
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Century City International Holdings Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected, for transmission to the purchaser.

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DISCLOSEABLE TRANSACTION

Disposal of Regal Oriental Hotel

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DEFINITIONS

In this circular the following expressions bear the following meanings, unless the context otherwise requires:

“associates”	has the meaning as ascribed in the Listing Rules
“Assigned Loans”	the inter-company balances owing by Gala to two wholly owned subsidiaries of the Regal Group at completion of the SP Agreement, which amounted to approximately HK\$1,030.4 million as at 31st December, 2002 and, including primarily further advances and interest accrued, approximately HK\$1,036.0 million as at the date of the SP Agreement
“Bauhinia Loan”	the outstanding construction loan of the Regal Group in an amount of approximately HK\$1,054.2 million as at 30th June, 2003
“Board”	the board of Directors of Century
“Century”	Century City International Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Century City Group”	Century and its subsidiaries (including Paliburg, Regal and their respective subsidiaries)
“Chasehill”	Chasehill Limited, a company incorporated in the British Virgin Islands with limited liability and 100% directly owned by Dragon Root
“Directors”	the directors (including independent non-executive directors) of Century
“Disposal”	Disposal of Chasehill and its assets, comprising primarily its interests in Gala and the Regal Oriental Hotel, through the sale of the Sale Share and the assignment of the Assigned Loans upon the terms and conditions as set out in the SP Agreement
“Dragon Root”	Dragon Root Inc., an indirect wholly owned subsidiary of Regal incorporated in the British Virgin Islands with limited liability
“Financial Creditors”	the financial creditors of the Regal Group under the Standstill Arrangement
“Gala”	Gala Hotels Limited, a company incorporated in Hong Kong with limited liability and 100% directly owned by Chasehill

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Key Winner Loan”	the outstanding syndicated loan of the Regal Group in an amount of approximately HK\$3,732.5 million as at 30th June, 2003
“Latest Practicable Date”	22nd September, 2003, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Paliburg”	Paliburg Holdings Limited, a subsidiary of Century incorporated in Bermuda with limited liability and the ordinary shares of which are listed on the Stock Exchange, in which Century holds approximately 66.87% shareholding interests
“Paliburg Group”	Paliburg and its subsidiaries (including Regal and its subsidiaries)
“Regal”	Regal Hotels International Holdings Limited, a subsidiary of Paliburg incorporated in Bermuda with limited liability and the ordinary shares of which are listed on the Stock Exchange, in which Paliburg holds approximately 63.52% shareholding interests
“Regal Group”	Regal and its subsidiaries
“Regal Loans”	the outstanding bank loans of the Regal Group in an aggregate amount of approximately HK\$4,786.7 million as at 30th June, 2003, comprising the Key Winner Loan and the Bauhinia Loan
“Regal Oriental Hotel”	the hotel property and business in the name of “Regal Oriental Hotel”, located at 30-38 Sa Po Road, Kowloon, Hong Kong and 100% owned by Gala
“ROH Group”	Chasehill and Gala
“Sale Share”	the one (1) issued ordinary share of par value US\$1.00 of Chasehill, representing its entire issued share capital
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Sino Bright”	Sino Bright Group Limited, the purchaser under the SP Agreement, together with its beneficial owners are independent of and not connected with the directors, chief executive or substantial shareholders of Century, Paliburg and Regal and the respective subsidiaries of Century, Paliburg and Regal or any of their respective associates
“SP Agreement”	the conditional Sale and Purchase Agreement relating to Chasehill Limited dated 29th August, 2003 entered into between Dragon Root as the vendor, Sino Bright as the purchaser and Regal as the vendor’s guarantor
“Standstill Arrangement”	the standstill arrangement between Regal and the financial creditors of the Regal Loans pursuant to the standstill agreement dated 4th September, 2002 entered into between Regal, certain companies of the Regal Group involved in providing standstill security and the financial creditors of the Regal Loans
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholders”	has the meaning as ascribed in the Listing Rules
“HK\$”	Hong Kong dollars



Directors:

Mr. LO Yuk Sui (*Chairman and Managing Director*)
Mr. Tommy LAM Chi Chung
Mrs. Kitty LO LEE Kit Tai
Mr. Jimmy LO Chun To
Mr. Kenneth NG Kwai Kai

Independent non-executive Directors:

Mr. Anthony CHUANG
Mr. NG Siu Chan

Registered Office:

Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

*Head office and principal
place of business:*

18th Floor, Paliburg Plaza
68 Yee Wo Street
Causeway Bay
Hong Kong

25th September, 2003

To the Shareholders

Dear Sirs,

DISCLOSEABLE TRANSACTION

Disposal of Regal Oriental Hotel

INTRODUCTION

As disclosed in an announcement jointly made by Century, Paliburg and Regal on 4th September, 2003, the Board announced that following continuing discussions between Regal and the Financial Creditors of the Regal Group, a proposal for a consensual restructuring of the Regal Loans was formulated and presented by the Regal Group in August 2003 for consideration by the Financial Creditors and, as of 3rd September, 2003, over 90% by value of the Regal Loans of the requisite Financial Creditors in principle agreed to the proposal. The financial restructuring proposal will be subject to the finalisation and signing of relevant loan documents by the Regal Group and the Financial Creditors, which is expected to be in October 2003.

