of the consolidated financial statements of the Group for the year ended 31 December 2024, which conforms with the Hong Kong Financial Reporting Standards issued by the Hong Kong

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

Institute of Certified Public Accountants (the “HKICPA”), and the disclosure requirements of the Hong Kong Companies Ordinance. The unaudited Historical Financial Information does not contain sufficient information to constitute a complete set of financial statements as described in Hong Kong Accounting Standard 1 “Presentation of Financial Statements” issued by the HKICPA and should be read in connection with the relevant published annual report of the Company.

As at 31 March 2025, the Target Company has net current liabilities of £23,830,058 indicating the existence of material uncertainties which may cast significant doubt on the Target Company’s ability to continue as a going concern. The ability of the Target Company to continue as going concern is dependent on the undertaking of its shareholder to provide continuing financial support to enable the Target Company to meet their liabilities as and when they fall due.

Notwithstanding the existence of these factors, the unaudited Historical Financial Information has been prepared on the going concern basis.

Should the Target Company be unable to continue in business as a going concern, adjustments would have to be made to write down the carrying amounts of the Target Company’s assets to their recoverable amounts, to provide for any further liabilities and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the unaudited Historical Financial Information.

### 3. CREDITORS AND ACCRUALS

	As at			
	31 March 2025	31 December 2024	31 December 2023	31 December 2022
	£	£	£	£
Accruals and other payables	13,064	26,598	17,147	11,428
Amounts due to group companies ( <i>Note</i> )	<u>23,940,990</u>	<u>23,940,990</u>	<u>23,940,990</u>	<u>23,940,990</u>
	<u>23,954,054</u>	<u>23,967,588</u>	<u>23,958,137</u>	<u>23,952,418</u>

*Note:* The amounts due are unsecured, interest free and have no fixed terms of repayment.



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## **APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP**

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### **A.    UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE CENTURY CITY GROUP**

#### **BASIS OF PREPARATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The accompanying unaudited pro forma financial information of the Century City Group has been prepared in accordance with paragraph 4.29 of the Listing Rules and on the basis of the notes set out below for the purpose of illustrating the effect of the completion of the Disposal on the financial information of the Century City Group.

The unaudited pro forma consolidated statement of financial position of the Century City Group is prepared based on the consolidated statement of financial position of the Century City Group as at 31 December 2024, after giving the effect to the pro forma adjustments as explained in the notes set out below, that are directly attributable to the Disposal for the purpose of illustrating the effect of the Disposal on the financial position of the Century City Group as if the Disposal had taken place on 31 December 2024.

The unaudited pro forma consolidated statements of profit or loss and cash flows of the Century City Group are prepared based on the consolidated statements of profit or loss and cash flows for the year ended 31 December 2024 after giving the effect to the pro forma adjustments as explained in the notes set out below for the purpose of illustrating the effect of the Disposal on the results and cash flows of the Century City Group as if the Disposal had taken place on 1 January 2024. These adjustments are prepared to reflect the effects of the Disposal as explained in the notes set out below that are directly attributable to the Disposal and not relating to future events and decisions and are factually supportable.

The unaudited pro forma financial information has been compiled by the Directors for illustrative purpose only and is based on a number of assumptions, estimates, uncertainties and currently available information. Because of its hypothetical nature, the unaudited pro forma financial information may not give a true picture of the financial position of the Century City Group had the Disposal been completed as of 31 December 2024 or of the financial results and cash flows of the Century City Group had the Disposal been completed as of 1 January 2024 or any future date.

The unaudited pro forma financial information should be read in conjunction with the financial information of the Century City Group as set out in its annual report for the year ended 31 December 2024 and other financial information included elsewhere in this Circular.

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**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF  
THE REMAINING GROUP**

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**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF  
CENTURY CITY GROUP**

**AS AT 31 DECEMBER 2024**

	Century City Group as at 31 December 2024 (Note 1) <i>HK\$'million</i>	Pro forma adjustments (Note 2)      (Note 3) <i>HK\$'million      HK\$'million</i>		Unaudited Pro forma Consolidated Statement of Financial Position of Century City Group <i>HK\$'million</i>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	5,716.9	36.4(a) (226.3)(b)	—	5,527.0
Investment properties	3,425.3	—	—	3,425.3
Right-of-use assets	15,051.8	—	—	15,051.8
Properties under development	870.2	—	—	870.2
Investments in associates	281.7	—	—	281.7
Financial assets at fair value through other comprehensive income	4.8	—	—	4.8
Financial assets at fair value through profit or loss	457.4	—	—	457.4
Derivative financial instruments	9.9	—	—	9.9
Loans receivable	155.2	—	—	155.2
Finance lease receivable	96.0	—	—	96.0
Debtors, deposits and prepayments	221.4	—	—	221.4
Deferred tax assets	48.7	—	—	48.7
Other assets	0.3	—	—	0.3
Goodwill	1.0	—	—	1.0
Trademark	610.2	—	—	610.2
Other intangible assets	4.1	—	—	4.1
	<u>26,954.9</u>	<u>(189.9)</u>	<u>—</u>	<u>26,765.0</u>
Total non-current assets	<u>26,954.9</u>	<u>(189.9)</u>	<u>—</u>	<u>26,765.0</u>

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**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF  
THE REMAINING GROUP**

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	Century City Group as at 31 December 2024 (Note 1) <i>HK\$'million</i>	Pro forma adjustments (Note 2)      (Note 3) <i>HK\$'million</i> <i>HK\$'million</i>		Unaudited Pro forma Consolidated Statement of Financial Position of Century City Group <i>HK\$'million</i>
<b>CURRENT ASSETS</b>				
Properties under development	1,868.9	—	—	1,868.9
Properties held for sale	5,211.4	—	—	5,211.4
Inventories	56.8	—	—	56.8
Loans receivable	34.0	—	—	34.0
Finance lease receivable	5.7	—	—	5.7
Debtors, deposits and prepayments	599.0	(0.6)(b)	—	598.4
Financial assets at fair value through profit or loss	87.9	—	—	87.9
Derivative financial instruments	0.3	—	—	0.3
Tax recoverable	14.3	—	—	14.3
Restricted cash	433.8	—	—	433.8
Pledged time deposits and bank balances	293.2	—	—	293.2
Time deposits	146.1	—	—	146.1
Cash and bank balances	735.2	(1.1)(b)	—	925.6
		191.5(c)		
Total current assets	9,486.6	189.8	—	9,676.4
<b>CURRENT LIABILITIES</b>				
Creditors and accruals	(801.6)	0.1(b)	—	(801.5)
Contract liabilities	(166.0)	—	—	(166.0)
Lease liabilities	(26.4)	—	—	(26.4)
Deposits received	(133.4)	—	—	(133.4)
Interest bearing bank borrowings	(5,976.4)	—	—	(5,976.4)
Other borrowings	(229.0)	—	—	(229.0)
Tax payable	(417.6)	—	—	(417.6)
Total current liabilities	(7,750.4)	0.1	—	(7,750.3)

# APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

	Century City Group as at 31 December 2024 (Note 1) <i>HK\$'million</i>	Pro forma adjustments (Note 2)      (Note 3) <i>HK\$'million</i> <i>HK\$'million</i>		Unaudited Pro forma Consolidated Statement of Financial Position of Century City Group <i>HK\$'million</i>
<b>NET CURRENT ASSETS</b>	1,736.2	189.9	—	1,926.1
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	28,691.1	—	—	28,691.1
<b>NON-CURRENT LIABILITIES</b>				
Creditor and deposits received	(24.7)	—	—	(24.7)
Lease liabilities	(5.4)	—	—	(5.4)
Interest bearing bank borrowings	(13,219.0)	—	—	(13,219.0)
Other borrowings	(312.0)	—	—	(312.0)
Derivative financial instruments	(0.7)	—	—	(0.7)
Deferred tax liabilities	(1,384.6)	—	—	(1,384.6)
Total non-current liabilities	(14,946.4)	—	—	(14,946.4)
Net assets	13,744.7	—	—	13,744.7
<b>EQUITY</b>				
<b>Equity attributable to equity holders of the parent</b>				
Issued capital	309.3	—	—	309.3
Reserves	5,251.3	3.2(b) (3.2)(b)	(1.8)(a) 1.8(b)	5,251.3
	5,560.6	—	—	5,560.6
Perpetual securities	1,721.3	—	—	1,721.3
Non-controlling interests	6,462.8	—	1.8(a) 1.8(b)	6,462.8
	13,744.7	—	—	13,744.7

# APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

## UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF CENTURY CITY GROUP

FOR THE YEAR ENDED 31 DECEMBER 2024

	Century City Group for the year ended at 31 December 2024 (Note 1) HK\$'million	Pro forma adjustments (Note 4) HK\$'million	Unaudited Pro forma Consolidated Statement of Profit or Loss of Century City Group HK\$'million
REVENUE	2,744.2	—	2,744.2
Cost of sales	(1,787.3)	—	(1,787.3)
Gross profit	956.9	—	956.9
Other income and gains, net	229.1	(0.7)(a)	228.4
Fair value losses on investment properties, net	(319.4)	—	(319.4)
Fair value losses on financial assets at fair value through profit or loss, net	(151.3)	—	(151.3)
Loss on disposal of a subsidiary	—	(40.5)(c)	(40.5)
Impairment loss on items of property, plant and equipment and right-of-use asset	(37.9)	37.3(b)	(0.6)
Impairment loss on properties under development	(228.2)	—	(228.2)
Impairment loss on properties held for sale	(212.4)	—	(212.4)
Impairment loss on other receivables	(100.1)	—	(100.1)
Impairment loss on investments in associates	(1.1)	—	(1.1)
Property selling and marketing expenses	(82.4)	—	(82.4)
Administrative expenses	(410.4)	2.3(a)	(408.1)
OPERATING LOSS BEFORE DEPRECIATION	(357.2)	(1.6)	(358.8)
Depreciation	(730.6)	—	(730.6)
OPERATING LOSS	(1,087.8)	(1.6)	(1,089.4)
Finance costs	(1,266.7)	—	(1,266.7)
Share of profits and losses of associates	(16.1)	—	(16.1)
LOSS BEFORE TAX	(2,370.6)	(1.6)	(2,372.2)
Income tax	(72.9)	—	(72.9)
LOSS FOR THE YEAR BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	(2,443.5)	(1.6)	(2,445.1)
Attributable to:			
Equity holders of the parent	(1,025.6)	(0.7)(d)	(1,026.3)
Non-controlling interests	(1,417.9)	(0.9)(d)	(1,418.8)
	(2,443.5)	(1.6)	(2,445.1)

# APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

## UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF CENTURY CITY GROUP

FOR THE YEAR ENDED 31 DECEMBER 2024

	Century City Group for the year ended 31 December 2024 (Note 1) <i>HK\$'million</i>	Pro forma adjustments (Note 4) <i>HK\$'million</i>	Unaudited Pro forma Consolidated Statement of Cash Flows of Century City Group <i>HK\$'million</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax	(2,370.6)	37.3(b) (40.5)(c) 1.6(e)	(2,372.2)
Adjustments for:			
Finance costs	1,266.7	—	1,266.7
Share of profits and losses of associates	16.1	—	16.1
Interest income	(76.9)	—	(76.9)
Depreciation	730.6	—	730.6
Dividend income	(22.6)	—	22.6
Gain on disposal of items of property, plant and equipment	(83.7)	—	(83.7)
Loss on disposal of a subsidiary	—	40.5(c)	40.5
Fair value losses on investment properties, net	319.4	—	319.4
Loss on disposal of unlisted investments included in financial assets at fair value through profit or loss	3.5	—	3.5
Fair value losses on financial assets at fair value through profit or loss, net	151.3	—	151.3
Impairment loss/(Reversal of impairment loss) on items of property, plant and equipment and right-of-use asset	37.9	(37.3)(b)	0.6
Impairment loss on properties under development	228.2	—	228.2
Impairment loss on properties held for sale	212.4	—	212.4
Impairment loss on investments in associates	1.1	—	1.1
Reversal of impairment of trade debtors, net	(2.4)	—	(2.4)
Impairment loss on other receivables	100.1	—	100.1
Write-off of items of property, plant and equipment	2.7	—	2.7
Write-down of inventories to net realisable value	1.0	—	1.0
	514.8	1.6	516.4
Additions to properties under development	(92.5)	—	(92.5)
Decrease in properties held for sale	455.9	—	455.9
Decrease in financial assets at fair value through profit or loss	191.1	—	191.1
Increase in inventories	(6.0)	—	(6.0)
Decrease/(Increase) in debtors, deposits and prepayments	(124.3)	0.2(e)	(124.1)
Decrease in finance lease receivable	10.4	—	10.4
Decrease in restricted cash	6.4	—	6.4
Decrease in creditors and accruals	(66.4)	—	(66.4)
Decrease in contract liabilities	(318.1)	—	(318.1)
Decrease in deposits received	(18.7)	—	(18.7)
Cash generated from operations	552.6	1.8	554.4
Dividends received from listed investments	11.3	—	11.3
Interest received	1.8	—	1.8
Hong Kong profits tax paid	(73.1)	—	(73.1)
Overseas tax paid	(61.3)	—	(61.3)
Net cash flows from operating activities	431.3	1.8	433.1

# APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

	Century City Group for the year ended 31 December 2024 (Note 1) <i>HK\$'million</i>	Pro forma adjustments (Note 4) <i>HK\$'million</i>	Unaudited Pro forma Consolidated Statement of Cash Flows of Century City Group <i>HK\$'million</i>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Disposal of a subsidiary	—	190.1(c)	190.1
Acquisition of assets	16.1	—	16.1
Purchases of financial assets at fair value through profit or loss	(1.3)	—	(1.3)
Proceeds from disposal of financial assets at fair value through other comprehensive income	13.0	—	13.0
Proceeds from disposal of financial assets at fair value through profit or loss	0.5	—	0.5
Distribution from financial assets at fair value through profit or loss	18.0	—	18.0
Decrease in loans receivable	6.8	—	6.8
Additions to investment properties	(6.9)	—	(6.9)
Proceeds from disposal of investment properties	111.1	—	111.1
Purchases of items of property, plant and equipment	(80.5)	—	(80.5)
Proceeds from disposal of property, plant and equipment	397.9	—	397.9
Repayment from associates	104.0	—	104.0
Interest received	70.2	—	70.2
Dividends received from unlisted investments	11.3	—	11.3
Decrease in restricted cash	15.6	—	15.6
Placement of pledged time deposits and bank balances	(124.8)	—	(124.8)
Net cash flows from investing activities	551.0	190.1	741.1
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Drawdown of new bank loans	1,895.5	—	1,895.5
Repayment of bank loans	(2,367.7)	—	(2,367.7)
Drawdown of other borrowing	73.0	—	73.0
Interest paid	(1,206.7)	—	(1,206.7)
Payment of loan and other costs	(38.4)	—	(38.4)
Principal portion of lease payments	(32.0)	—	(32.0)
Dividend paid to non-controlling interests of a listed subsidiary	(0.5)	—	(0.5)
Acquisition of non-controlling interests in a listed subsidiary	(15.8)	—	(15.8)
Distribution to holders of perpetual securities	(112.7)	—	(112.7)
Decrease in restricted cash	164.1	—	164.1
Net cash flows used in financing activities	(1,641.2)	—	(1,641.2)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(658.9)	191.9	(467.0)
Cash and cash equivalents at beginning of year	1,543.6	—	1,543.6
Effect of foreign exchange rate changes, net	(3.4)	—	(3.4)
CASH AND CASH EQUIVALENTS AT END OF YEAR	881.3	191.9	1,073.2
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the consolidated statement of financial position	881.3	(1.1)(a) 193.0(c)	1,073.2

## APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

*Notes:*

- (1) The balances have been extracted from the audited consolidated statement of financial position of the Century City Group as at 31 December 2024, the audited consolidated statement of profit or loss and the audited consolidated statement of cash flows of the Century City Group for the year ended 31 December 2024 as set out in its published 2024 annual report.
- (2) The following adjustments represent adjustments relating to the Disposal as if it had taken place on 31 December 2024:
- a. the reversal of impairment loss of GBP3.74 million provided during the year ended 31 December 2024 in respect of the Property at Regal Group level converted to HK\$ based on the closing exchange rate of HK\$9.7400 to GBP1 as at 31 December 2024;

- b. the derecognition of the assets and liabilities of the Target Company upon completion of the Disposal and the recognition of the loss on the Disposal at Regal Group level, which are calculated as follows:

	<i>HK\$' million</i>	<i>HK\$' million</i>
Total cash consideration		191.5
Net assets disposed of:		
Property, plant and equipment	(226.3)	
Reversal of impairment loss (Note 2(a))	36.4	
Debtors, deposits and prepayments	(0.6)	
Cash and bank balances	(1.1)	
Creditors and accruals	<u>0.1</u>	
		(191.5)
Exchange equalisation reserve released		<u>(3.2)</u>
Pro forma loss on the Disposal		<u><u>(3.2)</u></u>

- c. the total cash consideration of GBP19,659,355 (approximately HK\$191.5 million) representing the aggregate of the Headline Purchase Price of GBP19,500,000 and an amount of GBP159,355, being the excess of net assets of the Target Company over GBP1, received upon completion of the Disposal.
- (3) The following adjustments represent adjustments relating to the Disposal as if it had taken place on 31 December 2024:
- a. the share of release of exchange equalisation reserve attributable to non-controlling interests in relation to the Target Company upon completion of the Disposal.
  - b. the share of loss on the Disposal attributable to non-controlling interests, being the share of release of exchange equalisation reserve.
- (4) The following adjustments represent adjustments relating to the Disposal as if it had taken place on 1 January 2024:
- a. the exclusion of the results of the Target Company for the year ended 31 December 2024;
  - b. the reversal of impairment loss of GBP3.74 million provided at Regal Group level during the year ended 31 December 2024 converted to HK\$ based on the average exchange rate of HK\$9.9752 to GBP1 for the year;



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**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF  
THE REMAINING GROUP**

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- c. the recognition of pro forma loss on the Disposal, which is calculated as follows:

	<i>HK\$' million</i>	<i>HK\$' million</i>
Total cash consideration		193.0
Net assets disposed of:		
Property, plant and equipment	(231.4)	
Debtors, deposits and prepayments	(0.4)	
Cash and bank balances	(2.9)	
Creditors and accruals	<u>0.2</u>	
		(234.5)
Exchange equalisation reserve released		<u>1.0</u>
Pro forma loss on the Disposal		<u><u>(40.5)</u></u>
Net cashflow		
Cash consideration		193.0
Cash and bank balances disposed of		<u>(2.9)</u>
		<u><u>190.1</u></u>

The total cash consideration of GBP19,804,933 (approximately HK\$193.0 million) represents the aggregate of the Headline Purchase Price of GBP19,500,000 and an amount of GBP304,933, being the excess of net assets of the Target Company over GBP1, assuming received upon completion of the Disposal on 1 January 2024.

