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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this prospectus or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

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

A copy of each of the Prospectus Documents, together with copies of the documents specified in the paragraph headed "Documents registered by the Registrars of Companies" in Appendix III to this prospectus have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies Ordinance. A copy of each of the Prospectus Documents has been, or will as soon as reasonably practicable after the Prospectus Posting Date be, filed with the Registrar of Companies in Bermuda in accordance with the Companies Act. The Registrar of Companies in Hong Kong, the Securities and Futures Commission in Hong Kong and the Registrar of Companies in Bermuda take no responsibility as to the contents of any of these documents.

Dealings in the Shares and the Rights Shares in their nil-paid form and fully-paid form may be settled through CCASS and you should consult your stockbroker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional advisers for details of the settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

Distribution of the Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession the Prospectus Documents come (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The securities described herein have not been registered under the US Securities Act of 1933, as amended (the "US Securities Act"), or the laws of any state in the U.S., and may not be offered or sold within the U.S., absent registration or an exemption from the registration requirements of the US Securities Act and applicable state laws. There is no intention to register any portion of the rights issue or any securities described herein in the U.S. or to conduct a public offering of the securities described herein in the U.S..

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### **RIGHTS ISSUE OF 239,180,432 RIGHTS SHARES OF HK\$0.10 EACH AT HK\$0.48 PER RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TEN (10) SHARES HELD ON THE RECORD DATE**

#### **Underwriters to the Rights Issue**

**OSK Securities Hong Kong Limited**

**Ablewise Investments Limited**

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The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Tuesday, 2 November 2010. The procedure for acceptance and payment or transfer of the Rights Shares is set out in the section headed "Letter from the Board — Terms of the Rights Issue — Procedure for acceptance and payment or transfer" of this prospectus.

It should be noted that the Underwriting Agreement contains provisions granting the Underwriters the right to terminate the obligations of the Underwriters thereunder on the occurrence of certain events. These events are set out in the section headed "Termination of the Underwriting Agreement" on pages 24 to 26 of this prospectus. If the Underwriters exercise such right of termination, the Rights Issue will not proceed. Upon the giving of written notice of termination, all the obligations of the Underwriters and the Company under the Underwriting Agreement shall cease and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay the Underwriters' costs, fees and expenses in accordance with the Underwriting Agreement but the Company shall not be liable to pay to the Underwriters the underwriting commission thereunder.

It should be noted that the Shares have been dealt in on an ex-rights basis commencing from Wednesday, 13 October 2010 and that dealings in the Rights Shares in their nil-paid form are expected to take place from Thursday, 21 October 2010 to Thursday, 28 October 2010 (both dates inclusive). If the Underwriters terminate the Underwriting Agreement, or the conditions of the Rights Issue are not fulfilled or waived (as applicable) by the Latest Time for Termination pursuant to the provisions of the Underwriting Agreement, the Rights Issue will not proceed.

Any Shareholders, holders of the Warrants or other persons contemplating selling or purchasing Shares, Rights Shares in their nil-paid form and/or the Warrants up to the date when the conditions of the Rights Issue are fulfilled or waived (as applicable) (which is expected to be 4:00 p.m. on Friday, 5 November 2010) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders, holders of the Warrants and potential investors should therefore exercise caution when dealing in the Shares or the Rights Shares in their nil-paid form or the Warrants, and if they are in any doubt about their position, they should consult their professional advisers.

19 October 2010

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## EXPECTED TIMETABLE

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2010

Record Date .....	Monday, 18 October
Despatch of the Prospectus Documents .....	Tuesday, 19 October
Designated broker starts to stand in the market to provide matching services for odd lots of Shares and nil-paid Rights Shares .....	Tuesday, 19 October
First day of dealings in nil-paid Rights Shares .....	Thursday, 21 October
Latest time for splitting of nil-paid Rights Shares .....	4:00 p.m. on Monday, 25 October
Last day of dealings in nil-paid Rights Shares .....	Thursday, 28 October
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares and nil-paid Rights Shares .....	4:00 p.m. on Thursday, 28 October
Latest time for payment and acceptance of Rights Shares and application for excess Rights Shares .....	4:00 p.m. on Tuesday, 2 November
Latest time for the Rights Issue to become unconditional .....	4:00 p.m. on Friday, 5 November
Announcement of results of the Rights Issue .....	Monday, 8 November
Despatch of refund cheques in respect of unsuccessful or partially unsuccessful excess applications posted on or before .....	Tuesday, 9 November
Despatch of certificates for fully paid Rights Shares on or before .....	Tuesday, 9 November
First day of dealings in fully paid Rights Shares .....	Thursday, 11 November

*Note:* All time in this prospectus refer to Hong Kong time.

Dates stated in this Prospectus for events mentioned in the timetable are indicative only and may be extended or varied by agreement between the Company and the Underwriters. Any change to the expected timetable for the Rights Issue will be announced as and when appropriate.

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## EXPECTED TIMETABLE

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### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES**

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 2 November 2010. Instead, the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Tuesday, 2 November 2010. Instead, the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on Tuesday, 2 November 2010, the dates mentioned in this section may be affected. The Company will issue an announcement of any change to the expected timetable as soon as practicable.

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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In accordance with the Underwriting Agreement, if prior to the Latest Time for Termination:

- (a) in the sole and absolute opinion of OSK (after consultation with the other Underwriter), the success of the Rights Issue would be materially and adversely affected by:
  - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the sole and absolute opinion of OSK (after consultation with the other Underwriter) materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
  - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the sole and absolute opinion of OSK (after consultation with the other Underwriter) materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
  - (iii) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
- (b) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, foreign exchange or currency markets, or suspension or material restriction in trading in securities) occurs which in the sole and absolute opinion of OSK (after consultation with the other Underwriter) is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (c) there is any change in the circumstances of the Company or any member of the Group which in the sole and absolute opinion of OSK (after consultation with the other Underwriter) will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group; or
- (d) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than 10 consecutive Business Days, excluding any suspension in connection with the clearance of the Announcements or the Prospectus Documents or other announcements in connection with the Rights Issue; or

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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- (e) this Prospectus or announcements of the Company published since the date of the Underwriting Agreement contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the sole and absolute opinion of OSK (after consultation with the other Underwriter) be material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it; or
- (f) any Underwriter shall become aware of the fact that any of the warranties or undertakings contained in the Underwriting Agreement was untrue, inaccurate, misleading or breached, and in each case the same is (in the sole and absolute opinion of OSK (after consultation with the other Underwriter)) material in the context of the Rights Issue,

then and in such case, OSK (after consultation with the other Underwriter) may, in addition to and without prejudice to any other remedies to which the Underwriters may be entitled, by serving a notice in writing to the Company, to terminate the Underwriting Agreement prior to the Latest Time for Termination.

**If OSK (after consultation with the other Underwriter) gives a notice of termination to the Company in accordance with the terms of the Underwriting Agreement, all obligations of the Underwriters under the Underwriting Agreement shall cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriters any legal fees and other out of pocket expenses incurred by the Underwriters, except that the underwriting commission described below shall not be payable to the Underwriters if the Underwriting Agreement does not become unconditional or if it is terminated by the Underwriters pursuant to the Underwriting Agreement. If the Underwriters exercise their rights to terminate the Underwriting Agreement, the Rights Issue will not proceed.**

### **WARNING OF THE RISKS OF DEALING IN THE SHARES, WARRANTS AND NIL-PAID RIGHTS SHARES**

The Rights Shares in their nil-paid form are expected to be dealt with from Thursday, 21 October 2010 to Thursday, 28 October 2010 (both dates inclusive).

**The Rights Issue is conditional upon the fulfillment or waiver (as applicable) of the conditions set out under the paragraph headed “Conditions of the Rights Issue”. The Underwriters are entitled under the Underwriting Agreement to terminate the Underwriting Agreement on the occurrence of certain events, including but not limited to force majeure, as more particularly described in the preceding paragraphs. The Rights Issue is therefore also subject to the Underwriters not terminating the Underwriting Agreement pursuant to the provisions contained therein. Accordingly, the Rights Issue may or may not proceed.**

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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Any dealings in the Shares or the Warrants up to and including the date on which all the conditions of the Rights Issue are fulfilled or waived (as applicable) (which is expected to be on or before the Latest Time for Termination), and any dealings in the Rights Shares in their nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or holders of Warrants or other persons contemplating any dealings in the Shares or the Rights Shares in their nil-paid form or Warrants are advised to consult their own professional advisers.

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## DEFINITIONS

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In this prospectus, unless the context requires otherwise, the following expressions have the following meanings:

“Ablewise”	Ablewise Investments Limited, a company wholly and beneficially owned by Mr. Lo and is one of the Underwriters
“Announcements”	the two announcements of the Company dated 7 and 13 October 2010 respectively in relation to the Rights Issue
“associate(s)”	has the meaning ascribed to it under Rule 1.01 of the Listing Rules
“Beneficial Owner(s)”	any beneficial owner(s) of Shares whose Shares are registered in the name of a Registered Owner
“Board”	the board of Directors
“Business Day”	any day on which banks in Hong Kong are generally open for business, except a Saturday and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Participant”	a person admitted by HKSCC as a participant of CCASS
“Companies Act”	the Companies Act 1981 of Bermuda
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company” or “Century City”	Century City International Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares and Warrants of which in issue are listed on the Stock Exchange
“Directors”	the directors of the Company
“EAF”	the excess application form(s) which is (are) issued in connection with the Rights Issue
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China



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## DEFINITIONS

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“Intermediary”	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, the Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the Beneficial Owner’s Shares with a CCASS Participant
“Investor Participant”	a person admitted to participate in CCASS as an Investor Participant
“Irrevocable Undertaking”	the irrevocable undertaking in connection with the Rights Issue and the Underwriting Agreement given by Mr. Lo in favour of the Company and OSK
“Latest Practicable Date”	14 October 2010, being the latest practicable date prior to the printing of this Prospectus for inclusion of certain information in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on the last date for acceptance of, and payment for, the Rights Shares which is expected to be on 2 November 2010
“Latest Time for Termination”	4:00 p.m. on 5 November 2010 or such other date as OSK may (after consultation with the other Underwriter) agree with the Company in writing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lo”	Mr. Lo Yuk Sui, the chairman of the Board and the chief executive officer of the Company, an executive Director and the controlling Shareholder
“Non-Qualifying Shareholders”	those Overseas Shareholders to whom the Company considers it necessary or expedient not to offer the Rights Shares based on the enquiry regarding the legal restrictions and/or regulatory requirements, if any, under the laws and regulations of the relevant jurisdictions where the Overseas Shareholders reside
“OSK”	OSK Securities Hong Kong Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO and is one of the Underwriters
“Overseas Shareholder(s)”	Shareholder(s) whose registered address(es) as shown in the register of members of the Company on the Record Date is(are) outside of Hong Kong

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## DEFINITIONS

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“PAL”	the provisional allotment letter(s) which is (are) issued in connection with the Rights Issue
“Paliburg”	Paliburg Holdings Limited, a company incorporated in Bermuda with limited liability, the shares and warrants of which in issue are listed on the Stock Exchange
“Paliburg Shares”	ordinary shares of Paliburg of HK\$0.10 each in the share capital of Paliburg
“Paliburg Warrants”	the warrants of Paliburg due November 2010 conferring rights on their holders to subscribe for Paliburg Shares at the prevailing subscription price of HK\$2.10 per Paliburg Share (subject to adjustment)
“PRC”	People’s Republic of China, for the purposes of this Prospectus, excluding Hong Kong, the Macao Special Administrative Region and Taiwan
“Prospectus”	this prospectus issued by the Company to the Shareholders dated 19 October 2010 containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, together with the PAL and the EAF
“Prospectus Posting Date”	19 October 2010, the date of posting the Prospectus Documents to the Qualifying Shareholders and the Prospectus to the Non-Qualifying Shareholders for their information only
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, which is(are) not a Non-Qualifying Shareholder(s)
“Record Date”	18 October 2010, the date by reference to which entitlements to the Rights Issue are determined
“Registered Owner(s)”	in respect of a Beneficial Owner, a nominee, trustee, depository or any other authorised custodian or third party which is the registered holder in the register of members of the Company of the Shares in which the Beneficial Owner is beneficially interested
“Registrar”	Tricor Tengis Limited, the Company’s Hong Kong branch share registrar located at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the issue by way of rights of the Rights Shares on the terms and subject to the conditions as set out in the Underwriting Agreement and in the Prospectus

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## DEFINITIONS

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“Rights Share(s)”	239,180,432 new Shares to be offered by the Company pursuant to the Rights Issue on the terms set out in the Underwriting Agreement and in the Prospectus
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Option(s)”	option(s) to subscribe for Share(s) granted under the share option scheme of the Company approved and adopted by the Shareholders on 16 June 2005
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the issue price of HK\$0.48 per Rights Share at which the Rights Shares are offered for subscription
“Underwriters”	OSK and Ablewise
“Underwriting Agreement”	the underwriting agreement dated 7 October 2010 and entered into between the Underwriters and the Company (after trading hours) in relation to the Rights Issue
“U.S.”	United States of America
“Warrants”	the warrants of the Company due January 2011 conferring rights on their holders to subscribe for Shares at the prevailing subscription price of HK\$1.00 per Share (subject to adjustment)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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## LETTER FROM THE BOARD