LETTER FROM THE BOARD

Principal Terms of the Financial Restructuring Proposal

The principal terms of the financial restructuring proposal in respect of the Regal Loans are set out below:

- (i) That a sale and purchase agreement relating to the disposal of the Regal Oriental Hotel is signed, and a cash deposit of not less than HK\$30 million is paid under the agreement, on or before 31st August, 2003;
- (ii) Existing security for the Standstill Arrangement continues to form security for the restructured Regal Loans, comprising primarily security over the Regal Group's five hotels in Hong Kong, namely Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Riverside Hotel and Regal Oriental Hotel, (until sold), the Regal Group's 70% interest in the luxury residential development at Rural Building Lot No.1138, Wong Ma Kok Road, Stanley, Hong Kong and certain of the Regal Group's operating entities;
- (iii) Cash sweep arrangements on the operational income from the Regal Group's five hotels in Hong Kong (to the extent they remain as security for the restructured Regal Loans) and the surplus funds from the Stanley development project which are distributable to the Regal Group for interest servicing and milestone payments under the restructured Regal Loans; and
- (iv) The final repayment date of the Regal Loans will be extended from 8th September, 2003 under the Standstill Arrangement to, in respect of the Key Winner Loan, 31st December, 2006 and, in respect of the Bauhinia Loan, 31st December, 2012, subject to certain agreed milestone payments in respect of the Key Winner Loan and scheduled principal repayments in respect of the Bauhinia Loan.

Effects of the Financial Restructuring Proposal

The board of directors of Regal is of the view that the endorsement by the Financial Creditors of the financial restructuring proposal represents a major positive step in the financial restructuring process of the Regal Group and, on due implementation of the proposal, it will provide the Regal Group with overall financial stability for its sustained business recovery going forward.

THE DISPOSAL

As contemplated under the financial restructuring proposal in respect of the Regal Loans, Dragon Root and Regal entered into the SP Agreement with Sino Bright on 29th August, 2003 relating to the sale by Dragon Root and the purchase by Sino Bright of the Sale Share and the procurement by Dragon Root of the assignment of the Assigned Loans to Sino Bright. Completion of the SP Agreement is conditional on, among others, requisite consent from the Financial Creditors. As of 3rd September, 2003, approval on the Disposal under the SP Agreement was obtained from all requisite Financial Creditors.

LETTER FROM THE BOARD

The Disposal constituted a discloseable transaction for Century (based on the Modified Calculation Concession as disclosed in an announcement of Century dated 19th June, 2003) under the Listing Rules. The purpose of this circular is to provide you with information relating to the Disposal.

THE SP AGREEMENT

Parties to the SP Agreement

- (1) Vendor : Dragon Root
- (2) Purchaser : Sino Bright; and
- (3) Vendor's guarantor : Regal (as guarantor for the performance of the obligations of Dragon Root under the SP Agreement)

Assets to be sold and purchased under the SP Agreement

The assets to be sold and purchased under the SP Agreement comprise:

- (1) the Sale Share in Chasehill, which directly owns 100% shareholding interests in Gala, which in turn directly owns 100% interests in the Regal Oriental Hotel; and
- (2) the Assigned Loans.

The negative net tangible assets/net asset value of the ROH Group as at 31st December, 2002 was approximately HK\$750.5 million, after accounting for the amount of the Assigned Loans in the sum of approximately HK\$1,030.4 million as at 31st December, 2002. The net tangible assets/net asset value represented by the ROH Group as disclosed in the respective latest published audited financial statements of Century for the year ended 31st December, 2002 was approximately HK\$279.9 million. The net loss before and after taxation of the ROH Group in respect of the financial year ended 31st December, 2001 was approximately HK\$136.3 million (which included a deficit on revaluation of hotel property of approximately HK\$124.0 million) and, in respect of the financial year ended 31st December, 2002, was approximately HK\$275.0 million (which included an impairment of hotel property of approximately HK\$271.3 million).

The Consideration for the Disposal and the Payment Terms

The consideration for the Disposal is HK\$350 million payable in cash, subject to adjustments (including the holdback and retention amounts referred to in items 2 and 3 below). A non-refundable cash deposit of HK\$30 million was paid by Sino Bright to the solicitors acting for Dragon Root, as stakeholders, upon signing of the SP Agreement.

At completion, Sino Bright shall pay to Dragon Root an amount, based on the consideration of HK\$350 million less the following amounts:

- 1. The cash deposit of HK\$30 million (together with interest earned thereon);

LETTER FROM THE BOARD

2. HK\$50 million, if the parties shall fail to agree within 2 months from the date of the SP Agreement on the extent, scope and specifications for all major outstanding commitments and rectification works of the Regal Oriental Hotel (including the demolition of a footbridge connected to the hotel), which are to be satisfied or completed before completion of the SP Agreement. In such event, the Regal Oriental Hotel will be delivered on an “as is” basis and Dragon Root will not have to be responsible for the severance payment allowance of the hotel staff; and
3. HK\$30 million, as the retention money for securing the obligations of Dragon Root in respect of the warranties given by Dragon Root under the SP Agreement (most of which are usual as compared with those in similar type of transactions) and a warranty that the net income (before interest expenses) of the Regal Oriental Hotel for the 3 calendar years to 31st December, 2006 will not be less than HK\$150 million (provided that the maximum liability of Dragon Root under this net income warranty shall not exceed HK\$30 million). The balance of the retention money, after deduction of any admitted claims, will be paid by Sino Bright to Dragon Root on the fourth anniversary of completion of the SP Agreement.