- d. the impact of the share of profit or loss attributable to equity holders of the parent and non-controlling interests;
- e. the exclusion of cash flows of the Target Company for the year ended 31 December 2024.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF PRO FORMA FINANCIAL INFORMATION**



**To the Directors of Century City International Holdings Limited**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Century City International Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma consolidated statement of financial position of the Group as at 31 December 2024, the unaudited pro forma consolidated statement of profit or loss and the unaudited pro forma consolidated statement of cash flows of the Group for the year ended 31 December 2024, and related notes as set out on pages 28 to 35 of the circular dated 2 September 2025 (the “Circular”) issued by the Company (the “Unaudited Pro Forma Financial Information”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on page 27 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the disposal of the entire issued share capital of Waterman House Investments Limited (the “Disposal”) on the Group’s financial position as at 31 December 2024 as if the Disposal had taken place at 31 December 2024 and the Group’s financial performance and cash flows for the year ended 31 December 2024 as if the Disposal had taken place at 1 January 2024. As part of this process, information about the Group’s financial position, financial performance and cash flows has been extracted by the Directors from the Group’s financial statements for the year ended 31 December 2024 as set out in the annual report of the Company dated 28 March 2025.

**Directors’ responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline (“AG”) 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

**Our independence and quality management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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## APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

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Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Reporting accountants' responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on *Assurance Engagements 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Disposal on unadjusted financial information of the Group as if the Disposal had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Disposal would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Disposal, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

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The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the Disposal in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

### **Ernst & Young**

*Certified Public Accountants*

27/F, One Taikoo Place

979 King's Road

Quarry Bay, Hong Kong

2 September 2025

*Set out below is the management discussion and analysis on the Century City Group with exclusion of the Target Company (i.e. the Remaining Group) for the year ended 31 December 2022, 2023 and 2024. Upon completion of the SP Transaction, Century City will no longer hold any interest in the Target Company, and the Target Company will no longer remain as a subsidiary company of Century City.*

For the purpose of this circular and for illustration purpose only, the management discussion and analysis of the Century City Group below is made with the exclusion of the Target Company.

There was no change to the principal businesses of the Century City Group with the exclusion of the Target Company. The Century City Group with the exclusion of the Target Company will continue to carry out its existing businesses.

#### **FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **BUSINESS REVIEW**

The Century City Group's significant investments and principal business activities mainly comprise property development and investment, construction and building related businesses, hotel ownership, hotel operation and management, asset management, aircraft ownership and leasing and other investments including financial assets investments.

The principal businesses of Paliburg, the Century City Group's listed intermediate subsidiary, comprise its investment in Regal, its property development and investment businesses (including those undertaken in Hong Kong through P&R, the joint venture with Regal, and those in the People's Republic of China (the "PRC") through Cosmopolitan, another listed subsidiary of Paliburg held through P&R), construction and building related businesses, and other investment businesses. The business review of the Paliburg Group, including the commentary on the business sectors in which it operates, the changes in the general market conditions and their potential impact on its operating performance and future prospects, is contained in the Chairman's Statement as set out in annual report of Century City for the year ended 31 December 2024.

The significant investments and business interests of Regal comprise hotel ownership business, which is principally undertaken through Regal REIT (a listed subsidiary of Century City and Paliburg held through Regal), hotel operation and management businesses, asset management of Regal REIT, property development and investment, including those undertaken through the joint venture in P&R, aircraft ownership and leasing and other investment businesses. The business review of Regal and Regal REIT for the year, including the commentary on the business sectors in which the Regal Group operates, the changes in general market conditions and their potential impact on its operating performance and future prospects, is contained in the Chairman's Statement set out in annual report of Century City for the year ended 31 December 2024.

The Century City Group has no immediate plans for acquisition of material investments or capital assets, other than those disclosed in the sections headed "Business Overview" and "Outlook" in the Chairman's Statement and in the Management Discussion and Analysis as set out in annual report of Century City for the year ended 31 December 2024.

**CENTURY INNOVATIVE TECHNOLOGY GROUP (“CIT”)**

The Century City Group effectively owns an aggregate of 48% interest (comprising 36% interest held through the Regal Group and 12% interest directly held by wholly owned subsidiaries of Century City) in 8D Matrix Limited, an associate of the Century City Group which wholly owns CIT. The remaining 52% interest in 8D Matrix is held by private companies owned by Mr. Lo Yuk Sui, the Chairman and controlling shareholder of Century City. CIT is a dynamic edutainment company principally engaged in the production of high-quality multimedia content as well as related products and services.

To promote positive values and emotional intelligence to young learners, CIT has collaborated with KFC since 2017 and distributed close to 7 million books across 5,000 KFC outlets in China. CIT has also launched a complete series of bilingual books which are available on popular online platforms such as Taobao and JD. Considering the emerging need to enhance ESG knowledge amongst young learners, CIT plans to co-develop a series of ESG theme innovative and educational bilingual books for children with renowned publishers, with an aim to make the series accessible to all schools and potentially be integrated into the school curriculum. CIT’s goal is to instill a passion for sustainability and promote positive values among the next generation.

In addition to continuing its existing initiatives in sustainability literature and workshops for young children, as well as wellness education services for all age groups, CIT is exploring further opportunities to collaborate with the world’s leading edutainment platforms to deepen its social impact, brand recognition and positive influence all over the world. Together with the global impact leaders, CIT is developing a series of sustainability training courses and a dedicated platform to tap into the rapidly growing sustainability talent training market, which is receiving strong market and policy support. To ensure that its educational programs remain aligned with evolving demands, particularly in technology and sustainability, CIT has implemented a comprehensive curriculum update strategy. This includes introducing cutting-edge courses in AI, big data, blockchain, and coding, alongside sustainability-focused topics such as ESG regulations, sustainable finance, and impact investing. CIT emphasizes interdisciplinary learning through courses like AI for Sustainability and Blockchain for ESG, while fostering industry collaboration, hands-on learning, and global perspectives to enhance practical relevance.

By staying responsive to the ever-evolving environment, management of CIT is confident that its portfolio of premium content, products, and services, developed in partnership with world-class collaborators, will advance CIT’s strategic vision of supporting the global community.

**PALIBURG HOLDINGS LIMITED**

As mentioned above, the property development and investment business of the Paliburg Group in Hong Kong is principally undertaken through P&R.

P&R is a 50/50 owned joint venture established by Paliburg and Regal, with capital contributions provided by Paliburg and Regal on a pro-rata basis in accordance with their respective shareholdings. As Paliburg owns a controlling shareholding interest in Regal, P&R is, effectively, a subsidiary of Paliburg. P&R's business scope encompasses the development of real estate projects for sale and/or leasing, the undertaking of related investment and financing activities, and the acquisition or making of any investments (directly or indirectly) in the financial assets of or interests in, or extending loans to, any private, public or listed corporations or undertakings that have interests in real estate projects or other financial activities where the underlying assets or security comprise real estate properties.

Further information relating to the property development projects undertaken and properties owned by the P&R group in Hong Kong (which, unless otherwise denoted, are all wholly owned by the P&R group) is set out below:

*Domus and Casa Regalia, Nos.65-89 Tan Kwai Tsuen Road, Yuen Long, New Territories*

This residential project, which was completed in 2016, has a site area of approximately 11,192 square metres (120,470 square feet) and provides a total of 170 units, comprising 36 garden houses and a low-rise apartment block with 134 units, having aggregate gross floor area of approximately 11,192 square metres (120,470 square feet).

All the units in the apartment block, named Domus, had been sold. The garden houses comprised within this development are named as Casa Regalia. One house was contracted to be sold in July 2024 and the sale transaction completed in the following August. 7 houses in Casa Regalia are still being retained and will continue to be disposed of.

*We Go MALL, No.16 Po Tai Street, Ma On Shan, Sha Tin, New Territories*

This development has a site area of 5,090 square metres (54,788 square feet) and a maximum permissible gross floor area of 15,270 square metres (164,364 square feet). The site has been developed into a shopping mall with 5 storeys above ground level and 1 storey of basement floor. This shopping mall was opened for business in 2018 and is held for rental income. The leasing status of this shopping mall remained steady during the year.

*The Ascent, No.83 Shun Ning Road, Sham Shui Po, Kowloon*

This is a project undertaken pursuant to a tender award from the Urban Renewal Authority of Hong Kong in 2014. The land has a site area of 824.9 square metres (8,879 square feet) and has been developed into a 28-storey commercial/ residential building (including 1 basement floor) with total gross floor area of 7,159 square metres (77,059 square feet), providing 157 residential units, 2 storeys of shops and 1 storey of basement car parks. The project was completed in 2018. All the residential units as well as certain shops and car parks have already been disposed of. The remaining 2 shops and 5 car parks will continue to be sold.

*Mount Regalia, 23 Lai Ping Road, Kau To, Sha Tin, New Territories*

The project has a site area of 17,476 square metres (188,100 square feet) which has been developed into a luxury residential complex comprising 7 mid-rise apartment blocks with 136 units, 24 detached garden houses and 197 car parking spaces, with aggregate gross floor area of approximately 32,474 square metres (349,547 square feet). The occupation permit was issued in September 2018 and the certificate of compliance in February 2019.

This development received eight international awards including winner of Luxury Lifestyle Awards as Best Luxury Residential Development and Best Luxury Sustainable Residential Development in Hong Kong in 2021 as well as for the superb interior designs of certain of its show houses and apartment units.

Up to date, a total of 20 garden houses and 59 apartment units have been sold or contracted to be sold for a total sale price of HK\$4,483.0 million, including 6 apartment units that were contracted to be sold in 2024, of which the sale transactions for 19 houses and 55 apartment units with total sale price of HK\$4,195.3 million have been completed. Sale transactions completed during 2024 included 1 house and 5 apartment units (total sale price of HK\$355.1 million) and the profits derived therefrom accounted for in the results under review. Apart from those that have been sold or contracted to be sold and one house that was leased with an option to the lessee to purchase, the remaining 3 houses and 77 apartment units command significant value. The marketing for the disposal of these remaining units is ongoing.

*iclub Mong Kok Hotel, 2 Anchor Street, Mong Kok, Kowloon*

This is a hotel development project undertaken through a tender award from the Urban Renewal Authority of Hong Kong in 2015. The project has a site area of 725.5 square metres (7,809 square feet), with total permissible gross floor area of approximately 6,529 square metres (70,278 square feet) and covered floor area of approximately 9,355 square metres (100,697 square feet).

The project has been developed into a 20-storey hotel, comprising 288 guestrooms with ancillary facilities, which commenced business in March 2019. The hotel is presently self-operated by P&R and managed by the Regal Group.

*iclub AMTD Sheung Wan Hotel, No.5 Bonham Strand West, Sheung Wan, Hong Kong*

The project has an aggregate site area of approximately 345 square metres (3,710 square feet) and has been developed into a hotel with 98 guestrooms and suites (total 162 room bays), with total gross floor area of approximately 5,236 square metres (56,360 square feet) and covered floor area of approximately 7,118 square metres (76,618 square feet).

Following the divestiture by P&R of a 50% beneficial interest in December 2019, the property is presently 50% owned by each of P&R and AMTD Properties Limited. This hotel was officially opened for business in November 2020 and has since been self-operated by the joint venture entity and managed by the Regal Group.



*Nos.9-19 Kam Wa Street, Shau Kei Wan, Hong Kong*

The subject properties, which were acquired through private treaty transactions, have a total site area of 518 square metres (5,580 square feet). The demolition works for this project have been completed and the scheme for a commercial/ residential development is being finalised.

*Nos.291-293 and 301-303 Castle Peak Road, Cheung Sha Wan, Kowloon*

Following the conclusion of the Land Compulsory Sale process in August 2024, the Century City Group has successfully consolidated 100% ownership interests in the subject properties.

Certain parts of the existing properties at Nos.301-303 Castle Peak Road are presently classified as a Grade 2 Historic Building. A conservation proposal in conjunction with the proposed development is being discussed with the relevant government authorities, which would involve conserving the verandah portion of historical heritage within the new development, thus preserving its unique iconic image in the vicinity. Demolition works for the existing buildings at Nos.291-293 Castle Peak Road are in progress.

## **REGAL HOTELS INTERNATIONAL HOLDINGS LIMITED**

Regal is a listed subsidiary of Paliburg. Further information relating to the property projects undertaken and the principal properties owned by Regal Group (other than those owned by Regal REIT), which are all wholly owned by Regal, is set out below:

### **Hong Kong**

*Regala Skycity Hotel, the Hong Kong International Airport*

In February 2017, a wholly owned subsidiary of Regal secured the award from the Airport Authority in Hong Kong of the development right for this new hotel project at the Hong Kong International Airport.

The hotel project has a site area of approximately 6,650 square metres (71,580 square feet) and permissible gross floor area of 33,700 square metres (362,750 square feet). The hotel has 13 storeys (including one basement floor) with a total of 1,208 guestrooms and suites, complemented with extensive banquet, meeting and food and beverage facilities. It has direct linkage to the Asia World Expo, the 11 Skies compound as well as the expanded Terminal 2 of the Hong Kong International Airport scheduled to become operational by phases from end 2025 onwards. The hotel licence was issued in November 2021 and the hotel grand opened in April 2023.

This new hotel embraces a wide range of sustainable features in its building design, construction and operation and was awarded Gold Rating under BEAM Plus Certification and EarthCheck Design Certified Gold Rating. The hotel also received a number of international design awards including the Muse Design Gold Award, Build4Asia Silver Award, A'Design Silver Award and International Property Award.

*The Queens, No.160 Queen's Road West, Hong Kong*

The project has a combined site area of 682 square metres (7,342 square feet) and has been developed into a commercial/ residential building with gross floor area of about 5,826 square metres (62,711 square feet). The building has a total of 130 residential units with club house facilities on the second floor, a landscape garden on the third floor and commercial accommodations on the ground and first floors. The occupation permit was obtained in August 2022.

7 residential units were sold on the first launch of units sale in April 2021. As of this date, a total of 81 residential units have been leased out on short tenure. The sale of the remaining residential units, including those leased units, is presently planned to be launched in the second quarter of this year.

*Nos.227-227C Hai Tan Street, Sham Shui Po, Kowloon*

100% ownership interests in the subject redevelopment properties have been acquired through the judicial proceedings for Land Compulsory Sale. The project has a total site area of 431 square metres (4,644 square feet) and is intended for a commercial/residential development with gross floor area of about 3,691 square metres (39,733 square feet). Demolition works of the existing buildings have recently been completed.

*Regalia Bay, 88 Wong Ma Kok Road, Stanley, Hong Kong*

The contracted sale of one garden house in Regalia Bay has been completed in July 2024. The Regal Group still retains 8 garden houses with total gross area of about 3,719 square metres (40,032 square feet), some of which will continue to be disposed of if the price offered is favourable.

**Overseas***Campus La Mola, Barcelona, Spain*

This hotel property has a total of 186 guestrooms and was acquired by the Regal Group in 2014. The hotel is presently under lease to an independent third party, which is generating steady rental income.

*Fabrik, Rua Dos Fanqueiros 156, Lisbon, Portugal*

This is a rehabilitation and renovation project for a historical building located in a heritage conservation area of Lisbon, acquired in 2019 by an entity that is now wholly owned by the Regal Group. This building has a total gross floor area of about 1,836 square metres (19,768 square feet), comprising residential apartments as well as shops on ground floor. The renovation works have been completed and the relevant usage permits were obtained in August 2024. Negotiations are also in progress for the disposal of this renovated property on an en-bloc basis.

**COSMOPOLITAN INTERNATIONAL HOLDINGS LIMITED**

Cosmopolitan is a listed subsidiary of Paliburg held through P&R. Further information relating to the property projects of the Cosmopolitan group in the PRC, all of which are wholly owned, is set out below:

**Property Development***Chengdu Project — Regal Cosmopolitan City*

Located in the Xindu District in Chengdu, Sichuan Province, the project is a mixed use development consisting of residential, hotel, commercial and office components, with an overall total gross floor area of approximately 495,000 square metres (5,330,000 square feet).

All the residential units in the third stage have been sold in prior years. Total proceeds from the sales of the residential units amounted to approximately RMB2,048.3 million (HK\$2,189.8 million).

The sale of the shops with about 4,110 square metres (44,250 square feet) comprised in the third stage is in progress. Up to date, a total of 4,002 square metres (43,078 square feet) of shops have been sold or contracted to be sold, for aggregate sale considerations of approximately RMB93.2 million (HK\$99.6 million). The sale of the 1,389 car parking spaces is continuing and, up to date, 475 car parking spaces have been sold or contracted to be sold, for aggregate sales proceeds of approximately RMB51.6 million (HK\$55.2 million). Most of these sale transactions have already been completed and the revenues accounted for in prior financial years.

The interior construction works of the 325-room hotel have been completed. The Completion Certificate for this hotel property has been obtained in January 2024 and the Real Property Ownership Certificate in January 2025.

The construction works of the remaining commercial components also within the third stage of the development, comprising a commercial complex of about 52,500 square metres (565,100 square feet) and five towers of office accommodations of about 86,000 square metres (925,700 square feet), have all been substantially completed. The market repositioning works of the shopping mall and certain office towers are also in progress.

The presale programme for the units in one of the office towers, consisting of 434 units with a total of about 20,000 square metres (215,200 square feet), commenced in 2021. Up to date, 328 office units with a total of about 14,665 square metres (157,854 square feet) have been sold under contracts or subscribed by prospective purchasers, for an aggregate sale consideration of RMB126.0 million (HK\$134.7 million).

The sale of the shops of about 2,650 square metres (28,550 square feet) comprised in the commercial portion of the office tower on sale has also commenced in 2022. Up to date, a total of 5 shop units of about 274 square metres (2,949 square feet) have been contracted for sale, for aggregate sale considerations of approximately RMB8.1 million (HK\$8.7 million).

Overall, due to the slackened demand, the progress achieved so far on the sale of these office and shop units was relatively slow. However, since the rolling out of the stimulus policies by the Central Government in September last year, the property market in Chengdu has started to recover steadily. The disposal of these remaining properties is under active planning, having regard to the changing market conditions.

*Tianjin Project — Regal Renaissance*

Located in the Hedong District in Tianjin, this project is a mixed use development comprising residential, commercial and office components with total gross floor area of about 145,000 square metres (1,561,000 square feet).

All residential units in this development have been sold. The programme for the sale of shops with a total area of about 19,000 square metres (205,000 square feet) in the commercial complex was ongoing. During the year under review, shops with a total area of 9,744 square metres (104,884 square feet) have been sold for aggregate sale considerations of approximately RMB185.4 million (HK\$200.8 million). Certain parts of the commercial complex have been leased out for rental income.