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世紀城市國際控股有限公司  
**Century City**  
International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 355)

*Executive Directors:*

Mr. LO Yuk Sui (*Chairman and Chief Executive Officer*)

Mr. Kenneth NG Kwai Kai (*Chief Operating Officer*)

Mr. Donald FAN Tung

Mr. Kelvin LEUNG So Po

Mr. Jimmy LO Chun To

Miss LO Po Man

*Registered office:*

Rosebank Centre, 11 Bermudiana Road

Pembroke, Bermuda

*Head office and principal place  
of business:*

11th Floor, 68 Yee Wo Street

Causeway Bay

Hong Kong

*Independent Non-Executive Directors:*

Mr. Anthony CHUANG

Mr. NG Siu Chan

Mr. WONG Chi Keung

19 October 2010

*To the Qualifying Shareholders and, for information purposes only,  
the Non-Qualifying Shareholders and holders of the Warrants*

Dear Sir or Madam,

**RIGHTS ISSUE OF 239,180,432 RIGHTS SHARES OF  
HK\$0.10 EACH AT HK\$0.48 PER RIGHTS SHARE  
ON THE BASIS OF ONE (1) RIGHTS SHARE FOR  
EVERY TEN (10) SHARES HELD ON THE RECORD DATE**

### INTRODUCTION

By the Announcements dated 7 and 13 October 2010, the Board announced that the Company entered into the Underwriting Agreement in relation to the Rights Issue. As stated in the Announcements, the Board proposes to raise approximately HK\$114.8 million before expenses by issuing 239,180,432 Rights Shares at the Subscription Price of HK\$0.48 per Rights Share on the basis of one (1) Rights Share for every ten (10) Shares held on the Record Date. The Rights Issue will only be available to the Qualifying Shareholders.

In connection with the Rights Issue, pursuant to the Irrevocable Undertaking, Mr. Lo has given an undertaking to the Company and OSK to subscribe for, and procure his associates to subscribe for, the Rights Shares provisionally allotted to him and his associates.

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## LETTER FROM THE BOARD

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The purpose of this Prospectus is to provide you with, among other things, further details on the Rights Issue and the financial and other general information of the Group.

The Directors consider that the terms of the Rights Issue are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### TERMS OF THE RIGHTS ISSUE

#### Issue statistics

Basis of the Rights Issue	: One (1) Rights Share for every ten (10) Shares held on the Record Date
Number of Shares in issue	: 2,391,804,321 Shares as at the Record Date
Number of Rights Shares	: 239,180,432 Rights Shares
Subscription Price	: HK\$0.48 per Rights Share
Enlarged issued ordinary share capital upon completion of the Rights Issue (assuming no Warrants or Share Options are exercised up to completion of the Rights Issue)	: 2,630,984,753 Shares

As at the Latest Practicable Date, there were (i) outstanding Share Options carrying rights to subscribe for 35,000,000 new Shares at the prevailing subscription price of HK\$1.20 per Share, which are all held by Mr. Lo and (ii) outstanding Warrants carrying subscription rights in an aggregate amount of HK\$303,153,817 to subscribe for 303,153,817 new Shares at the prevailing subscription price of HK\$1.00 per Share. Save as disclosed above, the Company does not have any other outstanding warrants or securities in issue which are convertible or exchangeable into Shares.

#### Irrevocable Undertaking

As at the Latest Practicable Date, Mr. Lo and his associates are the legal and beneficial owners of (i) 1,212,034,907 Shares, representing approximately 50.7% of the entire issued ordinary share capital of the Company, (ii) Warrants carrying subscription rights in an aggregate amount of approximately HK\$239,236,979 to subscribe for approximately 239,236,979 new Shares at the prevailing subscription price of HK\$1.00 per Share and (iii) Share Options which carry rights to subscribe for 35,000,000 new Shares at the prevailing exercise price of HK\$1.20 per Share. Pursuant to the respective terms of issue of the Warrants and the Share Options, adjustments will be made to the prevailing subscription terms of the Warrants and the Share Options as a result of the Rights Issue. Please refer to the paragraph headed “Adjustments in relation to the Warrants and the Share Options” below for further information. Pursuant to the Irrevocable Undertaking, Mr. Lo has given an irrevocable undertaking in favour of the Company and OSK, as an Underwriter, that he and his associates will subscribe for the Rights Shares that are provisionally allotted to them under the Rights Issue.

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## LETTER FROM THE BOARD

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### Subscription Price

The Subscription Price is HK\$0.48 per Rights Share, payable in full by the Qualifying Shareholders upon acceptance of the relevant provisional allotment of the Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for Rights Shares. The Subscription Price represents:

1. a discount of approximately 30.4% to the closing price of HK\$0.69 per Share as quoted on the Stock Exchange on 7 October 2010, being the date of the Underwriting Agreement;
2. a discount of approximately 31.4% to the average of the closing prices of HK\$0.70 per Share as quoted on the Stock Exchange for the five trading days up to and including 7 October 2010;
3. a discount of approximately 27.8% to the average of the closing prices of HK\$0.665 per Share as quoted on the Stock Exchange for the 10 trading days up to and including 7 October 2010;
4. a discount of approximately 28.5% to the theoretical ex-entitlement price of approximately HK\$0.671 based on the closing price of HK\$0.69 per Share as quoted on the Stock Exchange on 7 October 2010; and
5. a discount of 25.0% to the closing price of HK\$0.64 per Share as quoted on the Stock Exchange on the Latest Practicable Date (on which Shares were traded on an ex-rights basis).

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriters with reference to the then current market price of the Shares. The Directors consider the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### Basis of provisional allotment

The basis of the provisional allotment is one (1) Rights Share for every ten (10) Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK\$0.48 per Rights Share. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for before the Latest Time for Acceptance.

### Qualifying Shareholders

The Prospectus Documents are being sent by the Company to the Qualifying Shareholders only.

As at the Record Date, the Company has 87 Shareholders with registered addresses on that date located outside Hong Kong, that are in Australia, Canada, EIRE (Ireland), France, Macao Special Administrative Region, Malaysia, New Zealand, the Philippines, Singapore, the United Kingdom and the U.S..

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## LETTER FROM THE BOARD

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The Company has made enquiries in accordance with Rule 13.36(2)(a) (including notes 1 and 2 thereof) of the Listing Rules regarding the legal restrictions (if any) under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges for the Company making the Rights Issue to any Overseas Shareholders.

In respect of Australia, Canada, Malaysia, New Zealand, the Philippines and the U.S., the Company has made enquiries regarding legal restrictions and understands that either (i) the Prospectus Documents would be required to be registered or filed with or subject to approval by the relevant regulatory authorities in the relevant jurisdictions (as the case may be); or (ii) the Company would need to take additional steps to comply with the regulatory requirements of the relevant regulatory authorities in the relevant jurisdictions. Therefore, the Company would be required to comply with the relevant laws and regulations if the Rights Issue is to be extended to the Overseas Shareholders with registered addresses in these 6 jurisdictions. Having considered the circumstances, the Directors are of the view that it is not expedient to extend the Rights Issue to such Overseas Shareholders taking into consideration that the time and costs involved in complying with the legal requirements of these jurisdictions will outweigh the possible benefits to the relevant Overseas Shareholders and the Company. Thus, the Rights Issue would not be extended to the Overseas Shareholders whose registered addresses are in Australia, Canada, Malaysia, New Zealand, the Philippines and the U.S.. This Prospectus is sent to each of such Non-Qualifying Shareholders (whilst the Rights Issue is not being extended to them) for information only.

In respect of EIRE (Ireland), France, Macao Special Administrative Region, Singapore and the United Kingdom, the Company has made enquiries regarding legal restrictions and understands that either (i) there is no legal restriction under the applicable legislation of the relevant jurisdictions or requirement of any relevant regulatory body or stock exchange with respect to the extension of the Rights Issue to the Overseas Shareholders in the relevant jurisdictions; or (ii) the Company would be exempt from obtaining approval from, and/or registration of the Prospectus Documents with, the relevant regulatory authorities under the applicable laws and regulations of the relevant jurisdictions since the Company would meet the relevant requirements for exemption under the relevant jurisdictions. Accordingly, the Rights Issue will be extended to the Overseas Shareholders with registered addresses in EIRE (Ireland), France, Macao Special Administrative Region, Singapore and the United Kingdom. The Prospectus Documents are sent to each of such Qualifying Shareholders.

It is the responsibility of any person (including but not limited to nominee, agent and trustee) outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself or herself or itself as to the full observation of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection herewith. Any application for the Rights Shares by any such person will be deemed to constitute a representation and warranty from such persons to the Company that these aforesaid laws and requirements have been complied with. Any person wishing to apply for the Rights Shares should consult their professional advisers if in doubt.

Notwithstanding any other provision in this Prospectus or the PAL or the EAF, the Company reserves the right to permit any Shareholder to take up his/her/its rights if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. If the Company is so satisfied, the Company will, if requested, arrange to send to the relevant Shareholder a PAL and an EAF.

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## LETTER FROM THE BOARD

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Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold on the market in their nil-paid form as soon as practicable after dealings in the Rights Shares in their nil-paid form have commenced and before dealings in the Rights Shares in their nil-paid form end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid pro rata to the Non-Qualifying Shareholders whose entitlement is individually more than HK\$100. The Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlements of the Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted and the fractional entitlements to the Rights Shares which are not sold, will be made available for excess application on EAFs by Qualifying Shareholders.

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares (as more particularly described in the paragraph headed "Application for excess Rights Shares" below) is 4:00 p.m. on Tuesday, 2 November 2010.

Qualifying Shareholders who take up their pro rata entitlements under the Rights Issue in full will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up his, her or its entitlement in full under the Rights Issue, his, her or its proportionate shareholding in the Company will be diluted.

### **Distribution of this Prospectus and the Prospectus Documents**

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Bermuda and Hong Kong. The Company will only send the Prospectus (without the PAL and the EAF) to the Non-Qualifying Shareholders for their information.

Distribution of this Prospectus and the other Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession the Prospectus Documents come (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. Any Shareholder or Beneficial Owner who is in any doubt as to his/her/its position should consult an appropriate professional adviser without delay.

No part of the Prospectus Documents should be published, reproduced, distributed or otherwise made available in whole or in part to any person without the prior written consent of the Company.

### **Procedure for acceptance and payment or transfer**

Any person (including, without limitation, agents, nominees and trustees) wishing to take up his/her/its rights under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws and regulations of any jurisdiction.



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## LETTER FROM THE BOARD

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Each subscriber of the Rights Shares will be deemed (by accepting delivery of this Prospectus) to have given each of the following representations and warranties to the Company and the Underwriters and to any person acting on their behalf, unless in their sole discretion the Company and the Underwriters waive such requirement:

- He/she/it was a Shareholder as at the Record Date, or he/she/it lawfully acquired or may lawfully acquire rights, directly or indirectly, from such person;
- He/she/it may lawfully be offered, take up, exercise, obtain, subscribe for and receive the rights and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;
- He/she/it is not resident or located in, or a citizen of, the U.S.;
- He/she/it is not accepting an offer to acquire, take up or exercise rights or the Rights Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of, the U.S. at the time the instruction to accept was given; and
- He/she/it is not acquiring rights or the Rights Shares with a view to the offer, sale, transfer, delivery or distribution, directly or indirectly, of such rights or Rights Shares into the U.S..

For the Qualifying Shareholders, a PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, by not later than 4:00 p.m. on Tuesday, 2 November 2010. All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**Century City International Holdings Limited — Rights Issue Account**" and crossed "**Account Payee Only**". It should be noted that unless the duly completed and signed PAL, together with the appropriate remittance, has been lodged with the Registrar by not later than 4:00 p.m. on Tuesday, 2 November 2010, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferees, will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in

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## LETTER FROM THE BOARD

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respect thereof, the Company reserves the right at its sole discretion, to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If the Underwriters exercise the right to terminate the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" below is not fulfilled or waived (as applicable) at or before the time and date specified therefor, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person, without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on or before Tuesday, 9 November 2010.

### **Transfers and "splitting" of nil-paid Rights Shares**

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:00 p.m. on Monday, 25 October 2010 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. No fee will be charged for splitting of the provisional allotment.