The consideration of the Disposal was determined after arm’s length negotiation and is considered by the directors (including the independent non-executive directors) of Regal to be fair and reasonable, having regard to the prevailing market conditions of the hotel industry in Hong Kong. The consideration of HK\$350 million (which is subject to adjustments as referred to above) for the Disposal represents a premium of approximately 25% over the net tangible assets of approximately HK\$279.9 million represented by the ROH Group as at 31st December, 2002. The directors (including the independent non-executive directors) of Regal also considered the Disposal to be in the overall commercial interest of the Regal Group as it served to satisfy the covenant required under the financial restructuring proposal and will help in the reduction of the borrowing levels of the Regal Group.

Other terms of the SP Agreement

As part of the terms and conditions of the SP Agreement, at completion of the SP Agreement, Gala will enter into a new management contract with a wholly-owned subsidiary of the Regal Group for its management of the Regal Oriental Hotel for a fixed term of 3 years at a fee of 3% of gross hotel revenues, extendable by mutual agreement.

Dragon Root has the option, exercisable at its sole discretion, to terminate the SP Agreement by giving notice in writing to Sino Bright (i) within 30 days from the date of the SP Agreement by returning the deposit of HK\$30 million paid by Sino Bright (together with interest earned thereon), together with the payment to Sino Bright of an amount of HK\$15 million (as agreed liquidated damages); or (ii) within 60 days from the date of the SP Agreement by returning the deposit of HK\$30 million paid by Sino Bright (together with interest earned thereon), together with the payment of an amount to Sino Bright of HK\$30 million (as agreed liquidated damages).

Completion of the SP Agreement

Completion is expected to take place on 31st March, 2004 or such other date as may be agreed between the parties.

LETTER FROM THE BOARD

Completion is subject to the satisfaction and/or waiver (if applicable) by Sino Bright of, inter alia, the following conditions before the Completion:

- (1) The warranties in respect of the ROH Group and the Regal Oriental Hotel given by Dragon Root under the SP Agreement remaining in all material respects true and accurate at Completion;
- (2) Regal having reached agreement with the Financial Creditors for the restructuring of the Regal Loans;
- (3) All requisite consents (if any) for the transactions contemplated under the SP Agreement have been obtained from the Financial Creditors and any conditions relating to such consents have been or, contemporaneously with the completion of the SP Agreement will be, fulfilled;
- (4) All existing mortgages or charges over Chasehill, Gala, the Regal Oriental Hotel and any other assets of the ROH Group and all guarantees given by Chasehill and Gala have been released; and
- (5) Gala has shown or proved a good title to the Regal Oriental Hotel.

REASONS FOR THE DISPOSAL

As mentioned in a joint announcement dated 7th July, 2003 made by Century, Paliburg and Regal, Regal has been in continuing discussions with the Financial Creditors on the restructuring of the Regal Loans and in the meanwhile undertaking a sale process for the disposal of the Regal Group's two non-core hotels, namely, the Regal Oriental Hotel and the Regal Riverside Hotel. While substantive progress has been achieved on a consensual agreement with the Financial Creditors for the restructuring of the Regal Loans, the entering into of the SP Agreement for the Disposal would serve to facilitate the implementation of the consensual restructuring proposal.

USE OF PROCEEDS FROM THE DISPOSAL

The net consideration receivable from the Disposal, being the consideration of HK\$350 million less any adjustments that may arise under the HK\$50 million holdback and HK\$30 million retention amounts mentioned above, will be fully applied by the Regal Group in reduction of the outstanding indebtedness under the Key Winner Loan.

EFFECT OF THE DISPOSAL

The implementation of the Disposal will serve to reduce the borrowing levels of Regal by the amount of proceeds to be realised from the Disposal and hence the interest expenses of Regal. As Regal is a major subsidiary of Century, the implementation of the Disposal will likewise benefit Century in reducing the borrowing levels of the Century City Group as a whole.

LETTER FROM THE BOARD

GENERAL

Century is an investment holding company and the principal activities of the subsidiaries of Century (including the subsidiaries of Paliburg and Regal) include property development and investment, property management, construction and construction-related businesses, hotel ownership and management and other investments.

Your attention is drawn to the further information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of
Century City International Holdings Limited
Lo Yuk Sui
Chairman

1. Responsibility statement

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to Century. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. Disclosure of interests

- (a) As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of Century in the shares, underlying shares and debentures of Century or any associated corporation (within the meaning of Part XV of the SFO) of Century, which (a) are required to be notified to Century and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each Director or chief executive of Century is taken or deemed to have under such provisions of the SFO); or (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 for Securities Transactions by Directors of the Listed Companies in the Listing Rules to be notified to Century and the Stock Exchange, were as follows:

	Name of Director	Class of shares held	Number of Shares Held				Total (Approximate percentage of the issued shares as at the Latest Practicable Date)
			Personal interests	Family interests	Corporate interests	Other interests	
1. Century	Mr. Lo Yuk Sui	Ordinary					
		(i) issued	543,344,843	—	1,395,994,246	—	1,939,339,089
		(ii) unissued	—	—	11,000,000,000		11,000,000,000
					(Note a(i))		
						Total (i) & (ii):	12,939,339,089
							(339.01%)
	Mrs. Kitty Lo Lee Kit Tai	Ordinary (issued)	2,510,000	—	—	—	2,510,000 (0.066%)
	Mr. Jimmy Lo Chun To	Ordinary (issued)	1,659,800	—	—	—	1,659,800 (0.043%)
	Mr. Ng Siu Chan	Ordinary (issued)	—	15,453,000	—	—	15,453,000 (0.40%)