The remaining components in this development, which have all been completed, mainly consist of two office towers atop of a four-storey podium. With the improving market environment over the past few months, plans are being devised for the commencement of the sale programme for the units in the office towers later this year.

*Xinjiang Project*

This is a re-forestation and land grant project for a land parcel with site area of about 7,600 mu undertaken in accordance with the relevant laws and policies in Urumqi, Xinjiang Uygur Autonomous Region. The Cosmopolitan group has re-forested an aggregate area of about 4,300 mu within the project site and in accordance with the relevant government policies of Urumqi, a parcel of land with an area of about 1,843 mu (1,228,700 square metres) would be available for real estate development after the requisite inspection of the required re-forestation area, land grant listing and tender procedures are completed. The Cosmopolitan group will be entitled to participate in the tender of such land use right and monetary compensation in reference to the re-forestation cost of the Cosmopolitan group incurred.

The Cosmopolitan group continues to maintain the overall re-forested area. Based on the legal advice obtained, the legitimate interests of the Cosmopolitan group in the relevant re-forestation contract remain valid and effective.

## **FINANCIAL ASSETS AND OTHER INVESTMENTS**

The Century City Group holds a significant portfolio of investments comprising listed securities and other investments, including investment funds, private equities, bonds as well as treasury and yield enhancement products. Due to the weakness in the local capital market during the year under review, the Century City Group's performance in this business segment has been adversely affected and recorded for the year a net loss in its financial assets investments business.

**FINANCIAL REVIEW****CAPITAL RESOURCES AND FUNDING****Funding and Treasury Policy**

The Century City Group adopts a prudent funding and treasury policy with regard to its overall business operations. Cash balances are mostly placed on bank deposits, and treasury and yield enhancement products are deployed when circumstances are considered to be appropriate.

Property development projects in Hong Kong are financed partly by internal resources and partly by bank financing. Project financing in Hong Kong is normally arranged in local currency to cover a part of the land cost and a major portion or the entire amount of the construction cost, with interest calculated by reference to the interbank offered rates and the loan maturity tied in to the estimated project completion date. Property development projects in the PRC are substantially financed by internal resources and proceeds from the presale of the units. Project financings for the projects in the PRC and overseas may be arranged, if terms are considered appropriate, to cover a part of the land costs and/or construction costs, and with the loan maturities aligning with the estimated project completion dates and/or sales forecast.

The Century City Group's banking facilities are mostly denominated in Hong Kong dollars with interest primarily determined by reference to the interbank offered rates. The use of hedging instruments for interest rate purposes to cater to business and operational needs is kept under review by the Century City Group's management from time to time. As regards the Century City Group's investments in the PRC and overseas, which are denominated in currencies other than US dollars and Hong Kong dollars, the Century City Group may consider, when deemed appropriate, hedging part or all of the investment amounts into US dollars or Hong Kong dollars to contain the Century City Group's exposure to currency fluctuations.

**Cash Flows**

Net cash flows generated from operating activities during the year under review amounted to HK\$433.1 million. Net interest payment for the year amounted to HK\$1,134.7 million

**Borrowings and Gearing**

As at 31st December, 2024, the Century City Group had cash and bank balances and deposits of HK\$1,798.7 million and the Century City Group's borrowings, net of cash and bank balances and deposits, amounted to HK\$17,937.7 million.

As at 31st December, 2024, the gearing ratio of the Century City Group was 49.2 %, representing the Century City Group's borrowings, net of cash and bank balances and deposits, of HK\$17,937.7 million, as compared to the total assets of the Century City Group of HK\$36,441.4 million.

Details of the maturity profile of the borrowings of the Century City Group as of 31st December, 2024 are as follows.

## INTEREST BEARING BANK BORROWINGS

	2024		2023	
	<i>Maturity</i>	<i>HK\$'million</i>	<i>Maturity</i>	<i>HK\$'million</i> <i>(Restated)</i>
<b>Current</b>				
Bank loans — secured	2025	5,976.4	2024	4,928.2
<b>Non-current</b>				
Bank loans — secured	2026 - 2031	<u>13,219.0</u>	2025 - 2028	<u>14,722.2</u>
Total		<u>19,195.4</u>		<u>19,650.4</u>

	2024	2023
	<i>HK\$'million</i>	<i>HK\$'million</i> <i>(Restated)</i>
Analysed into:		
Bank loans repayable:		
Within one year	5,976.4	4,928.2
In the second year	5,339.9	5,358.6
In the third to fifth years, inclusive	7,872.2	9,363.6
Beyond five years	<u>6.9</u>	<u>—</u>
Total	<u>19,195.4</u>	<u>19,650.4</u>

On 10th August, 2021, Regal REIT group, through its wholly-owned subsidiaries, Bauhinia Hotels Limited and Rich Day Investments Limited, entered into a facility agreement for a term loan facility of HK\$4,500.0 million and a revolving loan facility of up to HK\$500.0 million (the “2021 IH Facilities”), for a term of five years. The 2021 IH Facilities are secured by four of the five Initial Hotels, namely, the Regal Airport Hotel, the Regal Hongkong Hotel, the Regal Oriental Hotel and the Regal Riverside Hotel. As at 31st December, 2024, the 2021 IH Facilities had an outstanding amount of HK\$4,991.0 million, representing the full amount of the term loan facility and an amount of HK\$491.0 million under the revolving loan facility.

On 24th June, 2022, Regal REIT group concluded a 5-year term loan facility of HK\$2,950.0 million (the “2022 RKH Facility”) with a lender, secured by the Regal Kowloon Hotel. The 2022 RKH Facility has repayment obligations of HK\$50.0 million on each of its anniversary date to maturity. As at 31st December, 2024, the outstanding amount of the 2022 RKH Facility was HK\$2,850.0 million, after instalment repayment of HK\$50.0 million each in June 2023 and June 2024, respectively, representing the full amount of the term loan facility. The Regal REIT group also entered into interest rate swap arrangements to hedge against the interest rate exposure of the 2022 RKH Facility for a notional amount of HK\$600.0 million.

On 17th October, 2023, Regal REIT group arranged, through its wholly-owned subsidiary, Tristan Limited, a bilateral term loan facility of HK\$749.5 million and secured by the iclub Sheung Wan Hotel (the “2023 SW Facility”). The 2023 SW Facility bears HIBOR-based interest with a four-year term to October 2027. As at 31st December, 2024, the outstanding amount of the 2023 SW Facility was HK\$749.5 million, representing the full amount of the term loan facility. The Regal REIT group also entered into interest rate swap arrangements to hedge against the interest rate exposure of the 2023 SW Facility for a notional amount of HK\$749.5 million.

On 27th November, 2023, Regal REIT group arranged, through its wholly-owned subsidiary, Wise Decade Investments Limited, another bilateral term loan facility of HK\$755.0 million and secured by the iclub Fortress Hill Hotel (the “2023 FH Facility”). The 2023 FH Facility bears HIBOR-based interest and has a term of five years to November 2028. As at 31st December, 2024, the outstanding amount of the 2023 FH Facility was HK\$755.0 million, representing the full amount of the term loan facility. The Regal REIT group also entered into interest rate swap arrangements to hedge against interest rate exposure of the 2023 FH Facility for a notional amount of HK\$500.0 million.

On 15th November, 2023, Regal REIT group arranged, through its wholly-owned subsidiary, Land Crown International Limited, a term loan facility of HK\$650.0 million, secured by the iclub To Kwa Wan Hotel (the “2023 TKW Facility”), with a term of two years to November 2025 and bearing HIBOR-based interest. As at 31st December, 2024, the outstanding amount of the 2023 TKW Facility was HK\$650.0 million, representing the full amount of the term loan facility.

On 18th July, 2024, Regal REIT group arranged, through its wholly-owned subsidiary, Sonnix Limited, a new term loan facility of HK\$416.5 million, secured by the iclub Wan Chai Hotel (the “2024 WC Facility”), with a term of forty one months to December 2027 and bearing HIBOR-based interest, to replace the previous term loan facility of HK\$405.0 million. As at 31st December, 2024, the outstanding amount of the 2024 WC Facility was HK\$416.5 million representing the full amount of the term loan facility.

As at 31st December, 2024, the outstanding loan facilities of the Regal REIT group bore interest at HIBOR plus an interest margin ranging from 1.05% per annum to 1.8% per annum (2023 - ranging from 1.05% per annum to 1.8% per annum).

Bank borrowings under the 2021 IH Facilities, the 2022 RKH Facility, the 2023 SW Facilities, the 2023 FH Facilities, the 2023 TKW Facility and the 2024 WC Facility are guaranteed by Regal REIT and/or certain individual companies of the Regal REIT group on a joint and several basis.

The Regal REIT group's interest bearing bank borrowings are also secured by, amongst others:

- (i) legal charges and debentures over the corresponding properties;
- (ii) an assignment of rental income and all other proceeds arising from and including all rights, titles and interests under all hotel management agreements and lease agreements, where appropriate, relating to the relevant properties;
- (iii) charges over each relevant rental account, sales proceeds account and other control accounts of the Regal REIT group, if any;
- (iv) a floating charge over all of the undertakings, properties, assets and rights of each of the relevant companies of the Regal REIT group; and
- (v) an equitable charge over the shares in the relevant companies of the Regal REIT group.

As at 31st December, 2024, the Century City Group's other bank borrowings bore interest at HIBOR plus an interest margin ranging from 1.25% per annum to 2.35% per annum except for a bank loan of HK\$40.4 million, which bore interest at Euro Interbank Offered Rate ("EURIBOR") plus an interest margin of 0.95% per annum. All interest bearing bank borrowings were denominated in Hong Kong dollars except for a bank loan of HK\$40.4 million which was denominated in Euro.

As at 31st December, 2023, the Century City Group's other bank borrowings bore interest at HIBOR plus an interest margin ranging from 1.15% per annum to 2.75% per annum except for a bank loan of HK\$5.0 million, which bore interest at EURIBOR plus an interest margin of 2.5% per annum. All interest bearing bank borrowings were denominated in Hong Kong dollars except for a bank loan of HK\$5.0 million which was denominated in Euro.

#### OTHER BORROWINGS

	2024	2023
	<i>HK\$ million</i>	<i>HK\$ million</i>
Secured notes (i)	468.0	468.0
Other borrowing - secured (ii)	<u>73.0</u>	<u>—</u>
Total	<u><u>541.0</u></u>	<u><u>468.0</u></u>
Analysed into:		
Other borrowings repayable:		
Within one year	229.0	—
In the second year	312.0	156.0
In the third to fifth years, inclusive	<u>—</u>	<u>312.0</u>
	<u><u>541.0</u></u>	<u><u>468.0</u></u>



- (i) On 19th September, 2022, Cosmopolitan International Finance Limited (“CIFL”), a wholly owned subsidiary of Cosmopolitan, issued a 3-year unsecured note (“Note A”) in an aggregate nominal principal amount of US\$20 million at a coupon interest rate of HIBOR plus 0.6% per annum.

On 14th April, 2023, CIFL issued a 3-year secured note (“Note B”) in an aggregate nominal principal amount of US\$40 million at a coupon interest rate of HIBOR plus 3.11% per annum.

Upon the issuance of Note B, the Cosmopolitan Group pledged the equity interest in a holding company of the Cosmopolitan Group’s property development project in Chengdu over both Note A and Note B.

- (ii) On 23rd October, 2024, Beau Park International Limited, an independent third party, granted HK\$100.0 million revolving loan facility to the Regal Group, which bore interest at Hong Kong Dollar Best Leading Rate per annum as quoted by The Hongkong and Shanghai Banking Corporation Limited. The loan facility was secured by the equity interests in the relevant holding company of an overseas property development project of the Regal Group.

The loan facility originally matures in October 2025 but was early terminated upon full repayment of the outstanding loan balance subsequent to the reporting period.

### **Lease Liabilities**

As at 31st December, 2024, the Century City Group had lease liabilities of HK\$31.8 million.

### **Pledge of Assets**

As at 31st December, 2024, certain of the Century City Group’s property, plant and equipment, investment properties, right-of-use assets, properties under development, properties held for sale, financial assets at fair value through profit or loss, time deposits and bank balances in the total amount of HK\$29,144.6 million were pledged to secure general banking facilities granted to the Century City Group as well as bank guarantees procured by The Century City Group pursuant to certain lease guarantees in connection with the leasing of the hotel properties from Regal REIT. In addition, as at 31st December, 2024, certain ordinary shares in a listed subsidiary with a market value of HK\$220.3 million were also pledged to secure general banking facilities granted to the Century City Group.

The equity interests in the relevant holding companies of certain property development projects of the Century City Group were also pledged to secure the other borrowings of the Century City Group.

**Capital Commitments**

The Century City Group had the following contractual commitments at the end of the reporting period:

	2024	2023
	<i>HK\$'million</i>	<i>HK\$'million</i>
Property development projects	101.6	174.2

**Contingent Liabilities**

As at 31st December, 2024, the Paliburg Group had contingent liabilities for corporate guarantees provided in respect of a banking facility granted to an associate in the amount of HK\$389.5 million (2023 - HK\$396.5 million) which was fully utilised. In addition, a corporate guarantee was given to certain banks by the Paliburg Group for performance bond issued by the bank in relation to a property development contract undertaken by the Paliburg Group amounting to HK\$15.0 million (2023 - HK\$15.0 million).

In addition, at the end of the reporting period, the Cosmopolitan Group had provided guarantees to banks in connection with mortgage facilities granted to certain purchasers of its properties amounting to approximately RMB161.9 million (HK\$171.8 million) (2023 - RMB341.2 million (HK\$373.9 million)). The Cosmopolitan Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon the issuance of real estate ownership certificates and the completion of the proper procedures to register the mortgages under the names of the relevant purchasers, which will generally complete within one to two years after the purchasers take possession of the relevant properties.

No provision has been made in the consolidated financial statements for the guarantees in connection with the mortgage facilities as management is of the view that the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties in case of any default in payments.

Furthermore, a subsidiary of the Regal Group is currently in the process of appealing a notice of stamp duty assessment in the amount of HK\$93.0 million issued by the Inland Revenue Department of Hong Kong SAR in relation to the sub-lease agreement entered into between the Airport Authority and the Regal Group. Based on the opinion of legal advisors, the Directors consider there is a reasonable chance of success in the appeal and accordingly no provision has been made in the consolidated financial statements.

**Share Capital**

During the year under review, there was no change in the share capital of Century City.

**MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES OR ASSOCIATES**

During the year under review, there were no material acquisitions or disposals of subsidiaries or associates of Century City.

**STAFF AND REMUNERATION POLICY**

The Century City Group employs approximately 1,840 staff in Hong Kong and the PRC. The Century City Group's management considers the overall level of staffing employed and the remuneration cost incurred in connection with the Century City Group's operations to be compatible with market norm.

Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Staff benefits plans maintained by the Century City Group include a mandatory provident fund scheme as well as medical and life insurance for staff in Hong Kong, and the social security fund and the housing provident fund for staff in the PRC.

**FOR THE YEAR ENDED 31 DECEMBER 2023****BUSINESS REVIEW**

The Century City Group's significant investments and principal business activities mainly comprise property development and investment, construction and building related businesses, hotel ownership, hotel operation and management, asset management, aircraft ownership and leasing and other investments including financial assets investments.

The principal businesses of Paliburg, the Century City Group's listed intermediate subsidiary, comprise its investment in Regal, its property development and investment businesses (including those undertaken in Hong Kong through P&R, the joint venture with Regal, and those in the PRC through Cosmopolitan, another listed subsidiary of Paliburg held through P&R), construction and building related businesses, and other investment businesses. The business review of the Paliburg Group, including the commentary on the business sectors in which it operates, the changes in the general market conditions and their potential impact on its operating performance and future prospects, is contained in the Chairman's Statement as set out in annual report of Century City for the year ended 31 December 2023.

The significant investments and business interests of Regal comprise hotel ownership business, which is principally undertaken through Regal REIT (a listed subsidiary of Century City and Paliburg held through Regal), hotel operation and management businesses, asset management of Regal REIT, property development and investment, including those undertaken through the joint venture in P&R, aircraft ownership and leasing and other investment businesses. The business review of Regal and Regal REIT for the year, including the commentary on the business sectors in which the Regal Group operates, the changes in general market conditions and their potential impact on its operating performance and future prospects, is contained in the Chairman's Statement as set out in annual report of Century City for the year ended 31 December 2023.

The Century City Group has no immediate plans for material investments or capital assets, other than those disclosed in the sections headed “Business Overview” and “Outlook” in the Chairman’s Statement and the Management Discussion and Analysis as set out in annual report of Century City for the year ended 31 December 2023.

#### **CENTURY INNOVATIVE TECHNOLOGY GROUP (CIT)**

The Century City Group effectively owns an aggregate of 48% interest (comprising 36% interest held through the Regal Group and 12% interest directly held by wholly owned subsidiaries of Century City) in 8D Matrix Limited, an associate of the Century City Group which wholly owns CIT. The remaining 52% interest in 8D Matrix is held by private companies owned by Mr. Lo Yuk Sui, the Chairman and controlling shareholder of Century City. CIT is a dynamic edutainment company principally engaged in the production of high-quality multimedia content as well as related products and services.

To promote positive values and emotional intelligence to young learners, CIT has collaborated with KFC since 2017 and distributed close to 7 million books across 5,000 KFC outlets in China. CIT has also launched a complete series of bilingual books which are available on popular online platforms such as Taobao and JD. Considering the emerging need to enhance ESG knowledge amongst young learners, CIT plans to co-develop a series of ESG theme innovative and educational bilingual books for children with renowned publishers, with an aim to make the series accessible to all schools and potentially be integrated into the school curriculum. CIT’s goal is to instill a passion for sustainability and promote positive values among the next generation.

To meet the growing demand for environmental and sustainability education, CIT is currently exploring further opportunities to collaborate with the world’s leading edutainment platforms to deepen its social impact, brand recognition and positive influence all over the world. CIT will strive to offer even more engaging, immersive and “joyful learning” experiences to its many fans in the years to come.

By adapting to the constantly changing landscape, management is confident that the portfolio of high-quality content, products, and services in collaboration with its world-class partners will further CIT’s strategic vision to support the global community.

#### **PALIBURG HOLDINGS LIMITED**

##### **P&R HOLDINGS LIMITED**

P&R is a 50/50 owned joint venture established by Paliburg and Regal, with capital contributions provided by Paliburg and Regal on a pro-rata basis in accordance with their respective shareholdings. As Paliburg owns a controlling shareholding interest in Regal, P&R is, effectively, a subsidiary of Paliburg. P&R’s business scope encompasses the development of real estate projects for sale and/or leasing, the undertaking of related investment and financing activities, and the acquisition or making of any investments (directly or indirectly) in the financial assets of or interests in, or extending loans to, any private, public or listed corporations or undertakings that have interests in real estate projects or other financial activities where the underlying assets or security comprise real estate properties.