### **Application for excess Rights Shares**

The Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders, any unsold Rights Shares created by aggregating fractions of the Rights Shares and any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares. Applications for excess Rights Shares may be made by the Qualifying Shareholders only by completing and signing the EAFs and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (a) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse this mechanism; and
- (b) subject to availability of excess Rights Shares after allocation under principle (a) above, the excess Rights Shares will be allocated to the Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied for by them (i.e. the Qualifying Shareholders applying for a smaller number of Rights Shares are allocated with

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a higher percentage of successful application but will receive a lesser number of Rights Shares; whereas the Qualifying Shareholders applying for a larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive a higher number of Rights Shares).

If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on applications in respect of the excess Rights Shares being applied for with the Registrar at or before 4:00 p.m. on Tuesday, 2 November 2010. All remittances must be made in Hong Kong dollars and cheques must be drawn on a bank account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**Century City International Holdings Limited — Excess Application Account**" and crossed "**Account Payee Only**". The Registrar will notify the relevant Qualifying Shareholders of any allotment of excess Rights Shares made to them. An announcement of results of acceptance of and excess applications for the Rights Issue will be published on Monday, 8 November 2010.

Shareholders should note that the number of excess Rights Shares which may be allocated to them may be different where they make applications for excess Rights Shares by different means, such as making applications in their own names as against through Registered Owners.

Where the number of excess Rights Shares applied for under one EAF is larger than the total number of Rights Shares being offered under the Rights Issue, being 239,180,432 Rights Shares, such application (other than from HKSCC) would be treated as invalid and be rejected. If no excess Rights Shares are allotted to a Qualifying Shareholder, the amount tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full by ordinary post by the Registrar at the Qualifying Shareholder's own risk to their registered addresses on or before Tuesday, 9 November 2010. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be returned by refund cheque to that Qualifying Shareholder by ordinary post by the Registrar at the Qualifying Shareholder's own risk to their registered addresses on or before Tuesday, 9 November 2010.

If the Underwriters exercise the right to terminate the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" below is not fulfilled or waived (as applicable) at or before the time and date specified therefor, the monies received in respect of relevant applications for excess Rights Shares will be returned to the relevant persons without interest, by means of cheques despatched by ordinary post at the risk of such applicants to their registered addresses by the Registrar on or before Tuesday, 9 November 2010.

All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any acceptance of it, have been, or will be, duly complied with. Completion and return of the EAF together with a cheque or a cashier's order in payment for the excess Rights Shares applied will constitute a warranty

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by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right, at its sole discretion, to reject any application for excess Rights Shares on any EAF in respect of which a cheque or cashier's order is dishonoured on first presentation.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques, will be sent at the risk of the persons entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions. No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving a copy of the EAF in any territory outside Hong Kong may treat it as an offer or invitation to apply for the excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone outside Hong Kong wishing to make an application for the excess Rights Shares to satisfy himself/herself/itself before acquiring any rights to subscribe for the excess Rights Shares as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connection therewith. The Company reserves the right to refuse to accept any application for the excess Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

Qualifying Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Qualifying Shareholder according to the register of members of the Company. Accordingly, Qualifying Shareholders whose Shares are registered in the name of a nominee company should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to them individually.

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## LETTER FROM THE BOARD

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### **Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS)**

#### ***Subscription for Rights Shares provisionally allotted and transfers and “splitting” of nil-paid Rights Shares***

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your nil-paid Rights Shares or “split” your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the expected timetable set out in the section headed “Expected Timetable” of the Prospectus and otherwise in accordance with the requirements of the Registered Owner in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

### **Action to be taken by Beneficial Owners holding interests in Shares through CCASS**

#### ***Subscription for Rights Shares provisionally allotted and transfers and “splitting” of nil-paid Rights Shares***

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your nil-paid Rights Shares or “split” your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should (unless you are a person admitted to participate in CCASS as an Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the expected timetable set out in the section headed “Expected Timetable” of the Prospectus and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS Participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

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The procedures for acceptance, transfer and/or “splitting” of Rights Shares provisionally allotted to Beneficial Owners who have been admitted to participate in CCASS as Investor Participants shall be in accordance with “An Operating Guide for Investor Participants” and any other requirements of CCASS. Beneficial Owners who have been admitted to participate in CCASS as Investor Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in Rights Shares should be dealt with.

### **Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS) who wish to apply for excess Rights Shares**

#### *Excess Rights Shares application procedures*

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to apply for excess Rights Shares, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to such application. Such instructions and/or arrangements should be given or made in advance of the latest time for application and payment for excess Rights Shares stated in the expected timetable set out in the section headed “Expected Timetable” of this Prospectus and otherwise in accordance with the requirements of the Registered Owner, in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

### **Action to be taken by Beneficial Owners holding interests in Shares through CCASS who wish to apply for excess Rights Shares**

#### *Excess Rights Shares application procedures*

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for excess Rights Shares, you should (unless you are a person admitted to participate in CCASS as an Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the application for excess Rights Shares. Such instructions and/or arrangements should be given or made in advance of the date stated in the expected timetable set out in the section headed “Expected Timetable” of this Prospectus as the latest time for application and payment for excess Rights Shares and otherwise in accordance with the requirements of your Intermediary, in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for application for excess Rights Shares shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

The procedures for application for excess Rights Shares by Beneficial Owners who have been admitted to participate in CCASS as Investor Participants shall be in accordance with “An Operating Guide for Investor Participants” and any other requirements of CCASS. Beneficial Owners who have been admitted to participate in CCASS as Investor Participants should contact CCASS to provide CCASS with instructions or make arrangements with CCASS in relation to any applications for excess Rights Shares.

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### **Important notice for Beneficial Owners**

Beneficial Owners with their Shares held by a Registered Owner, or which are held in CCASS, should note that the Registered Owner (including HKSCC Nominees Limited) is regarded as a single Shareholder according to the register of members of the Company. Accordingly, Beneficial Owners whose Shares are registered in the name of a Registered Owner, or which are held in CCASS, should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to them individually.

### **Certificates for the Rights Shares and refund cheques**

Subject to fulfillment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be despatched by ordinary post on or before Tuesday, 9 November 2010 to those persons who have validly accepted and paid for the Rights Shares and those successful applicants for the excess Rights Shares to the registered address or, in case of joint applicants, to the registered address of the applicant whose name appears first in the register of members of the Company or, as the case may be, the transfer form, at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) will be despatched on or before Tuesday, 9 November 2010 by ordinary post to the addresses as aforesaid at the respective applicants' own risks.

### **Application for listing**

The Company has applied to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms, and has received a conditional listing approval from the Stock Exchange. Dealings in the Rights Shares in both their nil-paid and fully-paid forms, both in board lots of 4,000, which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty and other applicable fees in Hong Kong. Shareholders should seek advice from their stockbroker or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

No part of the Rights Shares is listed or dealt in any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is presently proposed to be sought.

### **Rights Shares will be eligible for admission into CCASS**

Subject to the listing of and permission to deal in all the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange being granted, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

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Shareholders should seek advice from their stockbroker or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

### Status of the Rights Shares

The Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares.

### Fractions of Rights Shares

The provisional allotment to the Qualifying Shareholders will be rounded down to the nearest whole number of Rights Shares. Fractions of Rights Shares will not be allotted to Qualifying Shareholders. Such fractional entitlements will be aggregated and, if possible, sold in the market. The net proceeds of such sales (after deduction of expenses) will be aggregated and will accrue for the benefit of the Company.

### Odd lots arrangements

The Company has agreed to procure OSK to arrange for matching services regarding the sale and purchase of odd lots of Shares and nil-paid Rights Shares from Tuesday, 19 October 2010 to Thursday, 28 October 2010 (both days inclusive). Shareholders may contact Mr. Cheng Kwai Hung of OSK at (852) 2103 5680 for details of such matching services.

### Conditions of the Rights Issue

The Rights Issue is conditional on each of the following conditions being fulfilled or waived (as applicable):

- (i) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by a resolution of the Board (and with all documents required to be attached thereto by Section 342C of the Companies Ordinance) not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- (ii) the filing of the Prospectus, the PAL and the EAF (all having been received or accepted by the Stock Exchange and signed by or on behalf of all Directors) with the Registrar of Companies in Bermuda in compliance with the Companies Act on, or as soon as reasonably practicable after, the Prospectus Posting Date;
- (iii) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of this Prospectus marked "For information only" to the Non-Qualifying Shareholders, in each case, on the Prospectus Posting Date;



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- (iv) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment), and not having withdrawn or revoked, the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms), either unconditionally or subject to such conditions as OSK may (after consultation with the other Underwriter) accept and the satisfaction of such conditions (if any and where relevant) before 8:00 a.m. on the date on which nil-paid Rights Shares commence dealings on the Stock Exchange;
- (v) compliance with and performance of all the undertakings and obligations of the Company under the Underwriting Agreement;
- (vi) compliance with and performance of all the undertakings and obligations of Mr. Lo under the Irrevocable Undertaking;
- (vii) the obligations of the Underwriters under the Underwriting Agreement are not terminated in accordance with the terms of the Underwriting Agreement; and
- (viii) the Shares remaining listed on the Stock Exchange at all times up to and including the Latest Time for Termination and the current listing of the Shares not having been withdrawn and no indication being received from the Stock Exchange before the Latest Time for Termination to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason.

If the conditions of the Rights Issue under the Underwriting Agreement are not fulfilled or waived to the extent permitted under the Underwriting Agreement on or before the Latest Time for Termination, the Underwriting Agreement will terminate and no party thereto will have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches. If the Underwriting Agreement terminates in accordance with its terms, the Rights Issue will not proceed and the Irrevocable Undertaking by Mr. Lo will lapse automatically.

As at the Latest Practicable Date, none of the above conditions had been fulfilled.

### **NO OFFERING OF RIGHTS SHARES OTHER THAN IN HONG KONG**

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving this Prospectus, a PAL or an EAF in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares or excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. Subject as referred to below, it is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself before acquiring any rights to subscribe for the provisionally allotted Rights Shares or excess Rights Shares as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company

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that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

### UNDERWRITING AGREEMENT

The Underwriters have severally agreed to underwrite in aggregate 117,976,944 Rights Shares, being the total number of Rights Shares excluding the Rights Shares undertaken to be subscribed for by Mr. Lo and his associates pursuant to the Irrevocable Undertaking at the Subscription Price of HK\$0.48 per Rights Share. The Underwriting Agreement provides that each Underwriter will be obliged to subscribe for or procure subscribers to subscribe for 50% of any Rights Shares not taken up or applied for by the Qualifying Shareholders or not taken up by transferee(s) of nil-paid Rights Shares, subject to the conditions set out therein.

#### Underwriting commission

The Company will pay the Underwriters an underwriting commission of 2.5% of the aggregate Subscription Price of the Rights Shares, other than those Rights Shares subject to the Irrevocable Undertaking. The Directors (including the independent non-executive Directors), save for Mr. Lo who abstained on the relevant Board resolution, are of the view that the terms of the Underwriting Agreement are fair and reasonable.

#### Termination of the Underwriting Agreement

If prior to the Latest Time for Termination:

- (a) in the sole and absolute opinion of OSK (after consultation with the other Underwriter), the success of the Rights Issue would be materially and adversely affected by:
  - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the sole and absolute opinion of OSK (after consultation with the other Underwriter) materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
  - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any

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local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the sole and absolute opinion of OSK (after consultation with the other Underwriter) materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

- (iii) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
- (b) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, foreign exchange or currency markets, or suspension or material restriction in trading in securities) occurs which in the sole and absolute opinion of OSK (after consultation with the other Underwriter) is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (c) there is any change in the circumstances of the Company or any member of the Group which in the sole and absolute opinion of OSK (after consultation with the other Underwriter) will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group; or
- (d) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than 10 consecutive Business Days, excluding any suspension in connection with the clearance of the Announcements or the Prospectus Documents or other announcements in connection with the Rights Issue, or
- (e) this Prospectus or announcements of the Company published since the date of the Underwriting Agreement contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the sole and absolute opinion of OSK (after consultation with the other Underwriter) be material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it; or
- (f) any Underwriter shall become aware of the fact that any of the warranties or undertakings contained in the Underwriting Agreement was untrue, inaccurate, misleading or breached, and in each case the same is (in the sole and absolute opinion of OSK (after consultation with the other Underwriter)) material in the context of the Rights Issue,

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then and in such case, OSK (after consultation with the other Underwriter) may, in addition to and without prejudice to any other remedies to which the Underwriters may be entitled, by serving a notice in writing to the Company, to terminate the Underwriting Agreement prior to the Latest Time for Termination.