Name of Associated Corporation	Name of Director	Class of shares held	Number of Shares Held				Total (Approximate percentage of the issued shares as at the Latest Practicable Date)	
			Personal interests	Family interests	Corporate interests	Other interests		
2. Paliburg	Mr. Lo Yuk Sui	Ordinary						
		(i) issued	442,765	—	2,526,817,477 <i>(Notes a(ii) & b)</i>	200,000,000 <i>(Note c)</i>	2,727,260,242	
		(ii) unissued	4,562,500 <i>(Note f)</i>	—	1,990,000,000 <i>(Notes a(iii) & d)</i>	—	1,994,562,500	
							Total (i) & (ii): 4,721,822,742 (124.97%)	
			Preference (issued)	—	—	1,990,000,000 <i>(Notes a(iii) & d)</i>	—	1,990,000,000 (100%)
		Mrs. Kitty Lo Lee Kit Tai	Ordinary (issued)	100,000	—	—	—	100,000 (0.003%)
		Mr. Jimmy Lo Chun To	Ordinary (issued)	284,000	—	—	—	284,000 (0.008%)
	Mr. Kenneth Ng Kwai Kai	Ordinary (unissued)	1,000,000 <i>(Note f)</i>	—	—	—	1,000,000 (0.026%)	
	Mr. Ng Siu Chan	Ordinary (issued)	—	536,500	—	—	536,500 (0.14%)	
3. Regal	Mr. Lo Yuk Sui	Ordinary (issued)	220,000	—	4,777,070,277 <i>(Notes a(iv) & e)</i>	—	4,777,290,277 (63.52%)	
		Preference (issued)	—	—	3,440 <i>(Note a(iv))</i>	—	3,440 (20.54%)	
		Mrs. Kitty Lo Lee Kit Tai	Ordinary (issued)	2,370,000	—	—	—	2,370,000 (0.032%)
4. 8D International (BVI) Limited (“8D-BVI”)	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	1,000 <i>(Note g)</i>	—	1,000 (100%)	
5. 8D Matrix Limited (“8D Matrix”)	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	2,000,000 <i>(Note h)</i>	—	2,000,000 (100%)	
6. 8D International Limited (“8D”)	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	10,000 <i>(Note i)</i>	—	10,000 (100%)	
7. 303 Company Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	10,000 <i>(Note j)</i>	—	10,000 (100%)	

Name of Associated Corporation	Name of Director	Class of shares held	Number of Shares Held				Other interests	Total (Approximate percentage of the issued shares as at the Latest Practicable Date)
			Personal interests	Family interests	Corporate interests			
8. Century Digital Communications (BVI) Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	1 <i>(Note k)</i>	—	1 (100%)	
9. Century Digital Communications Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	2 <i>(Note l)</i>	—	2 (100%)	
10. Century Digital Enterprise Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	100 <i>(Note m)</i>	—	100 (100%)	
11. Century Digital Holdings Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	3 <i>(Note n)</i>	—	3 (100%)	
12. Century Digital Investments Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	49,968 <i>(Note o)</i>	—	49,968 (99.94%)	
13. Century Matrix Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	2,666,667 <i>(Note p)</i>	—	2,666,667 (100%)	
14. Dragonlink Ventures (BVI) Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	100 <i>(Note q)</i>	—	100 (100%)	
15. Evermax Technologies Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	2 <i>(Note r)</i>	—	2 (100%)	
16. Foremost Technology Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	1 <i>(Note s)</i>	—	1 (100%)	
17. Full Master Technology Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	1 <i>(Note t)</i>	—	1 (100%)	
18. Full Range Technology Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	10,000 <i>(Note u)</i>	—	10,000 (100%)	

Name of Associated Corporation	Name of Director	Class of shares held	Number of Shares Held				Other interests	Total (Approximate percentage of the issued shares as at the Latest Practicable Date)
			Personal interests	Family interests	Corporate interests			
19. Grand Modern Investments Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	330 <i>(Note v)</i>	—	330 (100%)	
20. Important Holdings Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	10,000 <i>(Note w)</i>	—	10,000 (100%)	
21. Leading Technology Holdings Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	100 <i>(Note x)</i>	—	100 (100%)	
22. Mira Technology Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	937,500 <i>(Note y)</i>	—	937,500 (100%)	
23. Net Age Technology Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	97 <i>(Note z)</i>	—	97 (97%)	
24. Net Community Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	3 <i>(Note aa)</i>	—	3 (100%)	
25. Network Sky Limited	Mrs. Kitty Lo Lee Kit Tai	Ordinary (issued)	—	—	50,000	—	50,000 (25%)	
26. Regal International (China) Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	1 <i>(Note ab)</i>	—	1 (100%)	
27. Speedway Technology Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	50,000 <i>(Note ac)</i>	—	50,000 (100%)	
28. Task Master Technology Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	1 <i>(Note ad)</i>	—	1 (100%)	
29. Top-Most Technology Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	10,000 <i>(Note ae)</i>	—	10,000 (100%)	

Name of Associated Corporation	Name of Director	Class of shares held	Number of Shares Held				Other interests	Total (Approximate percentage of the issued shares as at the Latest Practicable Date)
			Personal interests	Family interests	Corporate interests			
30. Top Technologies Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	10,000 (Note af)	—	10,000 (100%)	
31. World Momentum Limited	Mr. Lo Yuk Sui	Ordinary (issued)	—	—	130 (Note ag)	—	130 (100%)	

Notes:

- (a) (i) The interests in these shares of Century are held through corporations controlled by Mr. Lo Yuk Sui as detailed below:

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00

- (ii) The shares were held through companies wholly owned by Century, in which Mr. Lo Yuk Sui holds 50.81% shareholding interests.