Further information relating to the property development projects undertaken and properties owned by the P&R group in Hong Kong (which, unless otherwise denoted, are all wholly owned by the P&R group) is set out below:

*Domus and Casa Regalia, Nos.65-89 Tan Kwai Tsuen Road, Yuen Long, New Territories*

This residential project, which was completed in 2016, has a site area of approximately 11,192 square metres (120,470 square feet) and provides a total of 170 units, comprising 36 garden houses and a low-rise apartment block with 134 units, having aggregate gross floor area of approximately 11,192 square metres (120,470 square feet).

All the units in the apartment block, named Domus, had been sold. The garden houses comprised within this development are named as Casa Regalia. At present, 8 houses in Casa Regalia are still being retained and will continue to be disposed of.

*We Go MALL, No.16 Po Tai Street, Ma On Shan, Sha Tin, New Territories*

This development has a site area of 5,090 square metres (54,788 square feet) and a maximum permissible gross floor area of 15,270 square metres (164,364 square feet). The site has been developed into a shopping mall with 5 storeys above ground level and 1 storey of basement floor. This shopping mall was opened for business in 2018 and is held for rental income. The leasing status of this shopping mall remained steady during the year.

*The Ascent, No.83 Shun Ning Road, Sham Shui Po, Kowloon*

This is a project undertaken pursuant to a tender award from the Urban Renewal Authority of Hong Kong in 2014. The land has a site area of 824.9 square metres (8,879 square feet) and has been developed into a 28-storey commercial/ residential building (including 1 basement floor) with total gross floor area of 7,159 square metres (77,059 square feet), providing 157 residential units, 2 storeys of shops and 1 storey of basement car parks. The project was completed in 2018. All the residential units as well as certain shops and car parks have already been sold. The remaining 2 shops and 5 car parks will continue to be sold.

*Mount Regalia, 23 Lai Ping Road, Kau To, Sha Tin, New Territories*

The project has a site area of 17,476 square metres (188,100 square feet) which has been developed into a luxury residential complex comprising 7 mid-rise apartment blocks with 136 units, 24 detached garden houses and 197 car parking spaces, with aggregate gross floor area of approximately 32,474 square metres (349,547 square feet). The occupation permit was issued in September 2018 and the certificate of compliance in February 2019.

This development received eight international awards including winner of Luxury Lifestyle Awards as Best Luxury Residential Development and Best Luxury Sustainable Residential Development in Hong Kong in 2021 as well as for the superb interior designs of certain of its show houses and apartment units.

Up to the last year end date, a total of 20 garden houses and 53 apartment units have been sold or contracted to be sold at satisfactory prices (total sale price of HK\$4,299.3 million), including the 3 garden houses and 1 apartment unit that were sold or contracted to be sold during 2023, of which the sale transactions for 17 houses and 47 apartment units (total sale price of HK\$3,677.6 million) have been completed. Sale transactions that were completed during the year included 3 houses and 8 apartment units (total sale price of HK\$663.9 million) and the profits derived therefrom already accounted for in the results for 2023. In addition, a garden house was leased out during the year with an option granted to the lessee for the purchase of the property. The lease was regarded as a finance lease and effectively taken as sold, with the relevant revenues having also been recognised in the results under review. The remaining 3 houses and 83 apartments command significant sale value and, apart from the house that is being used as property, plant and equipment, they will continue to be sold on a gradual basis.

*iclub Mong Kok Hotel, 2 Anchor Street, Mong Kok, Kowloon*

This is a hotel development project undertaken through a tender award from the Urban Renewal Authority of Hong Kong in 2015. The project has a site area of 725.5 square metres (7,809 square feet), with total permissible gross floor area of approximately 6,529 square metres (70,278 square feet) and covered floor area of approximately 9,355 square metres (100,697 square feet).

The project has been developed into a 20-storey hotel, comprising 288 guestrooms with ancillary facilities, which commenced business in March 2019. The hotel is presently self-operated by P&R and managed by the Regal Group.

*iclub AMTD Sheung Wan Hotel, No.5 Bonham Strand West, Sheung Wan, Hong Kong*

The project has an aggregate site area of approximately 345 square metres (3,710 square feet) and has been developed into a hotel with 98 guestrooms and suites (total 162 room bays), with total gross floor area of approximately 5,236 square metres (56,360 square feet) and covered floor area of approximately 7,118 square metres (76,618 square feet).

Following the divesture by P&R of a 50% beneficial interest in December 2019, the property is presently 50% owned by each of P&R and AMTD Properties (HK) Limited. This hotel was officially opened for business in November 2020 and has since been self-operated by the joint venture entity and managed by the Regal Group.

*Nos.9-19 Kam Wa Street, Shau Kei Wan, Hong Kong*

The subject properties, which were acquired through private treaty transactions, have a total site area of 518 square metres (5,580 square feet). The demolition works for this project have been completed and the scheme for a commercial/ residential development is being finalised.

*Nos.291-293 and 301-303 Castle Peak Road, Cheung Sha Wan, Kowloon*

The properties presently comprise interests in over 92% undivided shares of Nos.291-293 Castle Peak Road and 100% ownership interests of Nos.301-303 Castle Peak Road. The properties have a total site area of 488 square metres (5,257 square feet) and are intended for a composite commercial/residential redevelopment. The legal procedures for Land Compulsory Sale through the Lands Tribunal to consolidate 100% ownership interests in the relevant properties are progressing.

Certain parts of the existing properties are presently classified as a Grade 2 Historic Building. A conservation proposal in conjunction with the proposed development is being discussed with the relevant government authorities, which would involve conserving the verandah portion of historical heritage within the new development, thus preserving its unique iconic image in the vicinity.

### **REGAL HOTELS INTERNATIONAL HOLDINGS LIMITED**

Regal is a listed subsidiary of Paliburg. Further information relating to the property projects undertaken and the principal properties owned by Regal Group (other than those owned by Regal REIT), which are all wholly owned by Regal, is set out below:

#### **Hong Kong**

##### *Regala Skycity Hotel, the Hong Kong International Airport*

In February 2017, a wholly owned subsidiary of Regal secured the award from the Airport Authority in Hong Kong of the development right for this new hotel project at the Hong Kong International Airport.

The hotel project has a site area of approximately 6,650 square metres (71,580 square feet) and permissible gross floor area of 33,700 square metres (362,750 square feet) and is situated at a site surrounded by Terminal 2 of the Hong Kong International Airport, the Asia World-Expo and the SkyPier Terminal. The hotel project is the first phase of the mega SKYCITY Project of the Airport Authority, which also contains large scale retail and office spaces as well as dining and entertainment facilities.

The hotel has 13 storeys (including one basement floor) with a total of 1,208 guestrooms and suites, complemented with extensive banquet, meeting and food and beverage facilities. This new hotel embraces a wide range of sustainable features in its building design, construction and operation and was awarded Gold Rating under BEAM Plus Certification and EarthCheck Design Certified Gold Rating. The hotel also received a number of international design awards including the Muse Design Gold Award, Build4Asia Silver Award, A'Design Silver Award and International Property Award. The hotel licence was issued in November 2021 and the grand opening of the hotel was launched in April 2023.

##### *The Queens, No.160 Queen's Road West, Hong Kong*

The project has a combined site area of 682 square metres (7,342 square feet) and has been developed into a commercial/ residential development with gross floor area of about 5,826 square metres (62,711 square feet). The development has a total of 130 residential units with club house facilities on the second floor and commercial accommodations on the ground and first floors. The occupation permit for this development was obtained in August 2022.

7 residential units were sold on the first launch of units sale in April 2021. Due to the changed market environment and the rising demand for leased apartments in the area, some of the residential units have been leased out as serviced apartments on short tenure.



*Nos.227-227C Hai Tan Street, Sham Shui Po, Kowloon*

Through the judicial proceedings for the Land Compulsory Sale, the Regal Group has consolidated 100% ownership interests in the subject redevelopment properties. The properties have a total site area of 431 square metres (4,644 square feet) and are intended for a commercial/residential development with gross floor area of about 3,691 square metres (39,733 square feet). Development works are planned to commence after the process for the recovery of vacant possession of 1 remaining unit is completed.

*Regalia Bay, 88 Wong Ma Kok Road, Stanley, Hong Kong*

Most recently, the Regal Group has entered into an agreement for the sale of a garden house in Regalia Bay for a sale consideration of HK\$105 million. The Regal Group still retains 8 other garden houses with total gross area of about 3,719 square metres (40,028 square feet). Some of these remaining houses will continue to be disposed of on appropriate terms.

### **Overseas**

*Campus La Mola, Barcelona, Spain*

This hotel property has a total of 186 guestrooms and was acquired by the Regal Group in 2014. The hotel was initially operated by the Regal Group and is presently under lease to an independent third party generating satisfactory rental revenue.

*Fabrik, Rua Dos Fanqueiros 156, Lisbon, Portugal*

This is a rehabilitation and renovation project for a historical building located in a heritage conservation area of Lisbon, acquired in 2019 by an entity that is now wholly owned by the Regal Group. This building has a total gross floor area of about 1,836 square metres (19,768 square feet), comprising residential apartments as well as shops on ground floor. The renovation works have been substantially completed and the applications for relevant usage permits for the building are under process. The apartment units and shops are intended to be marketed for sale after completion of the renovation works.

### **COSMOPOLITAN INTERNATIONAL HOLDINGS LIMITED**

Cosmopolitan is a listed subsidiary of Paliburg held through P&R. Further information relating to the property projects of the Cosmopolitan group in the PRC, all of which are wholly owned, is set out below:

#### **Property Development**

*Chengdu Project — Regal Cosmopolitan City*

Located in the Xindu District in Chengdu, Sichuan Province, the project is a mixed use development consisting of residential, hotel, commercial and office components, with an overall total gross floor area of approximately 495,000 square metres (5,330,000 square feet).



The development works of third stage were already completed. Nearly all of the residential units in the third stage have now already been sold. Total proceeds from the sales of the residential units amounted to approximately RMB2,048.3 million (HK\$2,211.5 million).

The sale of the shops with about 4,110 square metres (44,250 square feet) comprised in the third stage is in progress. Up to date, a total of 4,002 square meters (43,078 square feet) of shops have been sold or contracted to be sold, for aggregate sale considerations of approximately RMB93.2 million (HK\$100.6 million). The sale of the 1,389 car parking spaces is continuing and, up to date, 470 car parking spaces have been sold or contracted to be sold, for aggregate sales proceeds of approximately RMB51.2 million (HK\$55.3 million). The procedures for the hand over of most of the shop units and car parking spaces sold have already been completed and the revenues accounted for in the preceding financial year.

The interior construction works of the 325-room hotel have been completed and the Completion Certificate obtained in January 2024. The interior fitting-out works for the guestrooms and the podium based on the revised design scheme are being planned and the hotel is scheduled to open in phases after the completion of the respective fitting-out works.

The construction works of the remaining commercial components within the development, comprising a commercial complex of about 52,500 square metres (565,100 square feet) and five towers of office accommodations of about 86,000 square metres (925,700 square feet) are proceeding steadily. All the office towers, the commercial facilities as well as the six-storey shopping mall podium have been topped-off. The market repositioning works of the shopping mall and certain of the office towers are also in progress.

The presale programme for the units in one of the office towers, consisting of 434 units with a total of about 20,000 square metres (215,200 square feet), commenced in 2021. Up to date, 275 office units with a total of about 12,254 square meters (131,902 square feet) have been presold under contracts or subscribed by prospective purchasers, for an aggregate sale consideration of RMB105.8 million (HK\$114.2 million).

The presale of the shops of about 2,650 square metres (28,550 square feet) comprised in the commercial portion of the office tower on sale has also commenced in 2022. Up to date, a total of 5 shop units of about 274 square metres (2,949 square feet) have been presold under contracts, for aggregate sale considerations of approximately RMB8.1 million (HK\$8.7 million).

The timing for the launching of the sale programme for the units in the other four office towers will depend on the property market environment in Chengdu.

#### *Tianjin Project — Regal Renaissance*

Located in the Hedong District in Tianjin, this project is a mixed use development comprising residential, commercial and office components with total gross floor area of about 145,000 square metres (1,561,000 square feet).

Nearly all of the residential units have been sold. The progress on the sale of the commercial complex, comprising mainly shops of about 19,000 square metres (205,000 square feet), has been relatively slow. Certain parts of the commercial complex have been leased out for rental income.

The remaining components in this development, which have all been completed, mainly consist of two office towers atop of a four-storey podium. The market repositioning works for the commercial podium are in progress. In view of the prevailing unfavourable market environment, the marketing programme for the sale of the units in the office towers will be deferred to a later appropriate time.

#### *Xinjiang Project*

This is a re-forestation and land grant project for a land parcel with site area of about 7,600 mu undertaken in accordance with the relevant laws and policies in Urumqi, Xinjiang Uygur Autonomous Region. The Cosmopolitan group has re-forested an aggregate area of about 4,300 mu within the project site and in accordance with the relevant government policies of Urumqi, a parcel of land with an area of about 1,843 mu (1,228,700 square metres) would be available for real estate development after the requisite inspection of the required re-forestation area, land grant listing and tender procedures are completed.

The Cosmopolitan group continues to maintain the overall re-forested area. In the meanwhile, the Cosmopolitan group is communicating with the relevant government authority to initiate appropriate measures to settle the disputes over certain portions of the land in the project site that have been illegally occupied. Based on the legal advice obtained, the legitimate interests of the Cosmopolitan group in the relevant re-forestation contract remain valid and effective.

### **FINANCIAL ASSETS AND OTHER INVESTMENTS**

The Century City Group holds a significant portfolio of investments comprising listed securities and other investments, including investment funds, private equities, bonds as well as treasury and yield enhancement products. Due to the weakness in the local stock market, the Century City Group's performance in this business segment has been adversely affected and recorded a net loss in its financial assets investments business during the year under review.

### **FINANCIAL REVIEW**

#### **CAPITAL RESOURCES AND FUNDING**

##### **Funding and Treasury Policy**

The Century City Group adopts a prudent funding and treasury policy with regard to its overall business operations. Cash balances are mostly placed on bank deposits, and treasury and yield enhancement products are deployed when circumstances are considered to be appropriate.

Property development projects in Hong Kong are financed partly by internal resources and partly by bank financing. Project financing is normally arranged in local currency to cover a part of the land cost and a major portion or the entire amount of the construction cost, with interest calculated by reference to the interbank offered rates and the loan maturity tied in to the estimated project completion date. Property development projects in the PRC are substantially financed by internal resources and proceeds from the presale of the units. Project financings for the projects in the PRC and overseas are arranged, if terms are considered appropriate, to cover a part of the land costs and/or construction costs, and with the loan maturities aligning with the estimated project completion dates.

The Century City Group's banking facilities are mostly denominated in Hong Kong dollars with interest primarily determined by reference to the interbank offered rates. The use of hedging instruments for interest rate purposes to cater to business and operational needs is kept under review by the Century City Group's management from time to time. As regards the Century City Group's investments in the PRC and overseas, which are denominated in currencies other than US dollars and Hong Kong dollars, the Century City Group may consider, when deemed appropriate, hedging part or all of the investment amounts into US dollars or Hong Kong dollars to contain the Century City Group's exposure to currency fluctuations.

### **Cash Flows**

Net cash flows generated from operating activities during the year under review amounted to HK\$625.0 million. Net interest payment for the year amounted to HK\$1,065.7 million.

### **Borrowings and Gearing**

As at 31st December, 2023, the Century City Group had cash and bank balances and deposits of HK\$2,526.1 million and the Century City Group's borrowings, net of cash and bank balances and deposits, amounted to HK\$17,592.3 million.

As at 31st December, 2023, the gearing ratio of the Century City Group was 43.9%, representing the Century City Group's borrowings, net of cash and bank balances and deposits, of HK\$17,592.3 million as compared to the total assets of the Century City Group of HK\$40,098.1 million.

Details of the maturity profile of the borrowings of the Century City Group as of 31st December, 2023 are as follows:

### INTEREST BEARING BANK BORROWINGS

	2023		2022	
	<i>Maturity</i>	<i>HK\$'million</i>	<i>Maturity</i>	<i>HK\$'million</i> <i>(Restated)</i>
<b>Current</b>				
Bank loans — secured	2024	5,780.0	2023	7,929.2
<b>Non-current</b>				
Bank loans — secured	2025 - 2028	<u>13,870.4</u>	2024 - 2027	<u>11,589.9</u>
Total		<u>19,650.4</u>		<u>19,519.1</u>

	2023	2022
	<i>HK\$'million</i>	<i>HK\$'million</i>
Analysed into:		
Bank loans repayable:		
Within one year	5,780.0	7,929.2
In the second year	4,972.2	2,970.0
In the third to fifth years, inclusive	<u>8,898.2</u>	<u>8,619.9</u>
Total	<u>19,650.4</u>	<u>19,519.1</u>

On 10th August, 2021, Regal REIT group, through its wholly-owned subsidiaries, Bauhinia Hotels Limited and Rich Day Investments Limited, entered into a facility agreement for a term loan facility of HK\$4,500.0 million and a revolving loan facility of up to HK\$500.0 million (the “2021 IH Facilities”) for a term of five years. The 2021 IH Facilities are secured by four of the five Initial Hotels, namely, the Regal Airport Hotel, the Regal Hongkong Hotel, the Regal Oriental Hotel and the Regal Riverside Hotel. As at 31st December, 2023, the 2021 IH Facilities had an outstanding amount of HK\$4,965.4 million, representing the full amount of the term loan facility and an amount of HK\$465.4 million under the revolving loan facility.

On 8th March, 2018, Regal REIT group arranged, through its wholly-owned subsidiary, Ricobem Limited, a bilateral term loan facility of HK\$3,000.0 million (the “2018 RKH Facility”), secured by a mortgage over the Regal Kowloon Hotel. This facility had a term of five years to March 2023. In late June 2022, Regal REIT group concluded a 5-year term loan facility of HK\$2,950.0 million (the “2022 RKH Facility”) with a new lender, similarly secured by the Regal Kowloon Hotel, which was used to refinance the 2018 RKH Facility. The 2022 RKH Facility carries interest based on HIBOR and has loan maturity in June 2027. As at 31st December, 2023, the outstanding amount of the 2022 RKH Facility was HK\$2,900.0 million, after an instalment payment of HK\$50.0 million in June 2023, representing the full amount of the term loan facility.