**If OSK (after consultation with the other Underwriter) gives a notice of termination to the Company in accordance with the terms of the Underwriting Agreement, all obligations of the Underwriters under the Underwriting Agreement shall cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriters any legal fees and other out of pocket expenses incurred by the Underwriters, except that the underwriting commission described above shall not be payable to the Underwriters if the Underwriting Agreement does not become unconditional or if it is terminated by the Underwriters pursuant to the Underwriting Agreement. If the Underwriters exercise their rights to terminate the Underwriting Agreement, the Rights Issue will not proceed.**

### **WARNING OF THE RISKS OF DEALING IN THE SHARES, WARRANTS AND RIGHTS SHARES IN NIL-PAID FORM**

The Rights Issue is conditional upon the fulfillment or waiver (as applicable) of the conditions set out above under the section headed “Conditions of the Rights Issue”. The Underwriters are entitled under the Underwriting Agreement to terminate the Underwriting Agreement on the occurrence of certain events, including but not limited to force majeure, as more particularly described in the sub-section headed “Termination of the Underwriting Agreement” above. The Rights Issue is therefore also subject to the Underwriters not terminating the Underwriting Agreement. Accordingly, the Rights Issue may or may not proceed.

Any dealings in the Shares or Warrants up to the date on which all the conditions of the Rights Issue are fulfilled or waived (as applicable), and any dealings in the Rights Shares in their nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or holders of Warrants or other persons contemplating any dealings in the Shares or Warrants or the Rights Shares in their nil-paid form are advised to consult their own professional advisers.

### **EXEMPT CONNECTED TRANSACTION**

Ablewise is an investment holding company and is one of the Underwriters. Ablewise is an associate of Mr. Lo and thereby a connected person (as defined in the Listing Rules) of the Company. Nevertheless, the issue of any Rights Shares to Ablewise as an Underwriter pursuant to the Underwriting Agreement is fully exempted from the reporting, announcement and independent shareholders’ approval requirements pursuant to Rule 14A.31(3)(c) of the Listing Rules. As the underwriting commission payable to Ablewise under the Underwriting Agreement is less than HK\$1 million, on normal commercial terms and the applicable percentage ratios are less than 5%, the payment of underwriting commission to Ablewise under the Underwriting Agreement is exempted from the reporting, announcement and independent shareholders’ approval requirements pursuant to Rule 14A.31(2)(c) of the Listing Rules.

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## LETTER FROM THE BOARD

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### FUNDS RAISED DURING THE PAST 12 MONTHS

During the past 12 months immediately preceding 7 October 2010, being the date on which the Rights Issue is first announced, the Company has not conducted any fund raising activity.

### REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in property development and investment, construction and building related businesses, and other investments including, in particular, its interests in Regal Hotels International Holdings Limited, which is principally engaged in hotel operation and management, investment in Regal Real Estate Investment Trust and other investments.

The gross proceeds of the Rights Issue are expected to amount to approximately HK\$114.8 million. It is estimated that the underwriting commission and expenses payable by the Company will amount to approximately HK\$2.8 million and the net proceeds of the Rights Issue are expected to amount to approximately HK\$112 million. The Group currently holds Paliburg Warrants carrying subscription rights in an aggregate amount of approximately HK\$124.9 million to subscribe for approximately 59.5 million Paliburg Shares at the prevailing subscription price of HK\$2.10 per Paliburg Share. It is expected that the Group will apply the net proceeds of the Rights Issue for the subscription of Paliburg Shares by exercising the Paliburg Warrants held by the Group. If only those Paliburg Warrants held by the Group are exercised, the Group's shareholding interest in Paliburg will increase from 58.6% to 60.8%. If all outstanding Paliburg Warrants held by the Group and others are exercised, the Group's shareholding interest in Paliburg will increase from 58.6% to 58.9%.

### ADJUSTMENTS IN RELATION TO THE WARRANTS AND THE SHARE OPTIONS

Pursuant to the terms of the instrument constituting the Warrants, if the Company issues any Shares at an issue price below the prevailing exercise price of the Warrants, the exercise price of the Warrants will be adjusted downward to such issue price. Subject to the Rights Issue becoming unconditional, the issue of the Rights Shares at HK\$0.48 per Share will result in the exercise price of the Warrants being adjusted to HK\$0.48 per Share. Based on such adjusted exercise price, the Warrants outstanding as at the Latest Practicable Date carrying subscription rights in an aggregate amount of HK\$303,153,817 will confer rights on their holders to subscribe for approximately 631.6 million Shares.

Pursuant to the terms of the share option scheme of the Company approved and adopted by the Shareholders on 16 June 2005, the exercise price and the number of Shares which may fall to be issued upon exercise of the outstanding Share Options will also be adjusted as a result of the Rights Issue if the Rights Issue becomes unconditional.

The Company will engage its auditors or an independent financial adviser to certify any adjustments that ought to be made to the Warrants and the outstanding Share Options, and will make a separate announcement after the adjustments have been confirmed.

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## LETTER FROM THE BOARD

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### CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

The existing shareholding structure of the Company as at the Latest Practicable Date and the shareholding structure of the Company immediately upon completion of the Rights Issue are set out below:

	As at the Latest Practicable Date		Upon completion of the Rights Issue and assuming all Shareholders take up the Rights Shares provisionally allotted to them (Assuming no exercise of any outstanding Warrants or Share Options before completion of the Rights Issue)		Upon completion of the Rights Issue and assuming, save for Mr. Lo and his associates, no other Shareholders take up the Rights Shares provisionally allotted to them (Assuming no exercise of any outstanding Warrants or Share Options before completion of the Rights Issue)		Exercise of all outstanding Warrants at the adjusted subscription price after completion of the Rights Issue but before exercise of any outstanding Share Options (Assuming all Shareholders have taken up the Rights Shares provisionally allotted to them)	
	<i>No. of Shares (in million)</i>	<i>%</i>	<i>No. of Shares (in million)</i>	<i>%</i>	<i>No. of Shares (in million)</i>	<i>%</i>	<i>No. of Shares (in million)</i>	<i>%</i>
Mr. Lo and his associates (note 1)	1,212.0	50.7	1,333.2	50.7	1,392.2	52.9	1,831.6	56.1
Other Directors	2.6	0.1	2.9	0.1	2.6	0.1	4.0	0.1
OSK	—	—	—	—	59.0	2.2	—	—
Public shareholders	<u>1,177.2</u>	<u>49.2</u>	<u>1,294.9</u>	<u>49.2</u>	<u>1,177.2</u>	<u>44.8</u>	<u>1,427.0</u>	<u>43.8</u>
Total	<u>2,391.8</u>	<u>100.0</u>	<u>2,631.0</u>	<u>100.0</u>	<u>2,631.0</u>	<u>100.0</u>	<u>3,262.6</u>	<u>100.0</u>

*Note:*

- Mr. Lo and his associates include Ablewise, which is one of the Underwriters.

### ADDITIONAL INFORMATION

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

Yours faithfully,  
By Order of the Board

**Century City International Holdings Limited**

LO Yuk Sui  
*Chairman*

## 1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Set out below is a summary of the consolidated income statements and consolidated statements of financial position of the Group for the financial years ended 31 December 2009, 31 December 2008 and 31 December 2007 which are based on the annual reports of the Company for the years ended 31 December 2009 and 31 December 2008 and for the six months ended 30 June 2010 and 30 June 2009 which are based on the interim report of the Company for the six months ended 30 June 2010.

**Consolidated Income Statements**

	Six months ended 30 June		For the year ended 31 December		
	2010 (Unaudited) HK\$'million	2009 (Unaudited) HK\$'million	2009 (Audited) HK\$'million	2008 (Audited) HK\$'million	2007 (Audited) HK\$'million
REVENUE	51.2	115.1	188.5	282.9	339.8
Cost of sales	(47.2)	(85.9)	(147.4)	(258.0)	(258.3)
Gross profit	4.0	29.2	41.1	24.9	81.5
Other income and gains	2.0	8.4	69.4	233.1	96.0
Fair value gains/(losses) on investment properties	—	46.0	46.1	(22.0)	30.0
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	219.1	117.3	336.0	(103.4)	122.5
Administrative expenses	(20.5)	(19.3)	(47.2)	(44.8)	(48.4)
Other operating income/(expenses), net	0.4	(50.7)	(51.1)	(33.9)	(109.0)
OPERATING PROFIT	205.0	130.9	394.3	53.9	172.6
Finance costs	(0.1)	(0.9)	(1.6)	(5.3)	(24.5)
Share of profits and losses of associates	191.9	71.2	109.8	(371.4)	1,280.0
PROFIT/(LOSS) BEFORE TAX	396.8	201.2	502.5	(322.8)	1,428.1
Income tax	(0.9)	(9.2)	(8.2)	3.3	(3.4)
PROFIT/(LOSS) FOR THE PERIOD BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	395.9	192.0	494.3	(319.5)	1,424.7
Attributable to:					
Equity holders of the parent	230.6	123.3	315.2	(126.5)	758.6
Non-controlling interests	165.3	68.7	179.1	(193.0)	666.1
	395.9	192.0	494.3	(319.5)	1,424.7
EARNINGS/(LOSS) PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT					(Restated)
Basic	HK9.64 cents	HK5.34 cents	HK13.60 cents	HK(5.66) cents	HK38.3 cents
Diluted	HK9.56 cents	HK5.16 cents	HK13.16 cents	HK(5.66) cents	HK28.2 cents

## Consolidated Statements of Financial Position

	As at 30 June		As at 31 December	
	2010	2009	2008	2007
	(Unaudited)	(Audited)	(Audited)	(Audited)
	HK\$'million	HK\$'million	HK\$'million	HK\$'million
NON-CURRENT ASSETS				
Property, plant and equipment	4.2	2.7	3.3	4.8
Investment properties	0.4	0.4	358.3	380.3
Goodwill	202.0	202.0	202.0	202.0
Interests in associates	4,517.0	4,376.2	4,136.8	4,552.3
Available-for-sale investments	7.7	7.5	14.0	17.9
Financial assets at fair value through profit or loss	733.9	583.9	211.3	308.5
Loans receivable	4.8	5.5	6.5	9.7
Deposits	—	—	—	10.0
Other assets	0.2	0.2	0.2	0.2
Total non-current assets	<u>5,470.2</u>	<u>5,178.4</u>	<u>4,932.4</u>	<u>5,485.7</u>
CURRENT ASSETS				
Financial assets at fair value through profit or loss	275.1	198.8	192.9	138.3
Properties held for sale	6.0	6.0	6.0	6.0
Inventories	10.3	7.2	10.0	3.7
Debtors, deposits and prepayments	97.3	54.2	93.5	79.2
Time deposits	84.3	238.6	206.8	439.9
Cash and bank balances	<u>126.4</u>	<u>127.7</u>	<u>110.5</u>	<u>74.1</u>
	599.4	632.5	619.7	741.2
Asset of a disposal group classified as held for sale	<u>249.4</u>	<u>249.4</u>	<u>249.4</u>	<u>249.4</u>
Total current assets	<u>848.8</u>	<u>881.9</u>	<u>869.1</u>	<u>990.6</u>



**APPENDIX I**
**FINANCIAL INFORMATION OF THE GROUP**

	As at 30 June		As at 31 December	
	2010	2009	2008	2007
	(Unaudited)	(Audited)	(Audited)	(Audited)
	HK\$'million	HK\$'million	HK\$'million	HK\$'million
<b>CURRENT LIABILITIES</b>				
Creditors and accruals	(69.0)	(183.3)	(105.9)	(102.5)
Tax payable	(4.5)	(3.6)	(3.7)	(4.0)
Interest bearing bank borrowings	—	—	—	(197.0)
Deposits received	<u>(216.9)</u>	<u>(216.9)</u>	<u>(221.3)</u>	<u>(221.3)</u>
	(290.4)	(403.8)	(330.9)	(524.8)
Liability directly associated with the asset of a disposal group classified as held for sale	<u>(98.9)</u>	<u>(98.9)</u>	<u>(98.9)</u>	<u>(98.9)</u>
Total current liabilities	<u>(389.3)</u>	<u>(502.7)</u>	<u>(429.8)</u>	<u>(623.7)</u>
<b>NET CURRENT ASSETS</b>	<u>459.5</u>	<u>379.2</u>	<u>439.3</u>	<u>366.9</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>5,929.7</u>	<u>5,557.6</u>	<u>5,371.7</u>	<u>5,852.6</u>
<b>NON-CURRENT LIABILITIES</b>				
Interest bearing bank borrowings	—	—	(214.6)	(50.0)
Deferred tax liabilities	<u>—</u>	<u>—</u>	<u>(6.9)</u>	<u>(11.0)</u>
Total non-current liabilities	<u>—</u>	<u>—</u>	<u>(221.5)</u>	<u>(61.0)</u>
Net assets	<u>5,929.7</u>	<u>5,557.6</u>	<u>5,150.2</u>	<u>5,791.6</u>
<b>EQUITY</b>				
<b>Equity attributable to equity holders of the parent</b>				
Issued capital	239.1	239.1	312.2	391.7
Reserves	3,390.9	3,145.6	2,777.4	2,836.4
Proposed final/interim dividends	<u>9.6</u>	<u>19.1</u>	<u>11.6</u>	<u>22.3</u>
	3,639.6	3,403.8	3,101.2	3,250.4
<b>Non-controlling interests</b>	<u>2,290.1</u>	<u>2,153.8</u>	<u>2,049.0</u>	<u>2,541.2</u>
Total equity	<u>5,929.7</u>	<u>5,557.6</u>	<u>5,150.2</u>	<u>5,791.6</u>

**2. CONSOLIDATED FINANCIAL STATEMENTS**

The audited consolidated financial statements of the Group for the years ended 31 December 2009, 2008 and 2007 together with the relevant notes to the financial statements of the Group can be found from pages 60 to 149 of the annual report of the Company for the year ended 31 December 2009 and pages 68 to 154 of the annual report of the Company for the year ended 31 December 2008.