- (iii) The interests in these shares of Paliburg are held through corporations controlled by Mr. Lo Yuk Sui as detailed below:

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00

- (iv) The shares were held through companies wholly owned by Paliburg, in which Century holds 66.87% shareholding interests.

- (b) Including the retained balance, i.e. 6,444,444 shares, (the “Retained Shares”) of the consideration shares agreed to be sold at HK\$4.50 per share for the acquisition of the remaining 51% shareholding interest in The New China Hong Kong Financial Services Limited (now known as Century City Financial Services Limited) by a wholly-owned subsidiary of Century from a wholly-owned subsidiary of The New China Hong Kong Group Limited (the “NCHK Company”) pursuant to the conditional agreement dated 7th September, 1998 in respect of the said acquisition, which was completed on 17th September, 1998 (the “Completion Date”). The Retained Shares are retained by the Century City Group until the first anniversary of the Completion Date in connection with the indemnity given by the NCHK Company under the said agreement.
- (c) Mr. Lo Yuk Sui is the trustee for Select Wise Trust, of which Select Wise Holdings Limited, a substantial shareholder of Century and Paliburg, is the beneficiary.
- (d) 1,990,000,000 convertible preference shares of Paliburg (“Paliburg Preference Shares”) are convertible into 1,990,000,000 ordinary shares of Paliburg on the basis of one Paliburg Preference Share for one ordinary share of Paliburg.
- (e) 1,706,500,000 shares (the “Exchange Property”) were charged by a wholly-owned subsidiary of Paliburg in favour of a trustee for the holders of the Series B Bonds issued as part of the restructuring and settlement proposal in respect of the then existing bonds of the Paliburg Group which closed on 31st October, 2002 (the “Closing Date”) to form the initial exchange property in respect of the Series B Bonds. The Exchange

Property is to be released to the holders of the Series B Bonds in four quarterly tranches (with the first tranche comprising 284,125,000 shares and the other three tranches each comprising 474,125,000 shares) on each dates falling 12, 15, 18 and 21 months after the Closing Date, subject to certain early release provisions.

- (f) Interests in share options granted by Paliburg:

Terms of option	Grantee	Number of ordinary shares under the share options	
		(I) Vested	(II) Unvested
Date of grant: 22/2/1994	Mr. Lo Yuk Sui	(I) 4,562,500 (<i>Note 1(c)</i>)	(II) —
Exercise price per share: HK\$10.40		(I) —	(II) —
Vesting period: (<i>Note 1</i>)	Mr. Kenneth Ng Kwai Kai	(I) 1,000,000 (<i>Note 1(c)</i>)	(II) —
Exercise period: (<i>Note 1</i>)		(I) —	(II) —

Notes:

1. Vesting/Exercise periods of options:

On completion of continuous service of	Initial/Cumulative percentage vesting	Initial/Cumulative percentage exercisable
(a) 2 years after date of grant	Initial 20%	Initial 20% upon vesting (exercisable until 10 years after date of grant)
(b) 3 years to 9 years after date of grant	Cumulative 30% to 90% (with 10% additional percentage vested each subsequent year (commencing from 3 years after date of grant))	Cumulative 30% to 90% (with 10% additional percentage exercisable each subsequent year (commencing from 3 years after date of grant) upon vesting (exercisable until 10 years after date of grant))
(c) 9½ years after date of grant	100%	100% (exercisable until 10 years after date of grant)

- (g) 400 shares were held through companies controlled by Century and 600 shares were held through a company controlled by Mr. Lo Yuk Sui.
- (h) 800,000 shares were held through companies controlled by Century and 1,200,000 shares were held through companies controlled by Mr. Lo Yuk Sui (including 8D-BVI).
- (i) 8D is a wholly-owned subsidiary of 8D Matrix.

- (j) The interests in these shares of 303 Company Limited are held through corporations controlled by Mr. Lo Yuk Sui as detailed below:

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00
Leading Technology Holdings Limited	Grand Modern Investments Limited	50.00
World Momentum Limited	Leading Technology Holdings Limited	100.00
Century Matrix Limited	World Momentum Limited	100.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00
Leading Technology Holdings Limited	Grand Modern Investments Limited	50.00
World Momentum Limited	Leading Technology Holdings Limited	100.00
Century Matrix Limited	World Momentum Limited	100.00

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

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00

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

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Century Digital Communications (BVI) Limited	Century Digital Holdings Limited	100.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Century Digital Communications (BVI) Limited	Century Digital Holdings Limited	100.00

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

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Century Digital Investments Limited	Century Digital Holdings Limited	99.93

(b) Name of corporation	Controlled by	% of control
Century Digital Investments Limited	Century Digital Holdings Limited	99.93
Net Age Technology Limited	Century Digital Investments Limited	100.00