On 19th July, 2019, Regal REIT group, through its wholly owned subsidiary, Sonnix Limited, entered into a facility agreement for a term loan facility of HK\$440.0 million (the “2019 WC Facility”), for a term of five years to July 2024. The 2019 WC Facility is secured by the iclub Wan Chai Hotel. On 22nd June, 2020, its principal amount was revised to HK\$405.0 million for compliance with an undertaking in the facility agreement. As at 31st December, 2023, the outstanding facility amount of the 2019 WC Facility was HK\$405.0 million.

On 17th October, 2023, Regal REIT group arranged, through its wholly-owned subsidiary, a new bilateral term loan facility of HK\$749.5 million and secured by the iclub Sheung Wan Hotel (the “2023 SW Facility”) to replace the then term and revolving loan facilities of HK\$790.0 million. The 2023 SW Facility bears HIBOR-based interest with a four-year term to October 2027. As at 31st December, 2023, the outstanding amount of the 2023 SW Facility was HK\$749.5 million, representing the full amount of the term loan.

On 27th November, 2023, Regal REIT group arranged, through its wholly-owned subsidiary, another new bilateral term loan facility of HK\$755.0 million and secured by the iclub Fortress Hill Hotel (the “2023 FH Facility”) to replace the then term and revolving loan facilities of HK\$825.0 million. The 2023 FH Facility bears HIBOR-based interest and has a term of five years to November 2028. As at 31st December, 2023, the outstanding amount of the 2023 FH Facility was HK\$755.0 million, representing the full amount of the term loan.

On 15th November, 2023, Regal REIT group arranged, through its wholly-owned subsidiary, a new term loan facility of HK\$650.0 million, secured by the iclub To Kwa Wan Hotel (the “2023 TKW Facility”), with a term of two years to November 2025 and bearing HIBOR-based interest, to replace the then term loan facility of HK\$621.0 million. As at 31st December, 2023, the outstanding amount of the 2023 TKW Facility was HK\$650.0 million, representing the full amount of the term loan.

As at 31st December, 2023, the outstanding loan facilities of the Regal REIT group bore interest at HIBOR plus an interest margin ranging from 1.05% per annum to 1.8% per annum (2022 - ranging from 1.05% per annum to 1.8% per annum).

Bank borrowings under the 2021 IH Facilities, the 2022 RKH Facility, the 2019 WC Facility, the 2023 SW Facilities, the 2023 FH Facilities and the 2023 TKW Facility are guaranteed by Regal REIT and/or certain individual companies of the Regal REIT group on a joint and several basis.

The Regal REIT group’s interest bearing bank borrowings are also secured by, amongst others:

- (i) legal charges and debentures over the corresponding properties;
- (ii) an assignment of rental income and all other proceeds arising from and including all rights, titles and interests under all hotel management agreements and lease agreements, where appropriate, relating to the relevant properties;
- (iii) charges over each relevant rental account, sales proceeds account and other control accounts of the Regal REIT group, if any;

- (iv) a floating charge over all of the undertakings, properties, assets and rights of each of the relevant companies of the Regal REIT group; and
- (v) an equitable charge over the shares in the relevant companies of the Regal REIT group.

As at 31st December, 2023, the Century City Group's other bank borrowings bore interest at HIBOR plus an interest margin ranging from 1.15% per annum to 2.75% per annum except for a bank loan of HK\$5.0 million, which bore interest at Euro Interbank Offered Rate ("EURIBOR") plus an interest margin of 2.5% per annum. All interest bearing bank borrowings were denominated in Hong Kong dollars except for a bank loan of HK\$5.0 million which was denominated in Euro.

As at 31st December, 2022, the Century City Group's other bank borrowings bore interest at HIBOR plus an interest margin ranging from 1.15% per annum to 2.75% per annum except for a bank loan of HK\$1,195.6 million, which bore interest at HIBOR plus an margin of 1.6% subject to a cap rate of 4.1% per annum and a bank loan of HK\$14.5 million, which bore interest at EURIBOR plus an interest margin of 2.5% per annum. All interest bearing bank borrowings were denominated in Hong Kong dollars except for a bank loan of HK\$14.5 million which was denominated in Euro.

In addition, also included in interest bearing bank borrowings under current liabilities is an amount of HK\$851.8 million (2022 - HK\$1,707.9 million) which represents the outstanding balance of revolving loan facilities with remaining tenors of over 12 months.

#### OTHER BORROWINGS

	2023 <i>HK\$ million</i>	2022 <i>HK\$ million</i>
Unsecured note	—	156.0
Secured note	<u>468.0</u>	<u>—</u>
Total	<u><u>468.0</u></u>	<u><u>156.0</u></u>
Analysed into:		
Other borrowings repayable:		
In the second year	156.0	—
In the third to fifth years, inclusive	<u>312.0</u>	<u>156.0</u>
	<u><u>468.0</u></u>	<u><u>156.0</u></u>

- (i) On 19th September, 2022, Cosmopolitan International Finance Limited ("CIFL"), a wholly owned subsidiary of Cosmopolitan, issued a 3-year unsecured note ("Note A") in an aggregate nominal principal amount of US\$20 million at a coupon interest rate of HIBOR plus 0.6% per annum.

- (ii) On 14th April, 2023, CIFL issued a 3-year secured note (“Note B”) in an aggregate nominal principal amount of US\$40 million at a coupon interest rate of HIBOR plus 3.11% per annum.

Upon the issuance of Note B, the Century City Group pledged the equity interest in a holding company of the Cosmopolitan Group’s property development project in Chengdu over both Note A and Note B.

### Lease Liabilities

As at 31st December, 2023, the Century City Group had lease liabilities of HK\$47.2 million.

### Pledge of Assets

As at 31st December, 2023, certain of the Century City Group’s property, plant and equipment, investment properties, right-of-use assets, properties under development, properties held for sale, financial assets at fair value through profit or loss, time deposits and bank balances in the total amount of HK\$30,373.0 million were pledged to secure general banking facilities granted to the Century City Group as well as bank guarantees procured by the Century City Group pursuant to certain lease guarantees in connection with the leasing of the hotel properties from Regal REIT. In addition, as at 31st December, 2023, certain ordinary shares in a listed subsidiary with a market value of HK\$251.8 million were also pledged to secure general banking facilities granted to the Century City Group.

### Capital Commitments

The Century City Group had the following capital commitments at the end of the reporting period:

	2023	2022
	<i>HK\$’million</i>	<i>HK\$’million</i>
Property development projects	174.2	518.3

### Contingent Liabilities

As at 31st December, 2023, the Paliburg Group had contingent liabilities for corporate guarantees provided in respect of a banking facility granted to an associate in the amount of HK\$396.5 million (2022 - HK\$400.0 million) which was fully utilised. In addition, a corporate guarantee was given to certain banks by the Paliburg Group for performance bond issued by the bank in relation to a property development contract undertaken by the Paliburg Group amounting to HK\$15.0 million (2022 - HK\$15.0 million).

In addition, at the end of the reporting period, the Cosmopolitan Group had provided guarantees to banks in connection with mortgage facilities granted to certain purchasers of its properties amounting to approximately RMB341.2 million (HK\$373.9 million) (2022 - RMB519.6 million (HK\$586.1 million)). The Cosmopolitan Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon the issuance of real estate ownership certificates and the completion of the proper procedures to register the mortgages under the names of the relevant purchasers, which will generally complete within one to two years after the purchasers take possession of the relevant properties.

No provision has been made in the consolidated financial statements for the guarantees in connection with the mortgage facilities as management is of the view that the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties in case of any default in payments.

Furthermore, a subsidiary of the Regal Group is currently in the process of appealing a notice of stamp duty assessment in the amount of HK\$93.0 million issued by the Inland Revenue Department of Hong Kong SAR in relation to the sub-lease agreement entered into between the Airport Authority and the Regal Group. Based on the opinion of legal advisors, the Directors consider there is a reasonable chance of success in the appeal and accordingly no provision has been made in the consolidated financial statements.

### **Share Capital**

During the year under review, there was no change in the share capital of Century City.

### **MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES OR ASSOCIATES**

On 8th February, 2023, the Century City Group completed the acquisition of 100% equity interest in a local securities brokerage company, which has since been renamed as Cityline Securities Limited ("Cityline Securities") for a consideration of HK\$7.8 million. To capitalise the extensive customer network within the Century City Group's hotel and property business, the Century City Group expects to be benefited from the combining operations of Cityline Securities and the Century City Group. During the year, the valuation thereof was finalised. Compared with the provisional purchase price allocation disclosed in the Century City Group's condensed consolidated financial statements as of 30th June, 2023, there was no restatement of items.



The fair values of the identifiable assets and liabilities of Cityline Securities as at the date of acquisition were as follows:

	<b>Fair values recognised on business combination <i>HK\$'million</i></b>
Other intangible asset	0.5
Other assets	0.3
Debtors, deposits and prepayments	31.6
Deferred tax asset	0.6
Bank balances	8.0
Creditors and accruals	<u>(34.2)</u>
Total identifiable net assets at fair value	6.8
Goodwill on acquisition	<u>1.0</u>
	<u><u>7.8</u></u>
Satisfied by:	
Cash consideration	7.0
Consideration payable	<u>0.8</u>
	<u><u>7.8</u></u>

The fair values of the trade debtors and other receivables as at the date of acquisition amounted to HK\$30.7 million and HK\$0.7 million, respectively. The gross contractual amounts of trade debtors and other receivables were HK\$30.7 million and HK\$0.7 million, respectively. The Century City Group incurred transaction costs of HK\$0.3 million for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the consolidated statement of profit or loss.

Goodwill arising from the acquisition of Cityline Securities represented premium paid for the benefits of expected synergies from combining operations of Cityline Securities and the Century City Group. None of the goodwill recognised is expected to be deductible for tax purposes.

An analysis of the cash flows in respect of the acquisition of Cityline Securities is as follows:

	<i>HK\$'million</i>
Cash consideration	(7.0)
Bank balances acquired	8.0
Net inflow of cash and cash equivalents included in cash flows from investing activities	1.0

Since the acquisition, Cityline Securities contributed HK\$0.7 million to the Century City Group's revenue and loss of HK\$2.9 million to the consolidated loss for the year ended 31st December, 2023. Had the combination taken place at the beginning of the year, the revenue of the Century City Group and the loss before allocation between equity holders of the parent and non-controlling interests of the Century City Group for the year ended 31st December, 2023 would have been HK\$2,810.2 million and HK\$1,684.8 million, respectively.

Save as disclosed above, during the year under review, there were no other material acquisitions or disposals of subsidiaries or associates of Century City.

#### **STAFF AND REMUNERATION POLICY**

The Century City Group employs approximately 1,760 staff in Hong Kong and the PRC. The Century City Group's management considers the overall level of staffing employed and the remuneration cost incurred in connection with the Century City Group's operations to be compatible with market norm.

Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Staff benefits plans maintained by the Century City Group include a mandatory provident fund scheme as well as medical and life insurance for staff in Hong Kong, and the social security fund and the housing provident fund for staff in the PRC.

#### **FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **BUSINESS REVIEW**

The Century City Group's significant investments and principal business activities mainly comprise property development and investment, construction and building related businesses, hotel ownership, hotel operation and management, asset management, aircraft ownership and leasing and other investments including financial assets investments.

The principal businesses of Paliburg, The Century City Group's listed intermediate subsidiary, comprise its investment in Regal, its property development and investment businesses (including those undertaken in Hong Kong through P&R, the joint venture with Regal, and those in the PRC through Cosmopolitan, which is a listed subsidiary of P&R), construction and building related businesses, and other investment businesses. The business review of the Paliburg Group, including the commentary on the business sectors in which it operates, the changes in the general market conditions and their potential impact on its operating performance and future prospects, is contained in the Chairman's Statement as set out in annual report of Century City for the year ended 31 December 2022.

The significant investments and business interests of Regal comprise hotel ownership business, which is principally undertaken through Regal REIT (a listed subsidiary of Century City and Paliburg held through Regal), hotel operation and management businesses, asset management of Regal REIT, property development and investment, including those undertaken through the joint venture in P&R, aircraft ownership and leasing and other investment businesses. The business review of Regal and Regal REIT for the year, including the commentary on the business sectors in which the Regal Group operates, the changes in general market conditions and their potential impact on its operating performance and future prospects, is contained in the Chairman's Statement as set out in annual report of Century City for the year ended 31 December 2022.

The Century City Group has no immediate plans for material investments or capital assets, other than those disclosed in the sections headed "Business Overview" and "Outlook" in the preceding Chairman's Statement and the Management Discussion and Analysis as set out in annual report of Century City for the year ended 31 December 2022.

#### **CENTURY INNOVATIVE TECHNOLOGY GROUP (CIT)**

The Century City Group effectively owns an aggregate of 48% interest (comprising 36% interest held through the Regal Group and 12% interest directly held by wholly owned subsidiaries of Century City) in 8D Matrix Limited, an associate of the Century City Group which wholly owns CIT. The remaining 52% interest in 8D Matrix is held by private companies owned by Mr. Lo Yuk Sui, the Chairman and controlling shareholder of Century City. CIT is a dynamic edutainment company principally engaged in the production of high-quality multimedia content as well as related products and services.

To promote positive values and emotional intelligence to young learners, CIT has collaborated with KFC since 2017 and distributed close to 7 million books across 5,000 KFC outlets in China and plans to continue this collaboration in 2023. CIT also launched a complete series of bilingual books which are available on popular online platforms such as Taobao and JD.

To meet the growing demand for environmental and sustainability education, CIT is currently exploring further opportunities to collaborate with the world's leading edutainment platforms to deepen its social impact, brand recognition and positive influence all over the world. Leveraging the Century City Group's recent investments in the nascent metaverse and Web3, CIT will strive to offer even more engaging, immersive and "joyful learning" experiences to its many fans in the years to come. Specific ideas under consideration include "learn-and-earn" virtual games that instill practical lessons on everyday sustainable consumption, as well as virtual merchandise in the form of NFTs and digital assets.

By adapting to the constantly changing landscape, management is confident that the portfolio of high-quality content, products, and services in collaboration with its world-class partners will further CIT's strategic vision to support the global community.

**PALIBURG HOLDINGS LIMITED****P&R HOLDINGS LIMITED**

P&R is a 50/50 owned joint venture established by Paliburg and Regal, with capital contributions provided by Paliburg and Regal on a pro-rata basis in accordance with their respective shareholdings. As Paliburg owns a controlling shareholding interest in Regal, P&R is, effectively, a subsidiary of Paliburg and Century City. P&R's business scope encompasses the development of real estate projects for sale and/or leasing, the undertaking of related investment and financing activities, and the acquisition or making of any investments (directly or indirectly) in the financial assets of or interests in, or extending loans to, any private, public or listed corporations or undertakings that have interests in real estate projects or other financial activities where the underlying assets or security comprise real estate properties.

Further information relating to the property development projects being undertaken and properties owned by the P&R group in Hong Kong (which, unless otherwise denoted, are all wholly owned by the P&R group) is set out below:

*Domus and Casa Regalia, Nos.65-89 Tan Kwai Tsuen Road, Yuen Long, New Territories*

This residential project, which was completed in 2016, has a site area of approximately 11,192 square metres (120,470 square feet) and provides a total of 170 units, comprising 36 garden houses and a low-rise apartment block with 134 units, having aggregate gross floor area of approximately 11,192 square metres (120,470 square feet).

All the units in the apartment block, named Domus, had been sold. The garden houses comprised within this development are named as Casa Regalia. At present, 8 houses in Casa Regalia are still being retained and will be disposed of on a gradual basis.

*We Go MALL, No.16 Po Tai Street, Ma On Shan, Sha Tin, New Territories*

This development has a site area of 5,090 square metres (54,788 square feet) and a maximum permissible gross floor area of 15,270 square metres (164,364 square feet). The site has been developed into a shopping mall with 5 storeys above ground level and 1 storey of basement floor. This shopping mall was opened for business in 2018 and is held for rental income. The leasing status of this shopping mall remained stable during the year. It is anticipated that, after the uplifting of the pandemic restrictions, its leased out ratio and rental levels will gradually improve.

*The Ascent, No.83 Shun Ning Road, Sham Shui Po, Kowloon*

This is a project undertaken pursuant to a tender award by the Urban Renewal Authority of Hong Kong in 2014. The land has a site area of 824.9 square metres (8,879 square feet) and has been developed into a 28-storey commercial/residential building (including 1 basement floor) with total gross floor area of 7,159 square metres (77,059 square feet), providing 157 residential units, 2 storeys of shops and 1 storey of basement carparks. The project was completed in 2018. All the residential units as well as certain shops and carparks have already been sold. The remaining 2 shops and 5 carparks will continue to be marketed for sale.

*Mount Regalia, 23 Lai Ping Road, Kau To, Sha Tin, New Territories*

The project has a site area of 17,476 square metres (188,100 square feet) which has been developed into a luxury residential complex comprising 7 mid-rise apartment blocks with 136 units, 24 detached garden houses and 197 car parking spaces, with aggregate gross floor area of approximately 32,474 square metres (349,547 square feet). The occupation permit was issued in September 2018 and the certificate of compliance in February 2019.

This development received eight international awards including winner of Luxury Lifestyle Awards as Best Luxury Residential Development and Best Luxury Sustainable Residential Development in Hong Kong in 2021 as well as for the superb interior designs of certain of its show houses and apartment units.

Up to the present time, a total of 20 garden houses and 53 apartment units have been sold or contracted to be sold at satisfactory prices (total sale price of HK\$4,300.8 million), of which the sale transactions for 15 houses and 45 apartment units (total sale price of HK\$3,422.3 million) have been completed. Sale transactions that were completed during the year included 6 houses and 12 apartment units (total sale price of HK\$997.2 million) and the profits derived therefrom already accounted for in the results under review. The remaining 4 houses and 83 apartments command significant sale value and, apart from the house that is being used as property, plant and equipment, they will continue to be sold on a gradual basis.

*iclub Mong Kok Hotel, 2 Anchor Street, Tai Kok Tsui, Kowloon*

This is a hotel development project undertaken through a tender award by the Urban Renewal Authority of Hong Kong in 2015. The project has a site area of 725.5 square metres (7,809 square feet), with total permissible gross floor area of approximately 6,529 square metres (70,278 square feet) and covered floor area of approximately 9,355 square metres (100,697 square feet).

The project has been developed into a 20-storey hotel, comprising 288 guestrooms with ancillary facilities, which was opened for business in March 2019. The hotel is presently self-operated by P&R and managed by the Regal Group.

*iclub AMTD Sheung Wan Hotel, No.5 Bonham Strand West, Sheung Wan, Hong Kong*

The project has an aggregate site area of approximately 345 square metres (3,710 square feet) and has been developed into a hotel with 98 guestrooms and suites (total 162 room bays), with total gross floor area of approximately 5,236 square metres (56,360 square feet) and covered floor area of approximately 7,118 square metres (76,618 square feet).

