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(Stock Code: 355)



(Stock Code: 617)



(Stock Code: 78)

**DISCLOSEABLE
TRANSACTION**

**DISPOSAL OF
AIRCRAFT ENGINES**

**DISCLOSEABLE
TRANSACTION**

**DISPOSAL OF
AIRCRAFT ENGINES**

**VOLUNTARY
ANNOUNCEMENT**

SALE AND PURCHASE AGREEMENT

On 29 August 2024, the Seller, a wholly-owned subsidiary of Regal, and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Seller has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Aircraft Engines for a total purchase price of US\$10.55 million (equivalent to approximately HK\$82.29 million), subject to adjustments upon delivery of the Aircraft Engines.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) for Century City in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for Century City and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) for Paliburg in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for Paliburg and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

This joint announcement is made by Regal on a voluntary basis.

INTRODUCTION

On 29 August 2024, the Seller, a wholly-owned subsidiary of Regal, and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Seller has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Aircraft Engines for a total purchase price of US\$10.55 million (equivalent to approximately HK\$82.29 million), subject to adjustments upon delivery of the Aircraft Engines.

SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarised as follows:

Date:	29 August 2024
Parties:	<p>(1) Hill Treasure Limited, a wholly-owned subsidiary of Regal, as the Seller; and</p> <p>(2) Bank of America, N.A., a national banking association organised and existing under the laws of the United States of America, as the Purchaser</p>
Assets to be disposed of:	Two (2) V2527M-A5 aircraft engines manufactured by International Aero Engines AG, which are currently leased under the Lease.
Consideration:	<p>The total purchase price for the Aircraft Engines is US\$10.55 million (equivalent to approximately HK\$82.29 million), representing the Base Purchase Price of US\$5.275 million (equivalent to approximately HK\$41.145 million) per Aircraft Engine, subject to adjustments upon delivery of the Aircraft Engines.</p> <p>The total purchase price for the Aircraft Engines was determined after arm's length negotiations between the parties on normal commercial terms. The Base Purchase Price is based on the economic closing date (being 15 July 2024) with reference to, among other things:</p> <ul style="list-style-type: none"> (i) the age, model and condition of the Aircraft Engines; and (ii) the terms (including the remaining term and the rental and use fee) of the Lease. <p>It reflected the highest bid received through private tenders for offers for the acquisition of the Aircraft Engines.</p> <p>In the event that the Delivery occurs, the Base Purchase Price will (a) increase by 6% per annum from the economic closing date up to (and excluding) the Delivery Date calculated on a daily basis and (b) decrease by any rental and use fee received by the Existing Lessor pursuant to the Lease attributable to the period from (and excluding) the economic closing date.</p>
Deposit:	The deposits of a total sum of US\$250,000 (equivalent to approximately HK\$1,950,000) for the Aircraft Engines have been paid by the Purchaser to the Seller.

	<p>The deposit in respect of any Aircraft Engine is non-refundable in all circumstances except for occurrence of any of the following events:</p> <ul style="list-style-type: none"> (i) a total loss of the relevant Aircraft Engine prior to the Delivery; (ii) a Material Damage to the relevant Aircraft Engine prior to the Delivery and the Purchaser does not proceed with the purchase of such Aircraft Engine in accordance with the terms of the Sale and Purchase Agreement; or (iii) completion of the sale and purchase of the relevant Aircraft Engine has not taken place by the Final Delivery Date for any reason except for the Purchaser's failure to satisfy any Seller CP solely within its control.
Payment terms:	The Purchaser shall pay to the escrow agent no later than the business day prior to the Delivery Date an amount (the " Completion Amount ") equal to the total purchase price minus the deposits and as adjusted in accordance with the terms of the Sale and Purchase Agreement.
Inspection:	The Purchaser confirms that it has inspected the Aircraft Engines (including the related manuals and technical records) and reviewed the Lease documents, and is satisfied with the results thereof.
Seller CPs:	<p>The obligation of the Seller to sell an Aircraft Engine to the Purchaser shall be subject to the fulfillment, waiver or deferral (as applicable) of, among others, the following conditions precedent on or prior to the Delivery Date:</p> <ul style="list-style-type: none"> (i) the Seller has received confirmation of satisfaction (or waiver) of all conditions precedent in the Novation Agreement in respect of such Aircraft Engine; (ii) the Seller has received insurance certificate in respect of the run-off insurance of the Aircraft Engine with the Seller, the Existing Lessor and other parties currently indemnified under the Lease named as additional insureds; and (iii) the Seller shall have received the confirmation that the escrow agent has received the Completion Amount in the escrow account in full in respect of such Aircraft Engine.
Purchaser CPs:	The obligation of the Purchaser to purchase an Aircraft Engine from the Seller shall be subject to the fulfillment, waiver or deferral (as applicable) of, among others, the following conditions precedent on or prior to the Delivery Date:

	<ul style="list-style-type: none"> (i) the Purchaser is satisfied with the results of know-your-client checks on the Seller, the Existing Lessor, the Lessee and the sub-lessee; (ii) the Purchaser has received confirmation of satisfaction (or waiver) of all conditions precedent in the Novation Agreement in respect of such Aircraft Engine; (iii) the Purchaser has received satisfactory tax advice for the transfer of title and/or the novation of the Lease in respect of such Aircraft Engine; (iv) such Aircraft Engine shall not have suffered a total loss or Material Damage upon which the Purchaser does not proceed with the purchase of such Aircraft Engine pursuant to the terms of the Sale and Purchase Agreement; (v) such Aircraft Engine shall be free and clear of all security interests other than permitted liens; and (vi) no event of default or payment default by the Lessee shall have occurred and be continuing under the Lease for such Aircraft Engine. <p>Until Delivery, the Purchaser shall not seek, nor be entitled, (and shall procure that the New Lessor and any financier of the Purchaser shall not seek) to register any interest in the Aircraft Engine at the International Registry established pursuant to The Convention on International Interests in Mobile Equipment, concluded in Cape Town, South Africa, on 16 November 2001.</p>
Delivery:	<p>Delivery shall take place as soon as reasonably practicable following the date of the Sale and Purchase Agreement but no later than the Final Delivery Date, whereupon title to the Aircraft Engines with full title warranty free and clear of all security interests (other than permitted liens) will be transferred to the Purchaser in an “as is, where is” condition. Upon Delivery, the Aircraft Engines would remain in the possession of the Lessee or sub-lessee and no physical delivery of the Aircraft Engines will be effected.</p> <p>If, for any reason, the Delivery of any Aircraft Engine shall not have taken place by the Final Delivery Date, either party may terminate the Sale and Purchase Agreement in respect of such Aircraft Engine by serving written notice to the other party after the Final Delivery Date. The Seller’s obligation to sell and the Purchaser’s obligation to purchase such Aircraft Engine shall terminate, whereupon neither the Seller nor the Purchaser shall have any further rights, obligations or liabilities in respect of</p>

	such Aircraft Engine (other than accrued rights, obligations or liabilities) under the Sale and Purchase Agreement except for, inter alia, refund of the deposit by the Seller in respect of such Aircraft Engine. If the Delivery of such Aircraft Engine has not occurred by the Final Delivery Date as a result of the Purchaser's failure to satisfy any Seller CP solely within its control, the deposit in respect of such Aircraft Engine shall not be refunded by the Seller.
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LEASE NOVATIONS

The Aircraft Engines are currently leased to the Lessee under the Lease. The Lessee is a major European engines manufacturer. The Lease will expire in April 2026. Pursuant to the terms of the Lease, the Lessee has sub-leased the Aircraft Engines to a sub-lessee and pays the Existing Lessor a monthly rental and use fee based on actual utilisation of the Aircraft Engines by the sub-lessee. Under the Sale and Purchase Agreement, the relevant parties will enter into the Novation Agreement for the Lease, which will take effect from the Delivery Date. Upon the Novation Agreement becoming effective from the Delivery Date, the New Lessor will become the new lessor under the Lease and will assume the rights and obligations of the Existing Lessor under the Lease.

INFORMATION ON 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.

Regal is a listed subsidiary of Paliburg. 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 is a listed subsidiary of Century City and Paliburg and is principally engaged in aircraft ownership and leasing.