(c) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Century Digital Investments Limited	Century Digital Holdings Limited	99.93

- (n) The interests in these shares of Century Digital Holdings Limited are held through corporations controlled by Mr. Lo Yuk Sui as detailed below:

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33

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

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00

(b) Name of corporation	Controlled by	% of control
Century Digital Holdings Limited	Net Community Limited	100.00
Important Holdings Limited	Century Digital Holdings Limited	100.00
Top Technologies Limited	Century Digital Holdings Limited	100.00

(c) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00

(d) Name of corporation	Controlled by	% of control
Century Digital Holdings Limited	Net Community Limited	100.00
Important Holdings Limited	Century Digital Holdings Limited	100.00
Top Technologies Limited	Century Digital Holdings Limited	100.00

- (p) The interests in these shares of Century Matrix Limited are held through corporations controlled by Mr. Lo Yuk Sui as detailed below:

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00
Leading Technology Holdings Limited	Grand Modern Investments Limited	50.00
World Momentum Limited	Leading Technology Holdings Limited	100.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00
Leading Technology Holdings Limited	Grand Modern Investments Limited	50.00
World Momentum Limited	Leading Technology Holdings Limited	100.00

- (q) The interests in these shares of Dragonlink Ventures (BVI) Limited are held through corporations controlled by Mr. Lo Yuk Sui as detailed below:

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00
Leading Technology Holdings Limited	Grand Modern Investments Limited	50.00
Delightful Thought Limited	Century City BVI Holdings Limited	100.00
Ultimate Process Technology Limited	Century City BVI Holdings Limited	30.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00
Leading Technology Holdings Limited	Grand Modern Investments Limited	50.00

- (r) The interests in these shares of Evermax Technologies Limited are held through corporations controlled by Mr. Lo Yuk Sui as detailed below:

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00
Leading Technology Holdings Limited	Grand Modern Investments Limited	50.00
Dragonlink Ventures (BVI) Limited	Leading Technology Holdings Limited	60.00
Dragonlink Ventures (BVI) Limited	Century City BVI Holdings Limited	40.00
Full Master Technology Limited	Dragonlink Ventures (BVI) Limited	100.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00
Leading Technology Holdings Limited	Grand Modern Investments Limited	50.00
Dragonlink Ventures (BVI) Limited	Leading Technology Holdings Limited	60.00
Full Master Technology Limited	Dragonlink Ventures (BVI) Limited	100.00

- (s) The interests in these shares of Foremost Technology Limited are held through corporations controlled by Mr. Lo Yuk Sui as detailed below:

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00
Leading Technology Holdings Limited	Grand Modern Investments Limited	50.00
Dragonlink Ventures (BVI) Limited	Leading Technology Holdings Limited	60.00
Dragonlink Ventures (BVI) Limited	Century City BVI Holdings Limited	40.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00
Leading Technology Holdings Limited	Grand Modern Investments Limited	50.00
Dragonlink Ventures (BVI) Limited	Leading Technology Holdings Limited	60.00

- (t) The interests in these shares of Full Master Technology Limited are held through corporations controlled by Mr. Lo Yuk Sui as detailed below:

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00
Leading Technology Holdings Limited	Grand Modern Investments Limited	50.00
Dragonlink Ventures (BVI) Limited	Leading Technology Holdings Limited	60.00
Dragonlink Ventures (BVI) Limited	Century City BVI Holdings Limited	40.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00
Leading Technology Holdings Limited	Grand Modern Investments Limited	50.00
Dragonlink Ventures (BVI) Limited	Leading Technology Holdings Limited	60.00

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

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	100.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00

- (v) The interests in these shares of Grand Modern Investments Limited are held through corporations controlled by Mr. Lo Yuk Sui as detailed below:

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Ultra Performance Limited	Mr. Lo Yuk Sui	100.00

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

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	100.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00

- (x) The interests in these shares of Leading Technology Holdings Limited are held through corporations controlled by Mr. Lo Yuk Sui as detailed below:

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00

(c) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
Paliburg Holdings Limited	Century City BVI Holdings Limited	56.77
Paliburg Development BVI Holdings Limited	Paliburg Holdings Limited	100.00
Venture Perfect Investments Limited	Paliburg Development BVI Holdings Limited	100.00

(y) The interests in these shares of Mira Technology Limited are held through corporations controlled by Mr. Lo Yuk Sui as detailed below:

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00
Leading Technology Holdings Limited	Grand Modern Investments Limited	50.00
Dragonlink Ventures (BVI) Limited	Leading Technology Holdings Limited	60.00
Dragonlink Ventures (BVI) Limited	Century City BVI Holdings Limited	40.00
Foremost Technology Limited	Dragonlink Ventures (BVI) Limited	100.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00
Leading Technology Holdings Limited	Grand Modern Investments Limited	50.00
Dragonlink Ventures (BVI) Limited	Leading Technology Holdings Limited	60.00
Foremost Technology Limited	Dragonlink Ventures (BVI) Limited	100.00

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

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Century Digital Investments Limited	Century Digital Holdings Limited	99.93

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Century Digital Investments Limited	Century Digital Holdings Limited	99.93

- (aa) The interests in these shares of Net Community Limited are held through corporations controlled by Mr. Lo Yuk Sui as detailed below:

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	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 Yuk Sui	100.00
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50