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2010 and 2009 together with the relevant notes to the financial statements of the Group can be found from pages 13 to 31 of the interim report of the Company for the six months ended 30 June 2010.

The said annual reports and interim report of the Company are available on the Company's website at [www.centurycity.com.hk](http://www.centurycity.com.hk) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

**3. FINANCIAL AND TRADING PROSPECTS**

The Group is principally engaged in property development and investment, construction and building related businesses, and other investments including, in particular, its interests in Regal Hotels International Holdings Limited ("Regal", together with its subsidiaries, the "Regal Group"), which are held through Paliburg.

The Group held 58.6% of the Paliburg Shares in issue as at the Latest Practicable Date. In addition to the shareholdings held in Paliburg, the Group also holds the Paliburg Warrants which it is considering exercising after implementation of the Rights Issue. If all the outstanding Paliburg Warrants, including those held by the Group, are exercised, the Group's shareholding interest in Paliburg will be increased from 58.6% to 58.9% of the enlarged issued share capital of Paliburg.

As stated in the Company's 2010 interim report, the Group recorded an unaudited consolidated profit attributable to Shareholders of approximately HK\$230.6 million for the six months ended 30 June 2010, representing an increase of approximately 87% as compared to the six months ended 30 June 2009. The increase in the profit achieved was principally derived from the fair value gains on the financial assets of Paliburg as well as the enhanced profit contribution from Regal.

More information regarding the recent business trend and prospects of the Group is set out in the interim report of the Company for the six months ended 30 June 2010.

The Group continues to input strenuous efforts to explore new business opportunities with a view to diversifying and expanding its investment portfolio, but due to the very low interest rate environment, competitions for favourable investment opportunities are keen. However, in view of the volatile global financial market, the Group has adopted a more prudent approach in pursuing business expansions. Although some of the potential deals are still in discussions, the progress in this respect has been relatively slow.

**PROPERTIES**

The Group (through Paliburg) has a 30% joint venture interest in Larvotto, a luxury residential development project at Ap Lei Chau Inland Lot No.129. The project has a total gross floor area of about 913,000 square feet, comprising 9 residential towers with 715 residential apartments and certain commercial areas on the ground floor, complemented with club house and car parking facilities. Presale of the apartment units commenced in July 2010. Up to the date of announcement of the Group's 2010 interim results in August 2010, about 640 residential apartment units have been presold for an aggregate sale consideration exceeding HK\$14 billion. The construction works are in progress and the development is expected to be completed within the first quarter of 2011. Substantial cash inflow is expected to be derived from the Group's interest in Larvotto, which will be received and accounted for in 2011 when the agreements for the sale and purchase of the apartment units presold are completed.

In October 2009, the Group (through Paliburg) completed the sale to Regal Real Estate Investment Trust ("Regal REIT") of 75% equity interests in the then subsidiaries of the Group that owned major portions of the commercial building at No. 211 Johnston Road in Wanchai, at a sale consideration based on an agreed property value of HK\$468 million. The Group (through Paliburg) has also granted to Regal REIT an option exercisable by Regal REIT to acquire from the Group the remaining 25% equity interests in the subject companies based on the terms as stipulated in the relevant agreements during the period from 1 November 2010 to 28 February 2011. As part of the transaction, the property has been leased to the Group (through Paliburg) for the property leasing and hotel operation business for a term to 31 December 2010. Details of this transaction have been disclosed in the joint announcement and the circular of the Company published on 10 and 30 September 2009 respectively. Part of the building has since been converted into a hotel with 50 hotel rooms, which is managed by the Regal Group and operating as the "Regal iClub Hotel", and the building renamed as "Regal iClub Building". The remaining 10 office floors are being converted into 49 additional guestrooms and suites, anticipated to be completed later this year.

As regards the joint development project in the Central Business District in Beijing, PRC which is owned through Hang Fok Properties Limited ("Hang Fok"), an associate 50%-owned by each of the Group (through Paliburg) and the Regal Group, the overall situation remains very complicated and difficult. The Group (through Paliburg) and the Regal Group have endeavoured to take all necessary steps to safeguard the interests held in the project. Hang Fok presently holds a 59% shareholding interest in two Sino-foreign joint venture entities (namely, Beijing Century City Real Estate Development Co., Ltd and Beijing Jianye Real Estate Development Co., Ltd. established in Beijing (the "joint venture entities") that, in turn, own the development project), and was engaged in arbitration proceedings conducted in Beijing, involving claims against Hang Fok by the vendor for the rescission of the contracts entered into between the parties in 2005 for the purchase by Hang Fok of a 36% shareholding interest in each of the joint venture entities. Although the relevant court rejected the petitions made by Hang Fok for setting aside the unfavourable arbitral awards, Hang Fok is still resorting to other available legal means to safeguard the aforesaid 36% shareholding interests and to pursue its legal rights against the vendor. On the other hand, the joint venture entities are encountering various difficult issues including shareholders' disputes, lawsuits raised by the Chinese joint venture partner and a third party, and outstanding issues relating to the land development rights of the project.

Hang Fok and the joint venture entities are in discussions with the Chinese joint venture partner and the relevant government authorities in an attempt to resolve the abovementioned issues. The final outcome of these different situations is uncertain, but the Group (through Paliburg) will together with the Regal Group closely monitor any new developments for any responding actions required.

### **CONSTRUCTION AND BUILDING RELATED BUSINESSES**

The Group (through Paliburg) operates a range of construction and other building related businesses which, apart from offering services to third party clients, are providing key support to the needs of the Group as a whole. The Group (through Paliburg) has recently diversified into the business of providing LED lighting works for buildings, which has high growth potential.

### **OTHER INVESTMENTS**

The Group holds a substantial portfolio of investments in financial assets, including (through Paliburg) the shares in China Pacific Insurance (Group) Co., Ltd. previously acquired as one of the cornerstone investors in its initial public offering in 2009. The Group (through Paliburg) owns 16.8% shareholding interest in Cosmopolitan International Holdings Limited (“Cosmopolitan”) as well as a significant amount of the bonds convertible into new shares in Cosmopolitan. The Group has derived substantial fair value gains from the investments in Cosmopolitan for the six months ended 30 June 2010.

### **REGAL**

The Group (through Paliburg) holds 49.2% of the issued ordinary shares of Regal as at the Latest Practicable Date. The Regal Group is principally engaged in hotel operation and management, investment in Regal REIT, asset management of Regal REIT, property development and investment, and other investments.

#### **Hotels**

2009 was on the whole a challenging year for hotel operators in Hong Kong. In the first half of 2009, the travel market was adversely affected by the aftermath of the financial tsunami and the H1N1 swine flu pandemic. As the worldwide economies began to stabilise in the second half of 2009, hotel businesses in Hong Kong gradually improved. Total visitor arrivals to Hong Kong in 2009 were maintained at about the same level as that of 2008 and recorded a total count of approximately 29.6 million. Travelers from major overseas markets generally declined, particularly those from the U.S., Europe, Japan and South Korea. However, visitors from Mainland China continued to increase, rising to account for slightly over 60% of the total arrivals in 2009 and provided key supporting demand for the local hotel sector.

Based on the information published by Tourism Research of the Hong Kong Tourism Board, the average hotel room occupancy rate for all hotels in different categories in Hong Kong for the year 2009 was 78%, dropped from 85% in 2008, with average achieved hotel room rate having also declined by 16.3%, primarily due to the reduced travelers from major overseas markets. The performance of the five Regal Hotels in Hong Kong (namely, Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon

Hotel, Regal Oriental Hotel and Regal Riverside Hotel) in 2009 was likewise affected by the market downturn, with the average occupancy rate and the average achieved room rate having decreased by approximately 9.1% and 16.1%, respectively, as compared with 2008, which was generally in line with the overall market. Consequently, the results of Regal Group's hotel operation business for 2009 were adversely impacted.

During the six months ended 30 June 2010, total number of visitors to Hong Kong reached approximately 16.9 million, which represented an increase of 23% year-on-year and was a new record for visitor arrivals in the first half of a year. Though visitors from all major markets recorded growth, the increase in the number of travellers from the PRC and the Asian region was most noticeable. Visitors from the PRC alone during this period surpassed 10 million and accounted for over 62% of the total count.

Due to the lack luster economic condition prevailing in the U.S. and Europe, businesses from the long haul markets were affected and has negatively impacted on the performance of Regal Airport Hotel for the six months ended 30 June 2010, as its clientele has been principally targeted towards the individual travellers and long haul markets. The Regal Airport Hotel has adjusted its business strategy to adapt to the changing demand profile, aiming to enhance its occupancy level and gross hotel revenue. Meanwhile, due to the temporary closure of some hotel rooms to accommodate the undertaking of upgrading works, the businesses at Regal Hongkong Hotel, Regal Kowloon Hotel and Regal Riverside Hotel have also been affected during the six months ended 30 June 2010. Nevertheless, the five Regal Hotels in Hong Kong have on the whole managed to achieve satisfactory performance in the six months ended 30 June 2010, with aggregate net property income having increased by 17% as compared with that attained in the corresponding period last year.

However, as the present rental package for the leasing of the five Regal Hotels in Hong Kong was fixed at the time of the separate listing of Regal REIT when the hotel market in Hong Kong was relatively buoyant, the income derived from the operation of the five hotels was still below the level of rental payable, which affected the profit performance of the Regal Group for the six months ended 30 June 2010.

The current leases of the five hotels will last until 31 December 2015 but the yearly rental packages are fixed only up to the end of this year. For the year 2011 and onwards, the rental package will be determined on a yearly basis by an independent property valuer to be jointly appointed by Regal REIT and the Regal Group. In this regard, an independent property valuer has been appointed to conduct the market rental review for the year 2011 which was to be completed before 30 September 2010. An announcement is expected to be made by Regal REIT on the determination of the market rental review in due course.

As the lessee operator and hotel manager, the Regal Group has procured continual upgrading of the five Regal Hotels in Hong Kong, ranging from hotel guestrooms and suites, executive floors, dining venues, ancillary facilities, to IT enabled operating systems. To supplement this product revamp programme, the Regal Group has itself committed substantial capital and human resources to enhance its marketing platform and reservation network.

On the hotel management front, the 215-room five-star Regal Kangbo Hotel in Dezhou, Shandong has been soft opened recently and is the fifth hotel managed by the Regal Group in the PRC. The contract for the Regal Group to provide management services to a hotel with service apartments offering a total of 282 units in Waigaoqiao Free Trade Zone in Pudong, Shanghai has also been concluded recently and the property is scheduled to be soft opened later this year under the name of Regal Plaza Hotel & Residence.

The Regal iClub Hotel in Wanchai, which is 75% owned by Regal REIT and 25% owned by the Group (through Paliburg), is also managed by the Regal Group. The hotel was opened in December 2009 and has been well received by business travellers. This chic and trendy business model could well be the prototype for further expansion in other suitable locations.

### **Regal REIT**

Regal Group owned 74.4% of the outstanding units of Regal REIT as at the Latest Practicable Date. Regal REIT is a collective investment scheme authorised by the SFC and listed on the main board of the Stock Exchange. Regal REIT is a real estate investment trust with DB Trustees (Hong Kong) Limited as its trustee. It invests primarily in real estate that wholly or primarily comprises hotel or other hospitality related properties and commercial properties, and uses the income arising from such properties to provide stable returns to its unitholders. Regal REIT presently owns the five Regal Hotels in Hong Kong as well as the 75% interest in the Regal iClub Building in Wanchai.

Based on the market valuations conducted as at 30 June 2010, there was an increase of approximately HK\$104.5 million in the fair values of Regal REIT's investment properties portfolio during the six months ended 30 June 2010. This valuation increase has contributed positively to the comparatively higher profit achieved by Regal REIT for the six months ended 30 June 2010.

Regal Portfolio Management Limited, a wholly-owned subsidiary of Regal, acts as the REIT Manager of Regal REIT and received fees during the six months ended 30 June 2010 in an aggregate amount of HK\$34.3 million, a majority part of which was settled through the issue of new units by Regal REIT.

### **Properties**

The Regal Group sold in 2009 a total of 9 houses in the luxury residential development in Regalia Bay, Stanley for an aggregate sale consideration of HK\$754 million.

As at the date of announcement of the Group's interim results in August 2010, apart from the 2 connected houses which have been contracted to be sold, the Regal Group retained a total of 21 houses in Regalia Bay, Stanley, some of which are being held as investment properties. The Regal Group will continue to lease out some of the retained houses in Regalia Bay for rental income and will consider releasing certain houses for sale from time to time when the price offered is satisfactory.