INFORMATION ON THE PURCHASER

The Purchaser is Bank of America, N.A., a national banking association organised and existing under the laws of the United States of America. The Purchaser is principally engaged in the business of banking and is a wholly-owned subsidiary of Bank of America Corporation whose shares are listed on the New York Stock Exchange (NYSE: BAC).

To the best of the knowledge, information and belief of Century City Directors, Paliburg Directors and Regal Directors, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of Century City, Paliburg and Regal and their respective connected persons (as defined under the Listing Rules).

INFORMATION OF THE AIRCRAFT ENGINES

The Aircraft Engines were manufactured in 2008 and installed in an Airbus A319 aircraft which was acquired by the Seller in December 2017. The aircraft was leased to an airline operator under a lease until 2021. The Aircraft Engines had been leased to the Lessee under the Lease in April 2023 and the remaining airframe of such aircraft was disposed of in October 2023.

For the year ended 31 December 2022, no rental income was generated from the Aircraft Engines and the profit and loss before and after taxation attributable to the Aircraft Engines were not applicable. For the year ended 31 December 2023, rental income of approximately HK\$5.4 million was generated from the Aircraft Engines and the net profit before and after taxation attributable to the Aircraft Engines was approximately HK\$1.0 million and approximately HK\$1.0 million respectively. For the six months ended 30 June 2024, rental income of approximately HK\$4.4 million was generated from the Aircraft Engines and the net profit before and after taxation attributable to the Aircraft Engines was approximately HK\$2.4 million and approximately HK\$2.4 million respectively.

FINANCIAL EFFECTS OF THE DISPOSAL

On the basis of the total purchase price of the Aircraft Engines of US\$10.55 million (equivalent to approximately HK\$82.29 million), the total net book value of the Aircraft Engines of approximately HK\$57.6 million as at 30 June 2024 and release of the maintenance reserve balance of the Aircraft Engines of approximately HK\$50.3 million as at 30 June 2024, it is estimated that an accounting gain of approximately HK\$75.0 million (before expenses) would be recognised by the Regal Group as a result of the Disposal, which is subject to audit.

REASONS FOR THE DISPOSAL AND USE OF PROCEEDS

The Century City Directors, the Paliburg Directors and the Regal Directors believe that the Disposal represents a good opportunity to realise the value of the Aircraft Engines at a reasonable price. The Regal Group intends to apply the entire proceeds received from the Disposal as general working capital of the Regal Group.

The terms of the Sale and Purchase Agreement were determined after arm's length negotiations between the parties thereto and are on normal commercial terms. The Century City Directors, the Paliburg Directors and the Regal Directors consider that the terms of the Disposal are fair and reasonable and in the interests of Century City, Paliburg and Regal and their respective shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) for Century City in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for Century City and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) for Paliburg in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for Paliburg and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

This joint announcement is made by Regal on a voluntary basis.

Completion of the Disposal is subject to the satisfaction, waiver and/or deferral of the conditions precedent under the Sale and Purchase Agreement and therefore may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of Century City, Paliburg and Regal.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Aircraft Engines”	collectively, the two (2) V2527M-A5 aircraft engines bearing manufacturer’s serial numbers V13093 and V13095 manufactured by International Aero Engines AG, and each an Aircraft Engine
“Base Purchase Price”	in respect of each Aircraft Engine, an amount equal to US\$5.275 million (equivalent to approximately HK\$41.145 million)
“Century City”	Century City International Holdings Limited, a limited company incorporated in Bermuda and whose issued ordinary shares 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
“Completion Amount”	as defined in the section headed “Sale and Purchase Agreement” of this joint announcement
“Delivery”	in respect of each Aircraft Engine, the transfer of right, title and interests in and to such Aircraft Engine by the Seller to the Purchaser in accordance with the terms of the Sale and Purchase Agreement
“Delivery Date”	in respect of each Aircraft Engine, the date on which the Delivery of such Aircraft Engine occurs
“Disposal”	the sale of the Aircraft Engines contemplated under the Sale and Purchase Agreement