Following the divestiture by P&R of a 50% beneficial interest in December 2019, the property is presently 50% owned by each of P&R and AMTD Properties (HK) Limited. This hotel was officially opened for business in November 2020 and has since been self-operated by the joint venture entity and managed by the Regal Group.

*Nos.9-19 Kam Wa Street, Shau Kei Wan, Hong Kong*

The subject properties, which were acquired through private treaty transactions, have a total site area of 518 square metres (5,580 square feet). The demolition works for this project have been completed and the scheme for a commercial/ residential development is being finalised.

*Nos.291-293 and 301-303 Castle Peak Road, Cheung Sha Wan, Kowloon*

The properties presently comprise interests in over 80% undivided shares of Nos.291-293 Castle Peak Road and 100% ownership interests of Nos.301-303 Castle Peak Road. The properties have a total site area of 488 square metres (5,260 square feet) and are intended for a composite commercial/residential redevelopment. The legal procedures for Land Compulsory Sale through the Lands Tribunal to consolidate 100% ownership interests in the relevant properties are progressing.

Certain of the existing properties are presently classified as a Grade 2 Historic Building. A conservation proposal in conjunction with the proposed development is being discussed with the relevant government authorities, which would involve conserving the verandah portion of historical heritage within the new development, thus preserving its unique iconic image in the vicinity.

## **REGAL HOTELS INTERNATIONAL HOLDINGS LIMITED**

Regal is a listed subsidiary of Paliburg. Further information relating to the property projects undertaken and the principal properties owned by Regal Group (other than those owned by Regal REIT), which are all wholly owned by Regal, is set out below:

### **Hong Kong**

*Regala Skycity Hotel, the Hong Kong International Airport*

In February 2017, a wholly owned subsidiary of Regal was awarded by the Airport Authority in Hong Kong the development right for a new hotel project at the Hong Kong International Airport.

The hotel project has a site area of approximately 6,650 square metres (71,580 square feet) and permissible gross floor area of 33,700 square metres (362,750 square feet) and is situated at a site surrounded by Terminal 2 of the Hong Kong International Airport, the Asia World-Expo and SkyPier. The hotel project is the first phase of the mega SKYCITY Project by the Airport Authority, which also contains large scale retail and office spaces as well as dining and entertainment facilities.

The hotel has 13 storeys (including one basement floor) with a total of 1,208 guestrooms and suites, complemented with extensive banquet, meeting and food and beverage facilities. This new hotel embraces a wide range of sustainable features in its building design, construction and operation and was awarded Gold Rating under BEAM Plus Certification and EarthCheck Design Certified Gold Rating. The hotel licence was issued in November 2021. The hotel was soft opened for business in December 2021 and its grand opening will be launched in April 2023.

*The Queens, No.160 Queen's Road West, Hong Kong*

The project has a combined site area of 682 square metres (7,342 square feet) and has been developed into a commercial/ residential development with gross floor area of about 5,826 square metres (62,711 square feet). The development has a total of 130 residential units with club house facilities on the second floor and commercial accommodations on the ground and first floors. The occupation permit for this development was obtained in August 2022.

The presale of the first batch of the residential units was first launched in April 2021 and the sale transactions for the units presold have been duly completed before the end of 2022.

*Nos.227-227C Hai Tan Street, Sham Shui Po, Kowloon*

The judicial proceedings for the Land Compulsory Sale have been completed and the Regal Group presently owns 100% ownership interests in the subject redevelopment properties. The properties have a total site area of 431 square metres (4,644 square feet) and are intended for a commercial/residential development with gross floor area of about 3,691 square metres (39,733 square feet).

*Regalia Bay, 88 Wong Ma Kok Road, Stanley, Hong Kong*

The Regal Group still retains a total of 9 garden houses in Regalia Bay with total gross area of about 4,178 square metres (44,972 square feet), 3 of which are held as investment properties, 4 held for sale and 2 as property, plant and equipment and right-of-use assets. Some of these remaining houses will continue to be disposed of if the prices offered are considered favourable.

**Overseas***Campus La Mola, Barcelona, Spain*

This hotel property has a total of 186 guestrooms and was acquired by the Regal Group in 2014. The hotel was initially operated by the Regal Group and was subsequently leased to an independent third party pursuant to a lease agreement in September 2017. The Regal Group has recently reached a formal settlement arrangement with the lessee of the property, pursuant to which the outstanding and disputed rentals and other related payments have been settled by the lessee and the lease with the lessee extended on more favourable leasing terms.

*Fabrik, Rua Dos Fanqueiros 156, Lisbon, Portugal*

This is a rehabilitation and renovation project of a historical building located in a heritage conservation area of Lisbon, acquired in 2019 by an entity that is now wholly owned by the Regal Group. This building has a total gross floor area of about 1,836 square metres (19,768 square feet), comprising residential apartments as well as shops on ground floor. The renovation works are underway and expected to be completed by mid 2023. The apartment units and shops are intended to be marketed for sale after completion of the renovation works.

**COSMOPOLITAN INTERNATIONAL HOLDINGS LIMITED**

Cosmopolitan is a listed subsidiary of P&R. Further information relating to the property projects of the Cosmopolitan group in the PRC, all of which are wholly owned, is set out below:

**Property Development***Chengdu Project — Regal Cosmopolitan City*

Located in the Xindu District in Chengdu, Sichuan Province, the project is a mixed use development consisting of residential, hotel, commercial and office components, with an overall total gross floor area of approximately 495,000 square metres (5,330,000 square feet).

The development works of third stage were already completed. Nearly all of the residential units in the third stage have been presold by early 2021. Total proceeds from the contracted presales and sales of the residential units amounted to approximately RMB2,046.2 million (HK\$2,337.8 million). The aggregate sale considerations of those presold residential units in the third stage, whose handover procedures were completed during the course of 2022, amounted to RMB787.3 million (HK\$915.6 million). The property income derived from the completed sales of residential and commercial units and car parking spaces in the third stage, before impairment loss on ascribed goodwill, tax and selling expense, amounted to HK\$337.0 million, which has been accounted for in the year under review.



The sale of the shops with about 4,110 square metres (44,250 square feet) comprised in the third stage is in progress. Up to date, a total of 3,933 square meters (42,335 square feet) of shops have been sold or contracted to be sold, at aggregate sale considerations of approximately RMB90.9 million (HK\$103.9 million). The sale of the 1,389 car parking spaces is continuing and, up to date, 453 car parking spaces have been sold or contracted to be sold, for aggregate sales proceeds of approximately RMB49.5 million (HK\$56.6 million). The procedures for the hand over of most of the shop units and car parking spaces sold have already been completed and the revenues accounted for in the year under review.

The interior construction works of the 325-room hotel for the procurement of the Completion Certificate are in progress and expected to be completed in the third quarter of 2023. The interior fitting-out works for the guestrooms and the podium based on the revised design scheme are planned to commence after the procurement of the Completion Certificate and the hotel is scheduled to open in phases after the completion of the respective fitting-out works.

The construction works of the remaining commercial components within the development, comprising a commercial complex of about 52,500 square metres (565,100 square feet) and five towers of office accommodations of about 86,000 square metres (925,700 square feet) are in steady progress. All the office towers, the commercial facilities as well as the six-storey shopping mall podium have been topped-off. The market repositioning works of the shopping mall and certain office towers are also in progress. The pre-sale of the shops of about 2,650 square metres (28,550 square feet) comprised in the commercial facilities has commenced in 2022. Up to date, a total of 229 square metres (2,465 square feet) of shops have been pre-sold or contracted to be pre-sold, at aggregate sale considerations of approximately RMB6.5 million (HK\$7.4 million).

The presale programme for the units in one of the office towers, consisting of 434 units with a total of about 20,000 square metres (215,200 square feet), has commenced in May 2021. Up to date, 140 office units with a total of about 5,983 square meters (64,400 square feet) have been subscribed by prospective purchasers or presold under contracts, for an aggregate sale consideration of RMB52.4 million (HK\$59.9 million). The presale of the remaining four office towers, consisting of 1,356 units with a total of about 66,000 square metres (710,500 square feet), will follow in phases with regard to the market environment.

#### *Tianjin Project — Regal Renaissance*

Located in the Hedong District in Tianjin, this project is a mixed use development comprising residential, commercial and office components with total gross floor area of about 145,000 square metres (1,561,000 square feet).

Nearly all of the residential units have been sold. The progress on the sale of the commercial complex, comprising mainly shops of about 19,000 square metres (205,000 square feet), has been relatively slow. Certain parts of the commercial complex have been leased out for rental income.

The superstructure works of the remaining two office towers and the four-storey commercial podium have been completed and the Completion Certificates obtained in March 2022. The sale programme for one of the office towers, consisting of 137 units with a total of about 17,530 square metres (188,700 square feet), has been delayed on account of the changed market environment and is now planned to be launched later this year. Depending on the sale progress, the sale of the other office tower, consisting of 247 units with a total of about 39,210 square metres (422,000 square feet), may be launched in phases thereafter. The market repositioning works for the commercial podium are in progress.

#### *Xinjiang Project*

This is a re-forestation and land grant project for a land parcel with site area of about 7,600 mu undertaken in accordance with the relevant laws and policies in Urumqi, Xinjiang Uygur Autonomous Region. The Cosmopolitan group has re-forested an aggregate area of about 4,300 mu within the project site and in accordance with the relevant government policies of Urumqi, a parcel of land with an area of about 1,843 mu (1,228,700 square metres) would be available for real estate development after the requisite inspection, land grant listing and tender procedures are completed.

The Cosmopolitan group continues to maintain the overall re-forested area. In the meanwhile, the Cosmopolitan group is communicating with the relevant government authority to initiate appropriate measures to settle the disputes over certain portions of the land in the project site that have been illegally occupied. Based on the legal advice obtained, the legitimate interests of the Cosmopolitan group in the relevant re-forestation contract remain valid and effective.

#### **FINANCIAL ASSETS AND OTHER INVESTMENTS**

The Century City Group holds a significant portfolio of investments comprising listed securities and other investments, including investment funds, private equities, bonds as well as treasury and yield enhancement products. The global capital market during the year was very difficult and volatile and the stock market in Hong Kong further weakened. The Century City Group's performance in this business sector has been adversely affected and recorded a net loss in its financial assets investments business during the year under review.

In April 2022, a wholly owned subsidiary of Regal entered into an agreement with an independent third party for the acquisition of participation right in the performance of certain issued securities of Sygnum Bank AG, a digital asset bank based in Switzerland and Singapore. The participation is anticipated to provide the Regal Group with an opportunity to expand its investment portfolio and to diversify its income sources to the digital assets market. Further information on this investment is contained in the joint announcement published on 12th April, 2022.

The Regal Group also acquired in April 2022 an estate in The Sandbox, a leading decentralized gaming virtual world, to launch its MetaGreen project in the metaverse. Located in Mega City 2, MetaGreen will be the first sustainability-themed or green metropolis in The Sandbox, which will have different interactive experiences including Regal Hotels' green hotel & residence, MetaGreen Mall, Art Park, MetaGreen Convention Center, MetaGreen Academy and more. By harnessing the power of Web3 and GameFi, MetaGreen aims to promote eco-friendly choices and foster a sustainable community to support the transition to a circular economy and race to carbon net zero.

## **FINANCIAL REVIEW**

### **CAPITAL RESOURCES AND FUNDING**

#### **Funding and Treasury Policy**

The Century City Group adopts a prudent funding and treasury policy with regard to its overall business operations. Cash balances are mostly placed on bank deposits, and treasury and yield enhancement products are deployed when circumstances are considered to be appropriate.

Property development projects in Hong Kong are financed partly by internal resources and partly by bank financing. Project financing is normally arranged in local currency to cover a part of the land cost and a major portion or the entire amount of the construction cost, with interest calculated by reference to the interbank offered rates and the loan maturity tied in to the estimated project completion date. Property development projects in the PRC are presently financed by internal resources and proceeds from the presale of the units. Project financing for the projects in the PRC may be arranged in local currency on appropriate terms to cover a part of the land cost and/or construction cost, and with the loan maturity tied in to the estimated project completion date.

The Century City Group's banking facilities are mostly denominated in Hong Kong dollar with interest primarily determined with reference to interbank offered rates. The use of hedging instruments for interest rate purposes to cater to business and operational needs is kept under review by the Century City Group's management from time to time. As regards the Century City Group's overseas investments and investments in the PRC which are based in currencies other than US dollar and Hong Kong dollar, the Century City Group may consider, when deemed appropriate, hedging part or all of the investment amounts into US dollar or Hong Kong dollar to contain the Century City Group's exposure to currency fluctuation.

#### **Cash Flows**

Net cash flows generated from operating activities during the year under review amounted to HK\$729.2 million. Net interest payment for the year amounted to HK\$486.1 million.

#### **Borrowings and Gearing**

As at 31st December, 2022, the Century City Group had cash and bank balances and deposits of HK\$2,724.5 million and the Century City Group's borrowings, net of cash and bank balances and deposits, amounted to HK\$16,950.6 million.

As at 31st December, 2022, the gearing ratio of the Century City Group was 40.3%, representing the Century City Group's borrowings, net of cash and bank balances and deposits, of HK\$16,950.6 million, as compared to the total assets of the Century City Group of HK\$42,056.9 million.

Details of the maturity profile of the borrowings of the Century City Group as of 31st December, 2022 are as follows:

#### INTEREST BEARING BANK BORROWINGS

	2022		2021	
	<i>Maturity</i>	<i>HK\$'million</i>	<i>Maturity</i>	<i>HK\$'million</i>
<b>Current</b>				
Bank loans — secured	2023	7,929.2	2022	3,329.5
<b>Non-current</b>				
Bank loans — secured	2024 - 2027	<u>11,589.9</u>	2023 - 2026	<u>16,764.7</u>
Total		<u>19,519.1</u>		<u>20,094.2</u>

	2022	2021
	<i>HK\$'million</i>	<i>HK\$'million</i>
Analysed into:		
Bank loans repayable:		
Within one year	7,929.2	3,329.5
In the second year	2,970.0	5,754.8
In the third to fifth years, inclusive	<u>8,619.9</u>	<u>11,009.9</u>
Total	<u>19,519.1</u>	<u>20,094.2</u>

On 10th August, 2021, Regal REIT group, through its wholly-owned subsidiaries, Bauhinia Hotels Limited and Rich Day Investments Limited, entered into a facility agreement for a term loan facility of HK\$4,500.0 million and a revolving loan facility of up to HK\$500.0 million (the “2021 IH Facilities”) for a term of five years. The 2021 IH Facilities are secured by four of the five Initial Hotels, namely, the Regal Airport Hotel, the Regal Hongkong Hotel, the Regal Oriental Hotel and the Regal Riverside Hotel. As at 31st December, 2022, the 2021 IH Facilities had an outstanding amount of HK\$4,801.0 million, representing the full amount of the term loan facility and an amount of HK\$301.0 million under the revolving loan facility.

On 8th March, 2018, Regal REIT group arranged, through its wholly-owned subsidiary, Ricobem Limited, a bilateral term loan facility of HK\$3,000.0 million (the “2018 RKH Facility”), secured by a mortgage over the Regal Kowloon Hotel. This facility had a term of five years to March 2023. In late June 2022, Regal REIT group concluded a 5-year term loan facility of HK\$2,950.0 million (the “2022 RKH Facility”) with a new lender, similarly secured by the Regal Kowloon Hotel, which was used to refinance the 2018 RKH Facility. The 2022 RKH Facility has repayment obligations of HK\$50.0 million on each of its anniversary date to maturity. As at 31st December, 2022, the outstanding amount of the 2022 RKH Facility was HK\$2,950.0 million, representing the full amount of the term loan facility.

On 19th July, 2019, Regal REIT group, through its wholly owned subsidiary, Sonnix Limited, entered into a facility agreement for a term loan facility of HK\$440.0 million (the “2019 WC Facility”), for a term of five years to July 2024. The 2019 WC Facility is secured by the iclub Wan Chai Hotel. On 22nd June, 2020, its principal amount was revised to HK\$405.0 million for compliance with an undertaking in the facility agreement. As at 31st December, 2022, the outstanding facility amount of the 2019 WC Facility was HK\$405.0 million.

On 19th October, 2018, Regal REIT group arranged, through its wholly owned subsidiary, Tristan Limited, a bilateral loan facility of up to HK\$790.0 million, comprised of a term loan facility of HK\$632.0 million and a revolving loan facility of up to HK\$158.0 million (the “2018 SW Facilities”) and secured by the iclub Sheung Wan Hotel. The 2018 SW Facilities have a term of five years to October 2023. As at 31st December, 2022, the utilised amount of the 2018 SW Facilities was HK\$790.0 million, representing the full amount of the term loan facility and a revolving loan amount of HK\$158.0 million.

On 29th November, 2018, Regal REIT group arranged, through its wholly owned subsidiary, Wise Decade Investments Limited, another bilateral loan facility of up to HK\$825.0 million, comprised of a term loan facility of HK\$660.0 million and a revolving loan facility of up to HK\$165.0 million (subsequently reduced to HK\$44.0 million in September 2020) (the “2018 FH Facilities”) and secured by the iclub Fortress Hill Hotel. The 2018 FH Facilities have a term of five years to November 2023. As at 31st December, 2022, the outstanding amount of the 2018 FH Facilities was HK\$704.0 million, representing the full amount of the term loan facility and a revolving loan amount of HK\$44.0 million.

On 4th September, 2017, Regal REIT group arranged, through its wholly owned subsidiary, Land Crown International Limited, a term loan facility of HK\$748.0 million (the “2017 TKW Facility”), secured by the iclub To Kwa Wan Hotel (formerly known as the iclub Ma Tau Wai Hotel), with a term of three years to September 2020. On 27th August, 2020, a supplement to 2017 TKW Facility agreement was entered into to amend the principal loan amount to HK\$621.0 million (the “2020 TKW Facility”), for a new term of three years to September 2023. As at 31st December, 2022, the outstanding amount of the 2020 TKW Facility was HK\$621.0 million, representing the full amount of the term loan facility.

Included in interest bearing bank borrowings under current liabilities were two long term loans of Regal REIT group with an aggregate principal amount of HK\$3,305.0 million (before deduction of the corresponding unamortised debt establishment cost of HK\$39.8 million) which have maturity dates beyond 2023 (“the Relevant Loans”) but classified as current liabilities as at the end of the reporting period. The Relevant Loans related to (1) the 2022 RKH Facility with an outstanding principal amount of HK\$2,900.0 million which was deemed to have been in breach of a loan covenant related to the interest coverage ratio (“ICR”) as at 31st December, 2022 (which has built-in cash cure remedy provisions); and (2) the 2019 WC Facility with an outstanding principal amount of HK\$405.0 million which was in breach of a loan covenant related to ICR as at 31st December, 2022. Subsequent to the reporting period, Regal REIT group has secured from the bank lenders of the Relevant Loans waivers on the ICR breaches and confirmations that the Relevant Loans remain repayable on their original maturity dates in 2027 and 2024, respectively, subject in each case to the topping up of the interest reserve with an additional 3-month interest payment. Despite the waivers and confirmations obtained from the bank lenders, the Relevant Loans of Regal REIT group were classified as current liabilities as at 31st December, 2022, in order to comply with the applicable accounting standards. As of the date of approval of these financial statements, having obtained the waivers from the bank lenders, there are no longer any deemed breach or breach of the ICR related loan covenants under the Relevant Loans as at 31st December, 2022.