(ab) The interests in these shares of Regal International (China) Limited are held through corporations controlled by Mr. Lo Yuk Sui as detailed below:

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
8D Matrix Limited	Century Digital 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 Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
8D Matrix Limited	Century Digital Holdings Limited	60.00

(ac) The interests in these shares of Speedway Technology Limited are held through corporations controlled by Mr. Lo Yuk Sui as detailed below:

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	100.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00

- (ad) The interests in these shares of Task Master Technology Limited are held through corporations controlled by Mr. Lo Yuk Sui as detailed below:

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	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 Yuk Sui	100.00
8D International (BVI) Limited	Manyways Technology Limited	60.00

- (ae) The interests in these shares of Top-Most Technology Limited are held through corporations controlled by Mr. Lo Yuk Sui as detailed below:

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	99.93
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00
Leading Technology Holdings Limited	Grand Modern Investments Limited	50.00
World Momentum Limited	Leading Technology Holdings Limited	100.00
(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00
Leading Technology Holdings Limited	Grand Modern Investments Limited	50.00
World Momentum Limited	Leading Technology Holdings Limited	100.00

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

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	99.93

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00

- (ah) The interests in these shares of World Momentum Limited are held through corporations controlled by Mr. Lo Yuk Sui as detailed below:

(a) Name of corporation	Controlled by	% of control
Century City International Holdings Limited	Mr. Lo Yuk Sui	50.81
Century City BVI Holdings Limited	Century City International Holdings Limited	100.00
8D International (BVI) Limited	Century City BVI Holdings Limited	40.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00
Leading Technology Holdings Limited	Grand Modern Investments Limited	50.00

(b) Name of corporation	Controlled by	% of control
Manyways Technology Limited	Mr. Lo Yuk Sui	100.00
Secure Way Technology Limited	Mr. Lo Yuk Sui	92.50
8D International (BVI) Limited	Manyways Technology Limited	60.00
Task Master Technology Limited	8D International (BVI) Limited	100.00
Net Community Limited	Secure Way Technology Limited	66.67
Net Community Limited	Task Master Technology Limited	33.33
Century Digital Holdings Limited	Net Community Limited	100.00
Grand Modern Investments Limited	Century Digital Holdings Limited	100.00
Leading Technology Holdings Limited	Grand Modern Investments Limited	50.00

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors and chief executive of Century had any interests and short positions in the shares, underlying shares and debentures of Century or any associated corporation (within the meaning of Part XV of the SFO) of Century, which (a) are required to be notified to Century and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each Director or chief executive of Century is taken or deemed to have under such provisions of the SFO); or (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 for Securities Transactions by Directors of the Listed Companies in the Listing Rules to be notified to Century and the Stock Exchange.

- (b) As at the Latest Practicable Date, so far as are known to any Director or chief executive of Century, the following persons (not being a Director or chief executive of Century) had an interest or short position in the shares and underlying shares of Century which would fall to be disclosed to Century under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, are directly or indirectly interested in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Century City Group or had any options in respect of such capital:

Name of shareholder	Number of issued ordinary shares held	Number of underlying ordinary shares (unissued) held	Total number of ordinary shares (issued and unissued) held	Approximate percentage of the issued ordinary shares as at the Latest Practicable Date
Master City Limited <i>(Notes i and ii)</i>	319,084,492	—	319,084,492	8.36%
Shui To Co., Limited <i>(Note i)</i>	440,269,831	—	440,269,831	11.54%
YSL International Holdings Limited <i>(Notes i and ii)</i>	931,998,340	—	931,998,340	24.42%
Manyways Technology Limited <i>(Notes i and iii)</i>	—	11,000,000,000	11,000,000,000	288.20%
8D International (BVI) Limited <i>(Notes i, iii and iv)</i>	—	11,000,000,000	11,000,000,000	288.20%
Task Master Technology Limited <i>(Notes i, iii and v)</i>	—	11,000,000,000	11,000,000,000	288.20%
Secure Way Technology Limited <i>(Notes i and iii)</i>	—	11,000,000,000	11,000,000,000	288.20%
Net Community Limited <i>(Notes i, iii and vi)</i>	—	11,000,000,000	11,000,000,000	288.20%

Name of shareholder	Number of issued ordinary shares held	Number of underlying ordinary shares (unissued) held	Total number of ordinary shares (issued and unissued) held	Approximate percentage of the issued ordinary shares as at the Latest Practicable Date
Century Digital Holdings Limited (Notes i, iii and vii)	—	11,000,000,000	11,000,000,000	288.20%
Grand Modern Investments Limited (Notes i, iii and viii)	—	11,000,000,000	11,000,000,000	288.20%
Miss Lo Po Man	—	1,600,000,000	1,600,000,000	41.92%
Wealth Master International Limited (Notes ix and x)	—	1,600,000,000	1,600,000,000	41.92%
Select Wise Holdings Limited (Notes ix and xi)	—	1,600,000,000	1,600,000,000	41.92%

Notes:

- (i) These companies are controlled by Mr. Lo Yuk Sui and their said shareholdings were included in the corporate interests of Mr. Lo Yuk Sui in Century as disclosed under the paragraph headed “Interests in shares and underlying shares” of the section entitled “Disclosure of interests” in this appendix.
- (ii) Master City Limited is 99.9% owned by of YSL International Holdings Limited (“YSL Int’L”) and its shareholdings were included in the interests held by YSL Int’L.
- (iii) The interests in these underlying shares are directly held by Grand Modern Investments Limited (“Grand Modern”).
- (iv) 8D International (BVI) Limited (“8D BVI”) is 60% owned by Manyways Technology Limited.
- (v) Task Master Technology Limited (“Task Master”) is wholly owned by 8D BVI.
- (vi) Net Community Limited (“Net Community”) is 33.33% owned by Task Master and 66.67% owned by Secure Way Technology Limited.
- (vii) Century Digital Holdings Limited (“CDHL”) is wholly owned by Net Community.
- (viii) Grand Modern is wholly owned by CDHL.
- (ix) The interests in these underlying shares are directly held by Select Wise Holdings Limited (“Select Wise”).