“Existing Lessor”	RA Leasing (UK) Limited, a wholly-owned subsidiary of Regal and is principally engaged in aircraft leasing
“Final Delivery Date”	13 September 2024 (or such later date as the Seller and the Purchaser may agree in writing)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Lease”	collectively, one aircraft engine lease general terms agreement and two aircraft engine lease agreements all dated 3 April 2023 entered into between the Existing Lessor and the Lessee in respect of leasing of the Aircraft Engines, as novated, amended and/or supplemented from time to time
“Lessee”	a major European engines manufacturer and the lessee of the Lease
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Material Damage”	any loss, damage or destruction to an Aircraft Engine which the Seller, acting reasonably, believes the likely cost of repair will exceed US\$500,000 (equivalent to approximately HK\$3,900,000)
“New Lessor”	the Purchaser
“Novation Agreement”	in respect of each Aircraft Engine, the lease novation and amendment agreement to be entered into between the Existing Lessor, the New Lessor and the Lessee in respect of the Lease
“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 limited company incorporated in Bermuda and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (Stock Code: 617)
“Paliburg Directors”	directors of Paliburg
“Paliburg Group”	Paliburg and its subsidiaries
“percentage ratios”	the percentage ratios calculated based on the requirements under Rule 14.07 of the Listing Rules

“Purchaser”	Bank of America, N.A., a national banking association organised and existing under the laws of the United States of America
“Purchaser CPs”	the conditions under the Sale and Purchase Agreement, the fulfillment (by the Seller) or waiver (by the Purchaser) of which will oblige the Purchaser to purchase and accept delivery of an Aircraft Engine
“Regal”	Regal Hotels International Holdings Limited, a limited company incorporated in Bermuda and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (Stock Code: 78)
“Regal Directors”	directors of Regal
“Regal Group”	Regal and its subsidiaries
“Sale and Purchase Agreement”	the sale and purchase agreement dated 29 August 2024 entered into between the Seller and the Purchaser in relation to the Disposal
“Seller”	Hill Treasure Limited, a wholly-owned subsidiary of Regal
“Seller CPs”	the conditions under the Sale and Purchase Agreement, the fulfillment (by the Purchaser) or waiver (by the Seller) of which will oblige the Seller to sell and deliver an Aircraft Engine
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent.

By order of the board of directors of
Century City International Holdings Limited
Eliza Lam Sau Fun
Secretary

By order of the board of directors of
Paliburg Holdings Limited
Eliza Lam Sau Fun
Secretary

By order of the board of directors of
Regal Hotels International Holdings Limited
Eliza Lam Sau Fun
Secretary

Hong Kong, 29 August 2024

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

Executive directors:

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

Independent non-executive directors:

Mr. Anthony CHUANG
Ms. Winnie NG, JP
Mr. WONG Chi Keung

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

Executive directors:

Mr. LO Yuk Sui
(Chairman and Chief Executive Officer)
Mr. Jimmy LO Chun To
(Vice Chairman and Managing Director)
Mr. Kelvin LEUNG So Po
Miss LO Po Man
Mr. Kenneth NG Kwai Kai
Mr. Kenneth WONG Po Man

Independent non-executive directors:

Mr. Bowen Joseph LEUNG Po Wing, GBS, JP
Ms. Winnie NG, JP
Mr. Abraham SHEK Lai Him, GBS, JP
Mr. WONG Chi Keung

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

Executive directors:

Mr. LO Yuk Sui
(Chairman and Chief Executive Officer)
Miss LO Po Man
(Vice Chairman and Managing Director)
Mr. Kelvin LEUNG So Po
Mr. Jimmy LO Chun To
Mr. Kenneth NG Kwai Kai
Mr. Allen WAN Tze Wai

Non-executive directors:

Dr. Francis CHOI Chee Ming, GBS, JP
(Vice Chairman)
Ms. Belinda YEUNG Bik Yiu, JP

Independent non-executive directors:

Ms. Alice KAN Lai Kuen
Professor Japhet Sebastian LAW
Ms. Winnie NG, JP
Mr. WONG Chi Keung

For illustration purposes, the exchange rate of US\$1.00 = HK\$7.80 has been used to convert US\$ into HK\$ in this joint announcement.