As at 31st December, 2022, the outstanding loan facilities of the Regal REIT group bore interest at HIBOR plus an interest margin ranging from 1.05% per annum to 1.8% per annum (2021 - ranging from 0.92% per annum to 1.8% per annum).

Bank borrowings under the 2021 IH Facilities, the 2022 RKH Facility, the 2019 WC Facility, the 2018 SW Facilities, the 2018 FH Facilities and the 2020 TKW Facility are guaranteed by Regal REIT and/or certain individual companies of the Regal REIT group on a joint and several basis.

The Regal REIT group’s interest bearing bank borrowings are also secured by, amongst others:

- (i) legal charges and debentures over the corresponding properties;
- (ii) an assignment of rental income and all other proceeds arising from and including all rights, titles and interests under all hotel management agreements and lease agreements, where appropriate, relating to the relevant properties;
- (iii) charges over each relevant rental account, sales proceeds account and other control accounts of the Regal REIT group, if any;
- (iv) a floating charge over all of the undertakings, properties, assets and rights of each of the relevant companies of the Regal REIT group; and
- (v) an equitable charge over the shares in the relevant companies of the Regal REIT group.

As at 31st December, 2022, the Century City Group's other bank borrowings bore interest at HIBOR plus an interest margin ranging from 1.15% per annum to 2.75% per annum except for a bank loan of HK\$1,195.6 million, which bore interest at HIBOR plus an margin of 1.6% subject to a cap rate of 4.1% per annum and a bank loan of HK\$14.5 million, which bore interest at Euro Interbank Offered Rate ("EURIBOR") plus an interest margin of 2.5% per annum. All interest bearing bank borrowings were denominated in Hong Kong dollars except for a bank loan of HK\$14.5 million which was denominated in Euro.

As at 31st December, 2021, the Century City Group's other bank borrowings bore interest at HIBOR plus an interest margin ranging from 0.95% per annum to 2.75% per annum except for a bank loan of HK\$20.4 million, which bore interest at EURIBOR plus an interest margin of 2.5% per annum and bank loans of HK\$20.6 million, which bore interest at the bank's cost of fund plus an interest margin of 0.75% per annum. All interest bearing bank borrowings were denominated in Hong Kong dollars except for bank loans of HK\$41.0 million which were denominated in Euro.

In addition, also included in interest bearing bank borrowings under current liabilities is an amount of HK\$1,707.9 million (2021 - HK\$1,514.3 million) which represents the outstanding balance of revolving loan facilities with remaining tenors of over 12 months.

#### OTHER BORROWINGS

	2022 <i>HK\$ million</i>	2021 <i>HK\$ million</i>
Unsecured note	<u>156.0</u>	<u>—</u>
Analysed into:		
Other borrowing repayable:		
In the third to fifth years, inclusive	<u>156.0</u>	<u>357.0</u>

On 19th September, 2022, Cosmopolitan International Finance Limited, a wholly owned subsidiary of Cosmopolitan, issued a 3-year unsecured note in an aggregate nominal principal amount of US\$20 million at a coupon interest rate of HIBOR plus 0.6% per annum.

#### Lease Liabilities

As at 31st December, 2022, the Century City Group had lease liabilities of HK\$43.3 million).

#### Pledge of Assets

As at 31st December, 2022, certain of the Century City Group's property, plant and equipment, investment properties, right-of-use assets, properties under development, properties held for sale, financial assets at fair value through profit or loss, time deposits and bank balances in the total amount of HK\$30,936.1 million were pledged to secure general banking facilities granted to the Century City



Group as well as bank guarantees procured by the Century City Group pursuant to certain lease guarantees in connection with the leasing of the hotel properties from Regal REIT. In addition, as at 31st December, 2022, certain ordinary shares in a listed subsidiary with a market value of HK\$275.4 million were also pledged to secure general banking facilities granted to the Century City Group.

### Capital Commitments

The Century City Group had the following capital commitments at the end of the reporting period:

	2022	2021
	<i>HK\$'million</i>	<i>HK\$'million</i>
Contracted, but not provided for:		
Property development projects	518.3	692.0

### Contingent Liabilities

As at 31st December, 2022, the Paliburg Group had contingent liabilities for corporate guarantees provided in respect of a banking facility granted to an associate in the amount of HK\$400.0 million (2021 - HK\$357.2 million) which was fully utilised. In addition, corporate guarantees were given to certain banks by the Paliburg Group for demand and performance bonds issued by the banks in relation to certain property development projects amounting to approximately HK\$15.0 million (2021 - HK\$15.0 million) as at 31st December, 2022.

In addition, at the end of the reporting period, the Cosmopolitan Group had provided guarantees to banks in connection with mortgage facilities granted to certain purchasers of its properties amounting to approximately RMB519.6 million (HK\$586.1 million) (2021 - RMB700.7 million (HK\$857.0 million)). The Cosmopolitan Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon the issuance of real estate ownership certificates and the completion of the proper procedures to register the mortgages under the names of the relevant purchasers, which will generally complete within one to two years after the purchasers take possession of the relevant properties.

No provision has been made in the consolidated financial statements for the guarantees in connection with the mortgage facilities as management is of the view that the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties in case of any default in payments.

### Share Capital

During the year under review, Century City repurchased a total of 1,248,000 ordinary shares of Century City at aggregate purchase prices of HK\$310,908 on The Stock Exchange of Hong Kong Limited. All these 1,248,000 repurchased ordinary shares were cancelled during the year.



**MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES OR ASSOCIATES**

During the year under review, there were no material acquisitions or disposals of subsidiaries or associates of Century City.

**STAFF AND REMUNERATION POLICY**

The Century City Group employs approximately 1,720 staff in Hong Kong and the PRC. The Century City Group's management considers the overall level of staffing employed and the remuneration cost incurred in connection with the Century City Group's operations to be compatible with market norm.

Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Staff benefits plans maintained by the Century City Group include a mandatory provident fund scheme as well as medical and life insurance for staff in Hong Kong, and the social security fund and the housing provident fund for staff in the PRC.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Century City Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to Century City. The Century City Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' interests and short positions in shares, underlying shares and debentures of Century City and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Century City Directors and chief executive of Century City in the shares, underlying shares and debentures of Century City or any associated corporation (within the meaning of Part XV of the SFO) of Century City, which (a) are required to be notified to Century City and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of SFO); (b) are as recorded in the register required to be kept under section 352 of the SFO; or (c) are as otherwise notified to Century City and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules, were as follows:

Century City/ Name of associated corporation	Name of Directors	Class of shares held	Beneficial owner	Number of shares held		Total (Approximate percentage of total number of the issued share capital of Century City)
				Nature of interest	Interest of spouse	
				Interest of corporation controlled		
Century City	Mr. Lo Yuk Sui	Ordinary (issued)	111,815,396	2,032,315,326 (Note a)	380,683	2,144,511,405 (69.34%)
	Mr. Jimmy Lo Chun To	Ordinary (issued)	251,735	—	—	251,735 (0.008%)
	Ms. Lo Po Man	Ordinary (issued)	112,298	—	—	112,298 (0.004%)
	Mr. Kelvin Leung So Po	Ordinary (issued)	4,000	—	—	4,000 (0.000%)
	Mr. Allen Wan Tze Wai	Ordinary (issued)	24,000	—	—	2,400 (0.001%)

				Number of shares held		Total (Approximate percentage of total number of the issued share capital of Century City)
Century City/ associated corporation	Name of Directors	Class of shares held	Beneficial owner	Nature of interest		
				Interest of corporation controlled	Interest of spouse	
Paliburg	Mr. Lo Yuk Sui	Ordinary (issued)	90,078,014	740,860,803 (Note b)	15,000	830,953,817 (74.55%)
	Mr. Jimmy Lo Chun To	Ordinary (issued)	2,274,600	—	—	2,274,600 (0.20%)
	Ms. Lo Po Man	Ordinary (issued)	1,116,000	—	—	1,116,000 (0.10%)
	Mr. Kenneth Ng Kwai Kai	Ordinary (issued)	176,200	—	—	176,200 (0.02%)
	Mr. Kelvin Leung So Po	Ordinary (issued)	50,185	—	—	50,185 (0.005%)
	Mr. Allen Wan Tze Wai	Ordinary (issued)	200	—	—	200 (0.000%)
Regal	Mr. Lo Yuk Sui	Ordinary (issued)	24,200	622,855,261 (Note c)	260,700	623,140,161 (69.33%)
	Ms. Lo Po Man	Ordinary (issued)	569,169	—	—	569,169 (0.06%)
	Mr. Kelvin Leung So Po	Ordinary (issued)	200	—	—	200 (0.000%)
	Mr. Allen Wan Tze Wai	Ordinary (issued)	10,200	—	—	10,200 (0.001%)
Cosmopolitan	Mr. LO Yuk Sui	Ordinary (i) (issued)	—	871,504,279 (Note d)	—	871,504,279
		(ii) (unissued)	—	1,591,775,147 (Note e)	—	1,591,775,147
					Total:	2,463,279,426 (183.88%)
		Preference (issued)		229,548,733 (Note e)		229,548,733 (99.99%)
	Mr. Jimmy LO Chun To	Ordinary (issued)	680,730	—	—	680,730 (0.05%)
	Ms. LO Po Man	Ordinary (issued)	414,000	—	—	414,000 (0.03%)
Regal REIT	Mr. LO Yuk Sui	Units (issued)	—	2,443,033,102 (Note f)	—	2,443,033,102 (74.99%)

Century City/ Name of associated corporation	Name of Directors	Class of shares held	Beneficial owner	Number of shares held		Total (Approximate percentage of total number of the issued share capital of Century City)
				Nature of interest		
				Interest of corporation controlled	Interest of spouse	
8D International (BVI) Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	1,000 (Note g)	—	1,000 (100%)
8D Matrix Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	2,000,000 (Note h)	—	2,000,000 (100%)
8D International Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	500,000 (Note i)	—	500,000 (100%)
8D International (China) Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	1 (Note j)	—	1 (100%)
Century Digital Communications (BVI) Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	1 (Note k)	—	1 (100%)
Century Digital Communications Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	2 (Note l)	—	2 (100%)
Century Digital Enterprise Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	100 (Note m)	—	100 (100%)
Century Digital Holdings Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	3 (Note n)	—	3 (100%)
Century Digital Investments Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	49,968 (Note o)	—	49,968 (99.94%)
China Noble Investments Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	1 (Note p)	—	1 (100%)
Full Range Technology Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	10,000 (Note q)	—	10,000 (100%)
Giant Forward Holdings Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	1 (Note r)	—	1 (100%)
Grand Modern Investments Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	330 (Note s)	—	330 (100%)

Century City/ Name of associated corporation	Name of Directors	Class of shares held	Beneficial owner	Number of shares held		Total (Approximate percentage of total number of the issued share capital of Century City)
				Nature of interest		
				Interest of corporation controlled	Interest of spouse	
Important Holdings Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	10,000 (Note t)	—	10,000 (100%)
Net Age Technology Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	97 (Note u)	—	97 (100%)
Net Community Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	3 (Note v)	—	3 (100%)
Pilot Pro Holdings Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	1 (Note w)	—	1 (100%)
Speedway Technology Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	50,000 (Note x)	—	50,000 (100%)
Task Master Technology Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	1 (Note y)	—	1 (100%)
Top Technologies Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	10,000 (Note z)	—	10,000 (100%)
Treasure Collection International Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	2 (Note aa)	—	2 (100%)

## Notes:

- (a) (i) The interests in 1,973,420,928 issued ordinary shares of Century City were held through companies wholly owned by Mr. LO Yuk Sui (“**Mr. Lo**”).
- (ii) The interests in the other 58,894,398 issued ordinary shares of Century City were derivative interests held by YSL International Holdings Limited (“**YSL Int’l**”), a company wholly owned by Mr. Lo, under the right of first refusal to purchase such shares granted by the Dalton Group (comprising Dalton Investments LLC and its two affiliates).
- (b) The interests in 694,124,547 issued ordinary shares of Paliburg were held through companies wholly owned by Century City, in which Mr. Lo held 67.43% shareholding interests.

The interests in 16,271,685 issued ordinary shares of Paliburg were held through corporations controlled by Mr. Lo as detailed below:

Name of corporation	Controlled by	% of control
Wealth Master International Limited	Mr. Lo	90.00
Select Wise Holdings Limited	Wealth Master International Limited	100.00

The interests in 30,464,571 issued ordinary shares of Paliburg were held through corporations controlled by Mr. Lo as detailed below:

<b>Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Wealth Master International Limited	Mr. Lo	90.00
Select Wise Holdings Limited	Wealth Master International Limited	100.00
Splendid All Holdings Limited	Select Wise Holdings Limited	100.00

- (c) The interests in 421,400 issued ordinary shares of Regal were held through companies wholly owned by Century City, in which Mr. Lo held 67.43% shareholding interests. The interests in 622,433,861 issued ordinary shares of Regal were held through companies wholly owned by Paliburg, in which Century City held through its wholly owned subsidiary 62.28% shareholding interests. Paliburg held through its wholly owned subsidiary 69.25% shareholding interests in Regal.
- (d) The interests in 706,851,215 issued ordinary shares of Cosmopolitan were held through wholly owned subsidiaries of P&R, which is owned as to 50% each by Paliburg and Regal through their respective wholly owned subsidiaries. The interests in the other 111,319,732 issued ordinary shares of Cosmopolitan were held through wholly owned subsidiaries of Regal. The interests in the other 53,333,332 issued ordinary shares of Cosmopolitan were held through wholly owned subsidiaries of Paliburg. Paliburg, in which Century City held through its wholly owned subsidiary 62.28% shareholding interests, held through its wholly owned subsidiary 69.25% shareholding interests in Regal. Mr. Lo held 67.43% shareholding interests in Century City.
- (e) The interests in 1,272,070,219 unissued ordinary shares of Cosmopolitan were held through wholly owned subsidiaries of P&R, which is owned as to 50% each by Paliburg and Regal through their respective wholly owned subsidiaries. The interests in the other 213,038,264 unissued ordinary shares of Cosmopolitan were held through wholly owned subsidiaries of Regal. The interests in the other 106,666,664 unissued ordinary shares of Cosmopolitan were held through wholly owned subsidiaries of Paliburg. Paliburg, in which Century City held through its wholly owned subsidiary 62.28% shareholding interests, held through its wholly owned subsidiary 69.25% shareholding interests in Regal. Mr. Lo held 67.43% shareholding interests in Century City.

The interests in 229,548,733 unissued ordinary shares of Cosmopolitan are derivative interests held through interests in 229,548,733 convertible preference shares of Cosmopolitan, convertible into new ordinary shares of Cosmopolitan on a one to one basis (subject to adjustments in accordance with the terms of the convertible preference shares).

The interests in 1,362,226,414 unissued ordinary shares of Cosmopolitan are derivative interests held through interests in 2 per cent. convertible notes due 2053 in a principal amount of HK\$136,222,641.4 issued by Cosmopolitan. The convertible notes are convertible into new ordinary shares of Cosmopolitan at a conversion price of HK\$0.10 per ordinary share (subject to adjustments in accordance with the terms of the convertible notes).

- (f) The interests in 2,439,613,739 issued units of Regal REIT were held through wholly owned subsidiaries of Regal. The interests in 732,363 issued units of Regal REIT were held through wholly owned subsidiaries of Paliburg. The interests in 2,687,000 issued units of Regal REIT were held through wholly owned subsidiaries of Century City. Paliburg, in which Century City held through its wholly owned subsidiary 62.28% shareholding interests, held through its wholly owned subsidiary 69.25% shareholding interests in Regal. Mr. Lo held 67.43% shareholding interests in Century City.
- (g) 400 shares were held through companies controlled by Century City, in which Mr. Lo held 67.43% shareholding interests, and 600 shares were held through a company controlled by Mr. Lo.
- (h) 800,000 shares were held through companies controlled by Century City, in which Mr. Lo held 67.43% shareholding interests, and 1,200,000 shares were held through companies controlled by Mr. Lo (including 8D International (BVI) Limited).

- (i) The interests in these shares of 8D International Limited were held through corporations controlled by Mr. Lo as detailed below:

(a)	Name of corporation	Controlled by	% of control
	Century City	Mr. Lo	67.43
	Century City BVI Holdings Limited	Century City	100.00
	8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	8D Matrix Limited	Century City BVI Holdings Limited	40.00

(b)	Name of corporation	Controlled by	% of control
	Manyways Technology Limited	Mr. Lo	100.00
	8D International (BVI) Limited	Manyways Technology Limited	60.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	Secure Way Technology Limited	Mr. Lo	100.00
	Important Holdings Limited	Secure Way Technology Limited	66.67
	8D Matrix Limited	Important Holdings Limited	60.00

- (j) The interests in the shares of 8D International (China) Limited was held through corporations controlled by Mr. Lo as detailed below:

(a)	Name of corporation	Controlled by	% of control
	Century City	Mr. Lo	67.43
	Century City BVI Holdings Limited	Century City	100.00
	8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	8D Matrix Limited	Century City BVI Holdings Limited	40.00

(b)	Name of corporation	Controlled by	% of control
	Manyways Technology Limited	Mr. Lo	100.00
	8D International (BVI) Limited	Manyways Technology Limited	60.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	Secure Way Technology Limited	Mr. Lo	100.00
	Important Holdings Limited	Secure Way Technology Limited	66.67
	8D Matrix Limited	Important Holdings Limited	60.00

- (k) The interests in the shares of Century Digital Communications (BVI) Limited was held through corporations controlled by Mr. Lo as detailed below:

(a)	Name of corporation	Controlled by	% of control
	Century City	Mr. Lo	67.43
	Century City BVI Holdings Limited	Century City	100.00
	8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33

(b)	Name of corporation	Controlled by	% of control
	Manyways Technology Limited	Mr. Lo	100.00
	8D International (BVI) Limited	Manyways Technology Limited	60.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	Secure Way Technology Limited	Mr. Lo	100.00
	Important Holdings Limited	Secure Way Technology Limited	66.67

- (l) The interests in these shares of Century Digital Communications Limited were held through corporations controlled by Mr. Lo as detailed below:

(a)	Name of corporation	Controlled by	% of control
	Century City	Mr. Lo	67.43
	Century City BVI Holdings Limited	Century City	100.00
	8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	Century Digital Communications (BVI) Limited	Important Holdings Limited	100.00

(b)	Name of corporation	Controlled by	% of control
	Manyways Technology Limited	Mr. Lo	100.00
	8D International (BVI) Limited	Manyways Technology Limited	60.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	Secure Way Technology Limited	Mr. Lo	100.00
	Important Holdings Limited	Secure Way Technology Limited	66.67
	Century Digital Communications (BVI) Limited	Important Holdings Limited	100.00

- (m) The interests in these shares of Century Digital Enterprise Limited were held through corporations controlled by Mr. Lo as detailed below:

(a)	Name of corporation	Controlled by	% of control
	Century City	Mr. Lo	67.43
	Century City BVI Holdings Limited	Century City	100.00
	8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	Century Digital Communications (BVI) Limited	Important Holdings Limited	99.93

(b)	Name of corporation	Controlled by	% of control
	Manyways Technology Limited	Mr. Lo	100.00
	8D International (BVI) Limited	Manyways Technology Limited	60.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	Secure Way Technology Limited	Mr. Lo	100.00
	Important Holdings Limited	Secure Way Technology Limited	66.67
	Century Digital Investments Limited	Important Holdings Limited	99.93

- (n) The interests in these shares of Century Digital Holdings Limited were held through corporations wholly-owned by Mr. Lo.