In the PRC, the development works at the composite development project in Chengdu, which is 50% owned by each of the Regal Group and Cosmopolitan are progressing. The marketing programme is still under review and the launching of the units presale for the first stage of this development project has been rescheduled to the first half of 2011.

#### **Other investments**

Apart from the portfolio of listed securities, including the shares in China Pacific Insurance (Group) Co., Ltd. previously acquired as one of the cornerstone investors, the Regal Group holds for strategic purpose significant investments in Cosmopolitan, comprising principally bonds convertible into new shares of Cosmopolitan.

#### **OUTLOOK**

##### **THE GROUP**

Paliburg is expected to have substantial cash inflow generated from the Larvotto joint development project in 2011, which will enhance its financial position. It is actively planning to replenish its property development and investment portfolio, both in Hong Kong as well as in the PRC.

As the ultimate holding company of the Group, the Company will seek to diversify into new businesses with high growth potential and, at the same time, will also consider undertaking new investments that would be complementary and beneficial to the existing businesses of the Group companies.

The Directors are confident that the Group will be able to implement business expansion plans that will create long term value for Shareholders.

##### **REGAL**

Looking further ahead on a broader scale, the directors of Regal believe that the further relaxation of travel restrictions on individual visitors from the PRC, the development of Hong Kong as the Offshore Renminbi Centre and the continual integration of Hong Kong with the Pearl River Delta regions should help bring the tourist industry in Hong Kong to new heights. Although global economies could still be volatile, the Regal Group as a whole remains confident of the prospects of the hotel industry in Hong Kong.

The directors of Regal believe that the retained houses at Regalia Bay represent valuable investments with strong potential for capital appreciation in the long term; and the Regal Group's overall financial position is strong with substantial cash resources and the Regal Group is well-poised to capture appropriate investment opportunities that may arise.

**4. RESTRICTIONS ON CURRENCY EXCHANGE AND REMITTANCE OF PROFIT OR REPATRIATION OF CAPITAL**

Some members of the Group are established and operating in the PRC. The relevant revenue and operating expenses are denominated in Renminbi, which is currently not a freely convertible currency. The PRC Government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of the PRC. Shortages in the availability of foreign currency may restrict the ability of such members of the Group in the PRC to remit sufficient foreign currency to pay dividends or other amounts.

**5. STATEMENT OF INDEBTEDNESS**

At the close of business on 30 September 2010 (being the latest practicable date for the purpose of this statement of indebtedness), the Group had no outstanding borrowings apart from the several guarantee given by Paliburg in respect of a banking facility granted to an associate, the outstanding balance of which attributable to Paliburg amounted to approximately HK\$36.4 million.

Save as disclosed above and apart from intra-group liabilities, the Group did not have, at the close of business on 30 September 2010, any outstanding mortgages, charges, debentures, bank loans and overdrafts, debt securities or loan notes or other similar indebtedness, loan capital issued or outstanding or agreed to be issued, finance leases, liabilities under acceptances or acceptance credits or any finance leases commitments, or any guarantees or other material contingent liabilities.

**6. WORKING CAPITAL SUFFICIENCY**

The Directors are of the opinion that, after taking into account of the Group's present available financial resources (excluding any available banking facilities) and the net cash proceeds from the Rights Issue, the working capital available to the Group is sufficient for the Group's requirements for at least 12 months from the date of this Prospectus.



## APPENDIX II      UNAUDITED PRO FORMA FINANCIAL INFORMATION

### 1. UNAUDITED PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group (“Unaudited Pro Forma Financial Information”) prepared in accordance with Rule 4.29 of the Listing Rules is set out below to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group as if the Rights Issue has taken place on 30 June 2010.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its nature, it may not give a true picture of the financial position of the Group following the Rights Issue.

The following Unaudited Pro Forma Financial Information is based on the unaudited consolidated net tangible assets of the Group as at 30 June 2010 and adjusted to reflect the effect of the Rights Issue:

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2010 <i>(Note 1)</i> <i>(HK\$'million)</i>	Interim dividend declared <i>(Note 2)</i> <i>(HK\$'million)</i>	Net proceeds from the Rights Issue <i>(Note 3)</i> <i>(HK\$'million)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2010 <i>(HK\$'million)</i>	Unaudited consolidated net tangible assets per Share attributable to owners of the Company as at 30 June 2010 <i>(Note 4)</i> <i>(HK\$)</i>	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to owners of the Company upon completion of the Rights Issue <i>(Note 5)</i> <i>(HK\$)</i>
Rights Issue of 239,180,432 Rights Shares	3,437.6	(9.6)	112.0	3,540.0	1.44	1.35

*Notes:*

1. This represents the unaudited consolidated net tangible assets attributable to owners of the Company as at 30 June 2010.
2. This represents the interim dividend declared by the Directors for the financial year ending 31 December 2010 payable by the Company.
3. The estimated net proceeds from the Rights Issue are calculated based on approximately 239.2 million Rights Shares to be issued at the Subscription Price of HK\$0.48 per Rights Share and the deduction of estimated expenses of approximately HK\$2.8 million.
4. This is based on approximately 2,391.8 million Shares in issue as at 30 June 2010.
5. This is based on approximately 2,631.0 million Shares which represent the aggregate of approximately 2,391.8 million Shares in issue as at the Record Date and 239.2 million Rights Shares to be issued under the Rights Issue.

**2. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION**

*The following is the text of a report received from the auditors of the Company, Ernst & Young, in respect of the unaudited pro forma financial information of the Group for the purpose of incorporation in this Prospectus.*



18th Floor  
Two International Finance Centre  
8 Finance Street, Central  
Hong Kong

19 October 2010

The Directors  
Century City International Holdings Limited  
11th Floor  
68 Yee Wo Street  
Causeway Bay  
Hong Kong

Dear Sirs

**ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS**

We report on the unaudited pro forma adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) of Century City International Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”), which has been prepared by the directors of the Company (the “Directors”) for illustrative purposes only, to provide information about how the proposed rights issue of 239,180,432 rights shares of the Company might have affected the financial information presented, for inclusion in Appendix II to the prospectus of the Company dated 19 October 2010 (the “Prospectus”). The basis of preparation of the Unaudited Pro Forma Financial Information is set out in Appendix II to the Prospectus.

**Respective Responsibilities of the Directors and Reporting Accountants**

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

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

**Basis of Opinion**

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments, and discussing the Unaudited Pro Forma Financial Information with the Directors. This engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or a review made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the Directors, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 30 June 2010 or any future dates.

**Opinion**

In our opinion:

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

Yours faithfully,  
**Ernst & Young**  
*Certified Public Accountants*  
Hong Kong

## 1. RESPONSIBILITY STATEMENT

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

## 2. SHARE CAPITAL

### (a) Share capital

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue (assuming no further issue of Shares from the Latest Practicable Date to the completion of the Rights Issue) will be as follows:

#### *As at the Latest Practicable Date*

<b>Authorised</b>	<i>HK\$</i>
4,000,000,000 ordinary shares of HK\$0.10 each	400,000,000
7,749,255,480 convertible preference shares of HK\$0.10 each	774,925,548
<b>Issued and fully paid</b>	
2,391,804,321 ordinary shares of HK\$0.10 each	239,180,432.10
<b><i>Upon completion of the Rights Issue</i></b>	
239,180,432 Rights Shares to be allotted and issued under the Rights Issue	23,918,043.20
2,630,984,753 Shares in issue immediately after completion of the Rights Issue	263,098,475.30

No part of the equity or debt securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for such equity or debt securities to be listed or dealt in on any other stock exchange.

The Shares are listed on the Stock Exchange and all of the Rights Shares will be listed on the Stock Exchange. As at the Latest Practicable Date, there was no arrangement under which future dividends on the Shares were waived or agreed to be waived.

**(b) Share Options and Warrants**

As at the Latest Practicable Date, there were (1) outstanding Share Options carrying rights to subscribe for 35,000,000 new Shares at the prevailing subscription price of HK\$1.20 per Share, which are all held by Mr. Lo and (2) outstanding Warrants carrying subscription rights in an aggregate amount of HK\$303,153,817 to subscribe for 303,153,817 new Shares at the prevailing subscription price of HK\$1.00 per Share.

Save as disclosed above, none of the capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option.

**3. SUBSTANTIAL SHAREHOLDERS**

As at the Latest Practicable Date, so far as is known to the Directors, the persons (not being a Director or chief executive of the Company) who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Name of substantial shareholder	Number of issued Shares held	Number of underlying Shares (unissued) held	Total number of Shares (issued and unissued) held	Approximate percentage of issued Shares as at the Latest Practicable Date
Manyways Technology Limited ("Manyways") (Notes i and ii)	1,075,000,000	322,500,000	1,397,500,000	58.43%
8D International (BVI) Limited ("8D BVI") (Notes i, ii and iii)	1,075,000,000	322,500,000	1,397,500,000	58.43%
Task Master Technology Limited ("Task Master") (Notes i, ii and iv)	1,075,000,000	322,500,000	1,397,500,000	58.43%
Secure Way Technology Limited ("Secure Way") (Notes i and ii)	1,075,000,000	322,500,000	1,397,500,000	58.43%
Net Community Limited ("Net Community") (Notes i, ii and v)	1,075,000,000	322,500,000	1,397,500,000	58.43%
Century Digital Holdings Limited ("Century Digital Holdings") (Notes i, ii and vi)	1,075,000,000	322,500,000	1,397,500,000	58.43%

Name of substantial shareholder	Number of issued Shares held	Number of underlying Shares (unissued) held	Total number of Shares (issued and unissued) held	Approximate percentage of issued Shares as at the Latest Practicable Date
Grand Modern Investments Limited (“Grand Modern”) (Notes i, ii and vii)	1,075,000,000	322,500,000	1,397,500,000	58.43%

*Notes:*

- (i) These companies are controlled by Mr. Lo and their interests in Shares are included in the corporate interests of Mr. Lo in the Company as disclosed in the section headed “Disclosure of Interests” below.
- (ii) The interests in 1,075,000,000 issued Shares were directly held by Grand Modern.

The interests in 215,000,000 unissued Shares related to Grand Modern’s interests in the Warrants carrying subscription rights in an aggregate amount of HK\$215,000,000.00, which are exercisable during the period from 18 April 2006 to 11 January 2011 to subscribe for a total of 215,000,000 new Shares at an adjusted subscription price of HK\$1.00 per Share (subject to adjustment).

The interests in 107,500,000 unissued Shares were directly held by Grand Modern through interests in 107,500,000 Rights Shares pursuant to the Irrevocable Undertaking.

- (iii) 8D BVI is 60% owned by Manyways.
- (iv) Task Master is wholly owned by 8D BVI.
- (v) Net Community is 33.33% owned by Task Master and 66.67% owned by Secure Way.
- (vi) Century Digital Holdings is wholly owned by Net Community.
- (vii) Grand Modern is wholly owned by Century Digital Holdings.

All the interests disclosed above represent long positions in the Shares.