- (x) Wealth Master International Limited (“Wealth Master”) is wholly owned by Miss Lo Po Man.
- (xi) Select Wise is wholly owned by Wealth Master.

Save as disclosed herein, there is no person known to the Directors or chief executive of Century who, as at the Latest Practicable Date, had an interest or short position in the shares and underlying shares of Century which would fall to be disclosed to Century under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10 per cent. or more of the nominal value of the share capital carrying rights to vote in all circumstances at general meetings of any member of the Century City Group or had any options in respect of such capital.

- (c) As at the Latest Practicable Date, none of the Directors has a service contract with any member of the Century City Group which does not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

3. **Litigation**

- (a) Pursuant to the terms of the securities purchase agreement dated 18th November, 1999 (the “US Disposal Agreement”) entered into between the Regal Group and the purchaser (the “US Purchaser”) in connection with the disposal by the Regal Group of its hotel interests in the United States of America (the “US Disposal”), a deferred consideration of US\$45.0 million (approximately HK\$351.0 million) (the “Deferred Consideration”) and interest accrued thereon at 7% per annum (collectively, the “Consideration Receivable”) was due to be paid by the Purchaser on the second anniversary of the completion date of the US Disposal, i.e. on 17th December, 2001.

The Regal Group has agreed under the US Disposal Agreement to indemnify the US Purchaser for third party claims arising from events occurring before the completion of the US Disposal Agreement in December 1999. While most of the claims for such pre-closing liabilities so far notified by the US Purchaser to the Regal Group have been resolved and the aggregate amount of such remaining pre-closing liabilities claims has been reduced to significantly below the Deferred Consideration, the US Purchaser has withheld payment of any of the Consideration Receivable on the ground that the Regal Group has failed to provide adequate assurance for any future pre-closing liabilities that may surface before the end of the indemnity period in December 2004. Having consulted with its legal advisers, the Regal Group was advised that the demand by the US Purchaser was without grounds and has accordingly instituted legal proceedings against the US Purchaser to recover the Consideration Receivable.

The legal proceedings against the US Purchaser was undertaken in the form of a lawsuit in which a motion was made for summary judgement on a breach of contract claim in respect of a principal amount of US\$39,261,657.49 (equivalent to approximately HK\$306,240,928.42), together with interest. This motion for summary judgement was, among others, heard in the United States District Court for the Southern District of New York on 30th May, 2003. A written decision dated 30th June, 2003 was issued by the District Court Judge, in which the Regal Group's motion for summary judgement on the breach of contract claim with regard to the amount of US\$39,261,657.49 (equivalent to approximately HK\$306,240,928.42) was granted. A further hearing was held on 4th September, 2003 to determine the amount of interest that may also be due, but no decision has yet been issued.

As mentioned in the announcement of 2003 interim results of Century dated 19th September, 2003, the Regal Group and the US Purchaser have most lately agreed on the terms of a full and final settlement of the legal proceedings relating to the Consideration Receivable, involving the payment to the Regal Group by the US Purchaser of a gross settlement amount of US\$48.8 million and the total resolution and release of all claims by and between the Regal Group and the US Purchaser under or in connection with the US Disposal Agreement. The formal settlement agreement is being executed by all relevant parties and completion is expected very shortly.

- (b) The Paliburg Group has investments in two investee companies (the "Investee Companies") which beneficially and collectively held a land site in Beijing in the People's Republic of China ("the PRC"). Negotiations are presently being conducted with relevant parties and the local government authorities in the PRC in respect of the resumption of the land site. Details of the investments held by the Paliburg Group in the Investee Companies were disclosed in the annual report of the Paliburg Group for the year ended 31st December, 2002. In the meantime, the Paliburg Group has instituted arbitration proceedings in the PRC in July 2003 against a joint venture partner of the Investee Companies with respect to a dispute arising out of certain amendments to the terms of the relevant articles of and the joint venture contract relating to the co-operative joint venture.

Save as disclosed above, neither Century nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and there is no litigation or claim known to the Directors to be pending or threatened against any member of the Century City Group which in the opinion of the Directors would be or is likely to be of material importance.

4. General

- (a) The head office and principal place of business of Century is located at 18th Floor, Paliburg Plaza, 68 Yee Wo Street, Causeway Bay, Hong Kong. The registered office of Century is located at Rosebank Centre, 11 Bermudiana Road, Pembroke, Bermuda.
- (b) The branch registrars of Century in Hong Kong are Tengis Limited, G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- (c) The secretary of Century is Ms. Lam Sau Fun, Eliza, an associate of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Company Secretaries.
- (d) The English text of this circular shall prevail over the Chinese text.