- (o) The interests in these shares of Century Digital Investments Limited were held through corporations controlled by Mr. Lo as detailed below:

(a)	Name of corporation	Controlled by	% of control
	Century City	Mr. Lo	67.43
	Century City BVI Holdings Limited	Century City	100.00
	8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33

(b)	Name of corporation	Controlled by	% of control
	Manyways Technology Limited	Mr. Lo	100.00
	8D International (BVI) Limited	Manyways Technology Limited	60.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	Secure Way Technology Limited	Mr. Lo	100.00
	Important Holdings Limited	Secure Way Technology Limited	66.67

- (p) The interest in the share of China Noble Investments Limited was held through corporations controlled by Mr. Lo as detailed below:

(a)	Name of corporation	Controlled by	% of control
	Century City	Mr. Lo	67.43
	Century City BVI Holdings Limited	Century City	100.00
	8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	8D Matrix Limited	Important Holdings Limited	60.00
	8D Matrix Limited	Century City BVI Holdings Limited	40.00
	Pilot Pro Holdings Limited	8D Matrix Limited	100.00

(b)	Name of corporation	Controlled by	% of control
	Manyways Technology Limited	Mr. Lo	100.00
	8D International (BVI) Limited	Manyways Technology Limited	60.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	Secure Way Technology Limited	Mr. Lo	100.00
	Important Holdings Limited	Secure Way Technology Limited	66.67
	8D Matrix Limited	Important Holdings Limited	60.00
	Pilot Pro Holdings Limited	8D Matrix Limited	100.00

- (q) The interests in these shares of Full Range Technology Limited were held through corporations controlled by Mr. Lo as detailed below:

(a)	Name of corporation	Controlled by	% of control
	Century City	Mr. Lo	67.43
	Century City BVI Holdings Limited	Century City	100.00
	8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33

(b)	Name of corporation	Controlled by	% of control
	Manyways Technology Limited	Mr. Lo	100.00
	8D International (BVI) Limited	Manyways Technology Limited	60.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	Secure Way Technology Limited	Mr. Lo	100.00
	Important Holdings Limited	Secure Way Technology Limited	66.67

- (r) The interest in the share of Giant Forward Holdings Limited was held through corporations controlled by Mr. Lo as detailed below:

(a)	Name of corporation	Controlled by	% of control
	Century City	Mr. Lo	67.43
	Century City BVI Holdings Limited	Century City	100.00
	8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	8D Matrix Limited	Important Holdings Limited	60.00
	8D Matrix Limited	Century City BVI Holdings Limited	40.00

(b)	Name of corporation	Controlled by	% of control
	Manyways Technology Limited	Mr. Lo	100.00
	8D International (BVI) Limited	Manyways Technology Limited	60.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	Secure Way Technology Limited	Mr. Lo	100.00
	Important Holdings Limited	Secure Way Technology Limited	66.67
	8D Matrix Limited	Important Holdings Limited	60.00

- (s) The interests in these shares of Grand Modern Investments Limited were held through corporations wholly-owned by Mr. Lo.

- (t) The interests in these shares of Important Holdings Limited were held through corporations controlled by Mr. Lo as detailed below:

(a)	Name of corporation	Controlled by	% of control
	Century City	Mr. Lo	67.43
	Century City BVI Holdings Limited	Century City	100.00
	8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00

(b)	Name of corporation	Controlled by	% of control
	Manyways Technology Limited	Mr. Lo	100.00
	8D International (BVI) Limited	Manyways Technology Limited	60.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	Secure Way Technology Limited	Mr. Lo	100.00

- (u) The interests in these shares of Net Age Technology Limited was held through corporations controlled by Mr. Lo as detailed below:

(a)	Name of corporation	Controlled by	% of control
	Century City	Mr. Lo	67.43
	Century City BVI Holdings Limited	Century City	100.00
	8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	Century Digital Investments Limited	Important Holdings Limited	99.93

(b)	Name of corporation	Controlled by	% of control
	Manyways Technology Limited	Mr. Lo	100.00
	8D International (BVI) Limited	Manyways Technology Limited	60.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	Secure Way Technology Limited	Mr. Lo	100.00
	Important Holdings Limited	Secure Way Technology Limited	66.67
	Century Digital Investments Limited	Important Holdings Limited	99.93

- (v) The interests in these shares of Net Community Limited were held through a corporation wholly-owned by Mr. Lo.
- (w) The interest in the share of Pilot Pro Holdings Limited was held through corporations controlled by Mr. Lo as detailed below:

(a)	Name of corporation	Controlled by	% of control
	Century City	Mr. Lo	67.43
	Century City BVI Holdings Limited	Century City	100.00
	8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	8D Matrix Limited	Important Holdings Limited	60.00
	8D Matrix Limited	Century City BVI Holdings Limited	40.00

(b)	Name of corporation	Controlled by	% of control
	Manyways Technology Limited	Mr. Lo	100.00
	8D International (BVI) Limited	Manyways Technology Limited	60.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	Secure Way Technology Limited	Mr. Lo	100.00
	Important Holdings Limited	Secure Way Technology Limited	66.67
	8D Matrix Limited	Important Holdings Limited	60.00

- (x) The interests in these shares of Speedway Technology Limited were held through corporations wholly-owned by Mr. Lo as detailed below:

(a)	Name of corporation	Controlled by	% of control
	Century City	Mr. Lo	67.43
	Century City BVI Holdings Limited	Century City	100.00
	8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33

(b)	Name of corporation	Controlled by	% of control
	Manyways Technology Limited	Mr. Lo	100.00
	8D International (BVI) Limited	Manyways Technology Limited	60.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	Secure Way Technology Limited	Mr. Lo	100.00
	Important Holdings Limited	Secure Way Technology Limited	66.67

- (y) The interest in the share of Task Master Technology Limited was held through corporations controlled by Mr. Lo as detailed below:

(a)	Name of corporation	Controlled by	% of control
	Century City	Mr. Lo	67.43
	Century City BVI Holdings Limited	Century City	100.00
	8D International (BVI) Limited	Century City BVI Holdings Limited	40.00

(b)	Name of corporation	Controlled by	% of control
	Manyways Technology Limited	Mr. Lo	100.00
	8D International (BVI) Limited	Manyways Technology Limited	60.00

- (z) The interests in these shares of Top Technologies Limited were held through corporations controlled by Mr. Lo as detailed below:

(a)	Name of corporation	Controlled by	% of control
	Century City	Mr. Lo	67.43
	Century City BVI Holdings Limited	Century City	100.00
	8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33

(b)	Name of corporation	Controlled by	% of control
	Manyways Technology Limited	Mr. Lo	100.00
	8D International (BVI) Limited	Manyways Technology Limited	60.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	Secure Way Technology Limited	Mr. Lo	100.00
	Important Holdings Limited	Secure Way Technology Limited	66.67

- (aa) The interests in these shares of Treasure Collection International Limited were held through corporations controlled by Mr. Lo as detailed below:

(a)	Name of corporation	Controlled by	% of control
	Century City	Mr. Lo	67.43
	Century City BVI Holdings Limited	Century City	100.00
	8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
	Task Master Technology Limited	8D International (BVI) Limited	100.00
	Important Holdings Limited	Task Master Technology Limited	33.33
	8D Matrix Limited	Important Holdings Limited	60.00
	8D Matrix Limited	Century City BVI Holdings Limited	40.00
	Giant Forward Holdings Limited	8D Matrix Limited	100.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo	100.00
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Important Holdings Limited	Task Master Technology Limited	33.33
Secure Way Technology Limited	Mr. Lo	100.00
Important Holdings Limited	Secure Way Technology Limited	66.67
8D Matrix Limited	Important Holdings Limited	60.00
Giant Forward Holdings Limited	8D Matrix Limited	100.00

Save as disclosed herein, as at the Latest Practicable Date, none of the Century City Directors and chief executive of Century City had any interests and short positions in the shares, underlying shares and debentures of Century City or any associated corporation (within the meaning of Part XV of the SFO) of Century City, which (a) are required to be notified to Century City and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of SFO); (b) are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) are required, pursuant to the Model Code, to be notified to Century City and the Stock Exchange.

**(b) Substantial shareholders' interests**

As at the Latest Practicable Date, so far as is known to the Century City Directors and the chief executive of Century City, the following substantial shareholders (not being a Century City Director or chief executive of Century City) had an interest or short position in the shares and underlying shares of Century City as recorded in the register required to be kept under section 336 of the SFO or notified to Century City pursuant to the SFO:

Name of substantial shareholder	Number of issued ordinary shares held	Number of underlying ordinary shares held	Total number of ordinary shares (issued and underlying (unissued)) held	Approximate percentage of issued ordinary shares as at the Latest Practicable Date
YSL Int'l ( <i>Notes i and ii</i> )	1,854,653,739	58,894,398	1,913,548,137	61.88%
Grand Modern Investments Limited ("Grand Modern") ( <i>Notes i and ii</i> )	1,630,416,666	—	1,630,416,666	52.72%

*Notes:*

- (i) The interests in the ordinary shares of Century City held by YSL Int'l were included in the corporate interests of Mr. Lo in the ordinary shares of Century City as disclosed under the section headed "Directors' interests and short positions in shares, underlying shares and debentures of Century City and its associated corporations" above.
- (ii) Grand Modern is a wholly-owned subsidiary of YSL Int'l and its interests in the ordinary shares of Century City were included in the interests held by YSL Int'l.

Save as disclosed herein, the Century City Directors and the chief executive of Century City are not aware that there is any person (not being a director or chief executive of Century City) who, as at the Latest Practicable Date, had an interest or short position in the shares and underlying shares of Century City which are recorded in the register required to be kept under section 336 of the SFO or notified to Century City pursuant to the SFO.

Details of directorships of the Century City Directors in each of those companies which has an interest in the shares and underlying shares of Century City as disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO are set out as follows:

- (1) Mr. Lo is a director of YSL Int'l.
- (2) Mr. Lo, Mr. Jimmy Lo Chun To and Ms. Lo Po Man are directors of Grand Modern.

### **3. DIRECTORS' COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Century City Directors and his/her respective associates was considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Century City Group other than those businesses to which the Century City Directors and his/her associates were appointed to represent the interests of Century City and/or the Century City Group.

### **4. DIRECTOR'S SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Century City Directors had entered into, or proposed to enter into, any service contract with any member of the Century City Group which would not expire or would not be determinable by the Century City Group within one year without payment of compensation (other than statutory compensation).

### **5. DIRECTORS' OTHER INTEREST**

Century Godown Limited (as the tenant), a wholly-owned subsidiary of Century City, entered into a lease agreement (as amended and supplemented from time to time) with Best Element Investments Limited (as the landlord), a company 50%-owned by Ms. Lo Po Man, a director of Century City, in relation to the leasing of two property units located in Hong Kong until 15 October 2025 at a monthly rent of HK\$156,712.

Save as disclosed above, as at the Latest Practicable Date, none of the Century City Directors had any direct or indirect interest in any assets which have, since 31 December 2024, being the date to which the latest published audited financial statements of the Century City Group were made up, been acquired or disposed of by or leased to any member of the Century City Group or were proposed to be acquired or disposed of by or leased to, any member of the Century City Group.

Save as disclosed above, none of the Century City Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Century City Group.

## 6. LITIGATION

As at the Latest Practicable Date:

- (i) The owner of Regala Skycity Hotel, a wholly-owned subsidiary of Regal, is in the process of appealing a notice of stamp duty assessment in the amount of HK\$93.0 million issued by the Inland Revenue Department of Hong Kong in relation to the sub-lease agreement entered into between the Airport Authority of Hong Kong and the Regal Group. Century City Directors understand that the Regal Directors, based on the legal opinion obtained, consider there is a reasonable chance of success in the appeal.
- (ii) The aforesaid subsidiary is also a defendant of a claim lodged by a contractor in relation to certain outstanding construction costs of Regala Skycity Hotel amounting to approximately HK\$38.0 million. The Regal Group has submitted the defence and a counterclaim at an amount well in excess of the amount being claimed by the plaintiff. Century City Directors understand that the Regal Directors, based on the legal advice obtained, consider there is an arguable case with reasonable ground for such defence.

Save as disclosed above, as at the Latest Practicable Date, none of the members of the Century City Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Century City Directors to be pending or threatened against any member of the Century City Group.

## 7. QUALIFICATION AND CONSENT OF EXPERTS

The following is the qualification of the experts who have given, or agreed to the inclusion of, its opinion or advice in this circular:

Name	Qualification
Ernst & Young	Certified Public Accountants under Professional Accountant Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)

Suya WWC CPA Limited

Certified Public Accountants under Professional Accountant Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)

Each of the above experts had given and had not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which they appear.

As at the Latest Practicable Date, the above experts did not have any shareholding in any member of the Century City Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Century City Group.

As at the Latest Practicable Date, the above experts did not have any direct or indirect interest in any assets which have since 31 December 2024 (being the date to which the latest published audited consolidated accounts of the Century City Group were made up) been acquired or disposed of by or leased to any member of the Century City Group or are proposed to be acquired or disposed of by or leased to any member of the Century City Group.

## 8. MATERIAL CONTRACT

The following contract (not being a contract entered into in the ordinary course of business) has been entered into by the Century City Group within the two years immediately preceding the Latest Practicable Date which is or may be material:

- (a) the Share Purchase Agreement.

## 9. GENERAL

- (a) The registered office of Century City is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The head office and principal place of business of Century City in Hong Kong is at 11th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong.
- (c) Ms. Eliza Lam Sau Fan (“**Ms. Lam**”) is the company secretary of Century City. Ms. Lam is an associate of The Chartered Governance Institute and The Hong Kong Chartered Governance Institute.
- (d) The Bermuda principal share registrar office of Century City is Conyers Corporate Services (Bermuda) Limited, at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (e) The Hong Kong branch share registrar and transfer office of Century City is Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.



- (f) This circular is prepared in both English and Chinese. In the event of inconsistency, English text shall prevail over its Chinese text unless otherwise specified.

#### **10. DOCUMENTS ON DISPLAY**

Copies of the following documents are published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of Century City ([www.centurycity.com.hk](http://www.centurycity.com.hk)) from the date of this circular for a period of 14 days:

- (a) the memorandum of association and bye-laws of Century City;
- (b) the annual reports of Century City for the three years ended 31 December 2022, 2023 and 2024;
- (c) the review report from Suya WWC CPA Limited on unaudited financial information of the Target Company as set out in Appendix II to this circular;
- (d) the report on the unaudited pro forma financial information of the Remaining Group issued by Ernst & Young as set out in Appendix III to this circular;
- (e) the written consent referred in section headed “QUALIFICATION AND CONSENT OF EXPERTS” above;
- (f) the material contract referred in section headed “MATERIAL CONTRACT” above; and
- (g) this circular.

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## NOTICE OF CENTURY CITY SGM

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世紀城市國際控股有限公司  
**Century City**  
International Holdings Limited  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 355)

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting of Century City International Holdings Limited (“**Company**”) will be held at Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Monday, 22 September 2025 at 11:00 a.m. (the “**SGM**”) for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolution, which will be proposed as ordinary resolution of the Company:

#### ORDINARY RESOLUTION

“THAT the disposal of the Sale Shares (as defined in the circular of the Company dated 2 September 2025 (“**Circular**”) to its shareholders of which this notice forms part) by the Seller (as defined in the Circular), a subsidiary of the Company, to the Purchaser (as defined in the Circular) on the terms and subject to the conditions of the Share Purchase Agreement (as defined in the Circular) and the transactions contemplated by the Share Purchase Agreement as described in the Circular, be and are hereby approved, ratified and/or confirmed and that the directors of the Company be and are hereby authorised to take all such steps to implement the same and to execute all documents and deeds as may be necessary or appropriate in relation thereto, subject to such non-material modifications, amendments, waivers, variations or extensions of such terms and conditions as they think fit.”

Yours faithfully,  
By Order of the board of directors of  
**Century City International Holdings Limited**  
**Eliza LAM Sau Fun**  
*Secretary*

Hong Kong, 2 September 2025

*Registered office:*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place of  
business in Hong Kong:*  
11th Floor, 68 Yee Wo Street  
Causeway Bay  
Hong Kong

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## NOTICE OF CENTURY CITY SGM

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*Notes:*

1. A shareholder entitled to attend and vote at the SGM is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
2. The proxy form must be deposited with the Company's branch registrar in Hong Kong, Tricor Tengis Limited, (the "**Branch Registrar**") at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the SGM or any adjournment thereof.
3. For the purpose of ascertaining shareholders' entitlement to attend and vote at the SGM, the register of ordinary shareholders of the Company will be closed from Wednesday, 17 September 2025 to Monday, 22 September 2025, both days inclusive, and no transfers of ordinary shares of the Company will be effected during such period. In order to be entitled to attend and vote at the SGM, all transfers of ordinary shares of the Company, duly accompanied by the relevant share certificates, must be lodged with the Branch Registrar no later than 4:30 p.m. on Tuesday, 16 September 2025.
4. Completion and delivery of the form of proxy will not preclude members from attending and voting in person at the SGM and in such event, the relevant form of proxy shall be deemed to be revoked.
5. In compliance with the Listing Rules and the bye-laws of the Company, all resolution set out in this notice of the SGM will be voted on by way of poll.
6. In the event that a typhoon signal no. 8 (or above), a black rainstorm warning or "extreme conditions" announced by the Government of Hong Kong is in effect on the day of the SGM, shareholders are requested to call the Company's hotline at (852) 2894-7521 on that day to enquire about the arrangements of the SGM.