Save as disclosed above, there was no person (not being a Director or chief executive of the Company) known to the Directors, who, as at the Latest Practicable Date, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

## 4. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under section 344 of the SFO) or which were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange, were as follows:

The Company/ 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	Corporate interests	Family/ Other interests	
1. The Company	Mr. Lo	Ordinary (i) issued	45,301,690	1,166,482,217 (Note a(i))	251,000	1,212,034,907
		(ii) unissued	40,890,338 (Notes a(ii) & (iii))	233,296,441 (Note a(iv))	50,200 (Note a(v))	274,236,979
			4,530,169 (Note b(i))	178,832,533 (Notes b(ii) & (iv))	25,100 (Note b(iii))	183,387,802
		Sub-total (ii):	45,420,507	412,128,974	75,300	457,624,781
						Total (i) & (ii):
	Mr. Kelvin Leung So Po	Ordinary (i) issued (ii) unissued	200 40 (Note c(i))	— —	— —	200 40
					Total (i) & (ii):	240 (0.000%)
	Mr. Jimmy Lo Chun To	Ordinary (i) issued (ii) unissued	165,980 33,196 (Note c(ii))	— —	— —	165,980 33,196
					Total (i) & (ii):	199,176 (0.008%)
	Miss Lo Po Man	Ordinary (i) issued (ii) unissued	74,043 14,808 (Note c(iii))	— —	— —	74,043 14,808
					Total (i) & (ii):	88,851 (0.004%)

The Company/ 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	Corporate interests	Family/ Other interests	
	Mr. Ng Siu Chan	Ordinary (i) issued (ii) unissued	— —	— —	2,322,180 464,436 (Note c(iv))	2,322,180 464,436 <hr/> 2,786,616 (0.12%)
2. Paliburg	Mr. Lo	Ordinary (i) issued (ii) unissued	60,062,373 21,951,641 (Notes d(ii) & iii))	646,670,685 (Note d(i)) 64,284,117 (Notes d(iv) & v))	13,500 1,500 (Note d(vi))	706,746,558 86,237,258 <hr/> 792,983,816 (76.78%)
	Mr. Kenneth Ng Kwai Kai	Ordinary (i) issued (ii) unissued	75,000 2,176,200 (Note e)	— —	— —	75,000 2,176,200 <hr/> 2,251,200 (0.22%)
	Mr. Donald Fan Tung	Ordinary (i) issued (ii) unissued	471 2,232,085 (Note f)	— —	— —	471 2,232,085 <hr/> 2,232,556 (0.22%)
	Mr. Kelvin Leung So Po	Ordinary (i) issued (ii) unissued	470 669,715 (Note g)	— —	— —	470 669,715 <hr/> 670,185 (0.06%)
	Mr. Jimmy Lo Chun To	Ordinary (i) issued (ii) unissued	38,340 2,236,260 (Note h)	— —	— —	38,340 2,236,260 <hr/> 2,274,600 (0.22%)



**APPENDIX III**
**GENERAL INFORMATION**

The Company/ Name of associated corporation	Name of Director	Class of shares held	Personal interests	Number of shares held		Total (Approximate percentage of the issued shares as at the Latest Practicable Date)
				Corporate interests	Family/ Other interests	
	Miss Lo Po Man	Ordinary (unissued)	1,116,000 (Note i)	—	—	1,116,000 (0.11%)
	Mr. Ng Siu Chan	Ordinary (i) issued (ii) unissued	— —	— —	72,427 8,047 (Note j)	72,427 8,047
					Total (i) & (ii):	80,474 (0.008%)
3. Regal	Mr. Lo	Ordinary (i) issued (ii) unissued	24,200 20,000,000 (Note k(ii))	494,835,261 (Note k(i)) —	260,700 —	495,120,161 20,000,000
					Total (i) & (ii):	515,120,161 (51.23%)
	Mr. Kenneth Ng Kwai Kai	Ordinary (unissued)	2,000,000 (Note l)	—	—	2,000,000 (0.20%)
	Mr. Donald Fan Tung	Ordinary (unissued)	2,000,000 (Note l)	—	—	2,000,000 (0.20%)
	Mr. Kelvin Leung So Po	Ordinary (i) issued (ii) unissued	200 800,000 (Note m)	—	—	200 800,000
					Total (i) & (ii):	800,200 (0.08%)
	Mr. Jimmy Lo Chun To	Ordinary (unissued)	1,500,000 (Note n)	—	—	1,500,000 (0.15%)
	Miss Lo Po Man	Ordinary (i) issued (ii) unissued	300,000 3,000,000 (Note o(ii))	— —	269,169 (Note o(i)) —	569,169 3,000,000
					Total (i) & (ii):	3,569,169 (0.35%)
4. 8D BVI	Mr. Lo	Ordinary (issued)	—	1,000 (Note p)	—	1,000 (100%)
5. 8D Matrix Limited	Mr. Lo	Ordinary (issued)	—	2,000,000 (Note q)	—	2,000,000 (100%)

	The Company/ Name of associated corporation	Name of Director	Class of shares held	Personal interests	Number of shares held		Total (Approximate percentage of the issued shares as at the Latest Practicable Date)
					Corporate interests	Family/ Other interests	
6.	8D International Limited	Mr. Lo	Ordinary (issued)	—	500,000 (Note r)	—	500,000 (100%)
7.	8D International (China) Limited	Mr. Lo	Ordinary (issued)	—	1 (Note s)	—	1 (100%)
8.	Century Digital Communications (BVI) Limited	Mr. Lo	Ordinary (issued)	—	1 (Note t)	—	1 (100%)
9.	Century Digital Communications Limited	Mr. Lo	Ordinary (issued)	—	2 (Note u)	—	2 (100%)
10.	Century Digital Enterprise Limited	Mr. Lo	Ordinary (issued)	—	100 (Note v)	—	100 (100%)
11.	Century Digital Holdings	Mr. Lo	Ordinary (issued)	—	3 (Note w)	—	3 (100%)
12.	Century Digital Investments Limited	Mr. Lo	Ordinary (issued)	—	49,968 (Note x)	—	49,968 (99.94%)
13.	China Noble Investments Limited	Mr. Lo	Ordinary (issued)	—	1 (Note y)	—	1 (100%)
14.	Full Range Technology Limited	Mr. Lo	Ordinary (issued)	—	10,000 (Note z)	—	10,000 (100%)
15.	Giant Forward Holdings Limited	Mr. Lo	Ordinary (issued)	—	1 (Note aa)	—	1 (100%)
16.	Grand Modern	Mr. Lo	Ordinary (issued)	—	330 (Note ab)	—	330 (100%)
17.	Important Holdings Limited	Mr. Lo	Ordinary (issued)	—	10,000 (Note ac)	—	10,000 (100%)
18.	Net Age Technology Limited	Mr. Lo	Ordinary (issued)	—	97 (Note ad)	—	97 (100%)

The Company/ Name of associated corporation	Name of Director	Class of shares held	Personal interests	Number of shares held			Total (Approximate percentage of the issued shares as at the Latest Practicable Date)
				Corporate interests	Family/ Other interests		
19. Net Community	Mr. Lo	Ordinary (issued)	—	3 (Note ae)	—	3 (100%)	
20. Pilot Pro Holdings Limited	Mr. Lo	Ordinary (issued)	—	1 (Note af)	—	1 (100%)	
21. Speedway Technology Limited	Mr. Lo	Ordinary (issued)	—	50,000 (Note ag)	—	50,000 (100%)	
22. Task Master	Mr. Lo	Ordinary (issued)	—	1 (Note ah)	—	1 (100%)	
23. Top Technologies Limited	Mr. Lo	Ordinary (issued)	—	10,000 (Note ai)	—	10,000 (100%)	
24. Treasure Collection International Limited	Mr. Lo	Ordinary (issued)	—	2 (Note aj)	—	2 (100%)	

Notes:

- (a) (i) The interests in 91,482,217 issued Shares were held through companies wholly owned by Mr. Lo and a company, namely Master City Limited, 99.9% owned by Mr. Lo.

The interests in 1,075,000,000 issued Shares were held through corporations controlled by Mr. Lo as detailed below:

(a) Name of corporation	Controlled by	% of control
Century City	Mr. Lo	50.66
Century City BVI Holdings Limited ("Century City BVI")	Century City	100.00
8D BVI	Century City BVI	40.00
Task Master	8D BVI	100.00
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00
Grand Modern	Century Digital Holdings	100.00

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

- (ii) The interests in 35,000,000 unissued Shares were held through the interests in the options granted under the share option scheme of the Company named as “The Century City International Holdings Limited Share Option Scheme”, entitling the holder thereof to subscribe for a total of 35,000,000 new Shares at an adjusted exercise price of HK\$1.20 per Share (subject to adjustments). The options have vested in stages, commencing with 40% of options granted from two years after the offer date of 12 May 2005 and thereafter a further 20% of options granted for each subsequent year, and are exercisable as follows:

Exercise period	Number of Shares under vested options
12 May 2007 to 11 May 2011	14,000,000
12 May 2008 to 11 May 2011	7,000,000
12 May 2009 to 11 May 2011	7,000,000
12 May 2010 to 11 May 2011	7,000,000

- (iii) The interests in 5,890,338 unissued Shares related to the interests in the Warrants carrying subscription rights in an aggregate amount of HK\$5,890,338.00, which are exercisable during the period from 18 April 2006 to 11 January 2011 to subscribe for a total of 5,890,338 new Shares at an adjusted subscription price of HK\$1.00 per Share (subject to adjustment).
- (iv) The interests in 233,296,441 unissued Shares related to the interests in the Warrants carrying subscription rights in an aggregate amount of HK\$233,296,443.60, which are exercisable to subscribe for a total of 233,296,441 new Shares upon the terms as set out in note (a)(iii) above.

The interests in 18,296,441 unissued Shares were held through companies wholly owned by Mr. Lo and a company, namely Master City Limited, 99.9% owned by Mr. Lo.

The interests in 215,000,000 unissued Shares were held through corporations controlled by Mr. Lo as detailed below:

(a) Name of corporation	Controlled by	% of control
Century City	Mr. Lo	50.66
Century City BVI	Century City	100.00
8D BVI	Century City BVI	40.00
Task Master	8D BVI	100.00
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00
Grand Modern	Century Digital Holdings	100.00

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

- (v) The interests in 50,200 unissued Shares related to the interests in the Warrants carrying subscription rights in an aggregate amount of HK\$50,200.00, which are exercisable to subscribe for a total of 50,200 new Shares upon the terms as set out in note (a)(iii) above.
- (b) (i) The interests in 4,530,169 unissued Shares were held through Mr. Lo's personal interests in 4,530,169 Rights Shares pursuant to the Irrevocable Undertaking.
- (ii) The interests in 116,648,219 unissued Shares were held through Mr. Lo's corporate interests in 116,648,219 Rights Shares pursuant to the Irrevocable Undertaking.
- (iii) The interests in 25,100 unissued Shares were held through Mr. Lo's family interests in 25,100 Rights Shares pursuant to the Irrevocable Undertaking.
- (iv) The interests in 62,184,314 unissued Shares were held through the interests of Ablewise as one of the Underwriters in 62,184,314 Rights Shares pursuant to the Underwriting Agreement.
- (c) (i) The interests in 40 unissued Shares related to the interests in the Warrants carrying subscription rights in an aggregate amount of HK\$40.00, which are exercisable to subscribe for a total of 40 new Shares upon the terms as set out in note (a)(iii) above.
- (ii) The interests in 33,196 unissued Shares related to the interests in the Warrants carrying subscription rights in an aggregate amount of HK\$33,196.00, which are exercisable to subscribe for a total of 33,196 new Shares upon the terms as set out in note (a)(iii) above.
- (iii) The interests in 14,808 unissued Shares related to the interests in the Warrants carrying subscription rights in an aggregate amount of HK\$14,808.70, which are exercisable to subscribe for a total of 14,808 new Shares upon the terms as set out in note (a)(iii) above.

(iv) The interests in 464,436 unissued Shares related to the interests in the Warrants carrying subscription rights in an aggregate amount of HK\$464,436.00, which are exercisable to subscribe for a total of 464,436 new Shares upon the terms as set out in note (a)(iii) above.

(d) (i) The interests in 604,752,625 issued Paliburg Shares were held through companies wholly owned by the Company, in which Mr. Lo held 50.66% shareholding interests.

The interests in 14,592,860 issued Paliburg Shares were held through corporations controlled by Mr. Lo as detailed below:

<b>Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Wealth Master International Limited (“Wealth Master”)	Mr. Lo	90.00
Select Wise Holdings Limited (“Select Wise”)	Wealth Master	100.00

The interests in 27,325,200 issued Paliburg Shares were held through corporations controlled by Mr. Lo as detailed below:

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

(ii) The interests in 20,088,000 unissued Paliburg Shares were held through the interests in the options granted under the share option scheme of Paliburg named as “The Paliburg Holdings Limited Share Option Scheme” (the “Paliburg Share Option Scheme”), entitling the holder thereof to subscribe for a total of 20,088,000 new Paliburg Shares at an adjusted exercise price of HK\$1.97 per Paliburg Share (subject to adjustment). The options have vested in stages, commencing with 40% of options granted from two years after the offer date of 12 May 2005 and thereafter a further 20% of options granted for each subsequent year, and are exercisable as follows:

<b>Exercise period</b>	<b>Number of Paliburg Shares under vested options</b>
12 May 2007 to 11 May 2011	8,035,200
12 May 2008 to 11 May 2011	4,017,600
12 May 2009 to 11 May 2011	4,017,600
12 May 2010 to 11 May 2011	4,017,600

(iii) The interests in 1,863,641 unissued Paliburg Shares related to the interests in the Paliburg Warrants carrying subscription rights in an aggregate amount of HK\$3,913,646.94, which are exercisable during the period from 20 November 2007 to 8 November 2010 to subscribe for a total of 1,863,641 new Paliburg Shares at an adjusted subscription price of HK\$2.10 per ordinary share (subject to adjustment).

(iv) The interests in 59,465,921 unissued Paliburg Shares related to the interests in the Paliburg Warrants carrying subscription rights in an aggregate amount of HK\$124,878,444.39, which are exercisable to subscribe for a total of 59,465,921 new Paliburg Shares upon the terms as set out in note (d)(iii) above and were held through companies wholly owned by the Company, in which Mr. Lo held 50.66% shareholding interests.

- (v) The interests in 4,818,196 unissued Paliburg Shares related to the interests in the Paliburg Warrants carrying subscription rights in an aggregate amount of HK\$10,118,213.28, which are exercisable to subscribe for a total of 4,818,196 new Paliburg Shares upon the terms as set out in note (d)(iii) above.

The interests in 1,678,825 unissued Paliburg Shares were held through corporations controlled by Mr. Lo as detailed below:

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

The interests in 3,139,371 unissued Paliburg Shares were held through corporations controlled by Mr. Lo as detailed below:

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

- (vi) The interests in 1,500 unissued Paliburg Shares related to the interests in the Paliburg Warrants carrying subscription rights in an aggregate amount of HK\$3,150.00, which are exercisable to subscribe for a total of 1,500 new Paliburg Shares upon the terms as set out in note (d)(iii) above.

- (e) The interests in 2,176,200 unissued Paliburg Shares were held through the interests in the options granted under the Paliburg Share Option Scheme, entitling the holder thereof to subscribe for a total of 2,176,200 new Paliburg Shares at an adjusted exercise price of HK\$1.97 per Paliburg Share (subject to adjustment). The options remaining outstanding have vested in stages, commencing with 40% of options granted from two years after the offer date of 25 July 2005 and thereafter a further 20% of options granted for each subsequent year, and are exercisable as follows:

<b>Exercise period</b>	<b>Number of Paliburg Shares under vested options</b>
25 July 2007 to 24 July 2011	837,000
25 July 2008 to 24 July 2011	446,400
25 July 2009 to 24 July 2011	446,400
25 July 2010 to 24 July 2011	446,400

- (f) (i) The interests in 2,232,000 unissued Paliburg Shares were held through the interests in the options granted under the Paliburg Share Option Scheme, entitling the holder thereof to subscribe for a total of 2,232,000 new Paliburg Shares at an adjusted exercise price of HK\$1.97 per Paliburg Share (subject to adjustment). The options have vested in stages, commencing with 40% of options granted from two years after the offer date of 25 July 2005 and thereafter a further 20% of options granted for each subsequent year, and are exercisable as follows:

<b>Exercise period</b>	<b>Number of Paliburg Shares under vested options</b>
25 July 2007 to 24 July 2011	892,800
25 July 2008 to 24 July 2011	446,400
25 July 2009 to 24 July 2011	446,400
25 July 2010 to 24 July 2011	446,400

- (ii) The interests in 85 unissued Paliburg Shares related to the interests in the Paliburg Warrants carrying subscription rights in an aggregate amount of HK\$179.55, which are exercisable to subscribe for a total of 85 new Paliburg Shares upon the terms as set out in note (d)(iii) above.

- (g) (i) The interests in 669,600 unissued Paliburg Shares were held through the interests in the options granted under the Paliburg Share Option Scheme, entitling the holder thereof to subscribe for a total of 669,600 new Paliburg Shares at an adjusted exercise price of HK\$1.97 per Paliburg Share (subject to adjustment). The options have vested in stages, commencing with 40% of options granted from two years after the offer date of 25 July 2005 and thereafter a further 20% of options granted for each subsequent year, and are exercisable as follows:

<b>Exercise period</b>	<b>Number of Paliburg Shares under vested options</b>
25 July 2007 to 24 July 2011	267,840
25 July 2008 to 24 July 2011	133,920
25 July 2009 to 24 July 2011	133,920
25 July 2010 to 24 July 2011	133,920

- (ii) The interests in 115 unissued Paliburg Shares related to the interests in the Paliburg Warrants carrying subscription rights in an aggregate amount of HK\$242.55, which are exercisable to subscribe for a total of 115 new Paliburg Shares upon the terms as set out in note (d)(iii) above.

- (h) (i) The interests in 2,232,000 unissued Paliburg Shares were held through the interests in the options granted under the Paliburg Share Option Scheme, entitling the holder thereof to subscribe for a total of 2,232,000 new Paliburg Shares at an adjusted exercise price of HK\$1.97 per Paliburg Share (subject to adjustment). The options have vested in stages, commencing with 40% of options granted from two years after the offer date of 25 July 2005 and thereafter a further 20% of options granted for each subsequent year, and are exercisable as follows:

<b>Exercise period</b>	<b>Number of Paliburg Shares under vested options</b>
25 July 2007 to 24 July 2011	892,800
25 July 2008 to 24 July 2011	446,400
25 July 2009 to 24 July 2011	446,400
25 July 2010 to 24 July 2011	446,400



(ii) The interests in 4,260 unissued Paliburg Shares related to the interests in the Paliburg Warrants carrying subscription rights in an aggregate amount of HK\$8,946.00, which are exercisable to subscribe for a total of 4,260 new Paliburg Shares upon the terms as set out in note (d)(iii) above.

(i) The interests in 1,116,000 unissued Paliburg Shares were held through the interests in the options granted under the Paliburg Share Option Scheme, entitling the holder thereof to subscribe for a total of 1,116,000 new Paliburg Shares at an adjusted exercise price of HK\$1.97 per Paliburg Share (subject to adjustment). The options have vested in stages, commencing with 40% of options granted from two years after the offer date of 25 July 2005 and thereafter a further 20% of options granted for each subsequent year, and are exercisable as follows:

<b>Exercise period</b>	<b>Number of Paliburg Shares under vested options</b>
25 July 2007 to 24 July 2011	446,400
25 July 2008 to 24 July 2011	223,200
25 July 2009 to 24 July 2011	223,200
25 July 2010 to 24 July 2011	223,200

(j) The interests in 8,047 unissued Paliburg Shares related to the interests in the Paliburg Warrants carrying subscription rights in an aggregate amount of HK\$16,899.75, which are exercisable to subscribe for a total of 8,047 new Paliburg Shares upon the terms as set out in note (d)(iii) above.

(k) (i) The interests in 421,400 issued ordinary shares of Regal were held through companies wholly owned by the Company, in which Mr. Lo held 50.66% shareholding interests, and the interests in the other 494,413,861 issued ordinary shares of Regal were held through companies wholly owned by Paliburg, in which the Company held 58.56% shareholding interests.

(ii) The interests in 20,000,000 unissued ordinary shares of Regal were held through the interests in the options granted under the share option scheme of Regal named as “The Regal Hotels International Holdings Limited Share Option Scheme” (the “Regal Share Option Scheme”), entitling the holder thereof to subscribe for a total of 20,000,000 new ordinary shares of Regal at an adjusted exercise price of HK\$7.50 per ordinary share (subject to adjustment). The options have vested in stages, commencing with 40% of options granted from two years after the offer date of 12 May 2005 and thereafter a further 20% of options granted for each subsequent year, and are exercisable as follows:

<b>Exercise period</b>	<b>Number of ordinary shares of Regal under vested options</b>
12 May 2007 to 11 May 2011	8,000,000
12 May 2008 to 11 May 2011	4,000,000
12 May 2009 to 11 May 2011	4,000,000
12 May 2010 to 11 May 2011	4,000,000

- (l) The interests in 2,000,000 unissued ordinary shares of Regal were held through the interests in the options granted under the Regal Share Option Scheme, entitling the holder thereof to subscribe for a total of 2,000,000 new ordinary shares of Regal at an adjusted exercise price of HK\$7.50 per ordinary share (subject to adjustment). The options have vested in stages, commencing with 40% of options granted from two years after the offer date of 25 July 2005 and thereafter a further 20% of options granted for each subsequent year, and are exercisable as follows:

<b>Exercise period</b>	<b>Number of ordinary shares of Regal under vested options</b>
25 July 2007 to 24 July 2011	800,000
25 July 2008 to 24 July 2011	400,000
25 July 2009 to 24 July 2011	400,000
25 July 2010 to 24 July 2011	400,000

- (m) The interests in 800,000 unissued ordinary shares of Regal were held through the interests in the options granted under the Regal Share Option Scheme, entitling the holder thereof to subscribe for a total of 800,000 new ordinary shares of Regal at an adjusted exercise price of HK\$7.50 per ordinary share (subject to adjustment). The options have vested in stages, commencing with 40% of options granted from two years after the offer date of 25 July 2005 and thereafter a further 20% of options granted for each subsequent year, and are exercisable as follows:

<b>Exercise period</b>	<b>Number of ordinary shares of Regal under vested options</b>
25 July 2007 to 24 July 2011	320,000
25 July 2008 to 24 July 2011	160,000
25 July 2009 to 24 July 2011	160,000
25 July 2010 to 24 July 2011	160,000

- (n) The interests in 1,500,000 unissued ordinary shares of Regal were held through the interests in the options granted under the Regal Share Option Scheme, entitling the holder thereof to subscribe for a total of 1,500,000 new ordinary shares of Regal at an adjusted exercise price of HK\$7.50 per ordinary share (subject to adjustment). The options have become vested in stages, commencing with 40% of options granted from two years after the offer date of 25 July 2005 and thereafter a further 20% of options granted for each subsequent year, and are exercisable as follows:

<b>Exercise period</b>	<b>Number of ordinary shares of Regal under vested options</b>
25 July 2007 to 24 July 2011	600,000
25 July 2008 to 24 July 2011	300,000
25 July 2009 to 24 July 2011	300,000
25 July 2010 to 24 July 2011	300,000

- (o) (i) The interests in 269,169 issued ordinary shares of Regal were held by Miss Lo Po Man as the beneficiary of a trust.

- (ii) The interests in 3,000,000 unissued ordinary shares of Regal were held through the interests in the options granted under the Regal Share Option Scheme, entitling the holder thereof to subscribe for a total of 3,000,000 new ordinary shares of Regal at an adjusted exercise price of HK\$7.50 per ordinary share (subject to adjustment). The options have vested in stages, commencing with 40% of options granted from two years after the offer date of 25 July 2005 and thereafter a further 20% of options granted for each subsequent year, and are exercisable as follows:

<b>Exercise period</b>	<b>Number of ordinary shares of Regal under vested options</b>
25 July 2007 to 24 July 2011	1,200,000
25 July 2008 to 24 July 2011	600,000
25 July 2009 to 24 July 2011	600,000
25 July 2010 to 24 July 2011	600,000

- (p) 400 shares were held through companies controlled by the Company, in which Mr. Lo held 50.66% shareholding interests, and 600 shares were held through a company controlled by Mr. Lo.
- (q) 800,000 shares were held through companies controlled by the Company, in which Mr. Lo held 50.66% shareholding interests, and 1,200,000 shares were held through companies controlled by Mr. Lo (including 8D BVI).

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

(a) Name of corporation	Controlled by	% of control
Century City	Mr. Lo	50.66
Century City BVI	Century City	100.00
8D BVI	Century City BVI	40.00
Task Master	8D BVI	100.00
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00
8D Matrix Limited	Century Digital Holdings	60.00
8D Matrix Limited	Century City BVI	40.00

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

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

(a) Name of corporation	Controlled by	% of control
Century City	Mr. Lo	50.66
Century City BVI	Century City	100.00
8D BVI	Century City BVI	40.00
Task Master	8D BVI	100.00
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00
8D Matrix Limited	Century Digital Holdings	60.00
8D Matrix Limited	Century City BVI	40.00

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

(t) The interest in the share of Century Digital Communications (BVI) Limited was held through corporations controlled by Mr. Lo as detailed below:

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Century City	Mr. Lo	50.66
Century City BVI	Century City	100.00
8D BVI	Century City BVI	40.00
Task Master	8D BVI	100.00
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00

<b>(b) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Manyways	Mr. Lo	100.00
Secure Way	Mr. Lo	92.50
8D BVI	Manyways	60.00
Task Master	8D BVI	100.00
Net Community	Secure Way	66.67
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00

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

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Century City	Mr. Lo	50.66
Century City BVI	Century City	100.00
8D BVI	Century City BVI	40.00
Task Master	8D BVI	100.00
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00
Century Digital Communications (BVI) Limited	Century Digital Holdings	100.00

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

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

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Century City	Mr. Lo	50.66
Century City BVI	Century City	100.00
8D BVI	Century City BVI	40.00
Task Master	8D BVI	100.00
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00
Century Digital Investments Limited	Century Digital Holdings	99.93

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

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

(w) The interests in these shares of Century Digital Holdings were held through corporations controlled by Mr. Lo as detailed below:

(a) Name of corporation	Controlled by	% of control
Century City	Mr. Lo	50.66
Century City BVI	Century City	100.00
8D BVI	Century City BVI	40.00
Task Master	8D BVI	100.00
Net Community	Task Master	33.33

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

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

(a) Name of corporation	Controlled by	% of control
Century City	Mr. Lo	50.66
Century City BVI	Century City	100.00
8D BVI	Century City BVI	40.00
Task Master	8D BVI	100.00
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00

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

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

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

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

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Century City	Mr. Lo	50.66
Century City BVI	Century City	100.00
8D BVI	Century City BVI	40.00
Task Master	8D BVI	100.00
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00
8D Matrix Limited	Century Digital Holdings	60.00
8D Matrix Limited	Century City BVI	40.00
Pilot Pro Holdings Limited	8D Matrix Limited	100.00

<b>(b) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Manyways	Mr. Lo	100.00
Secure Way	Mr. Lo	92.50
8D BVI	Manyways	60.00
Task Master	8D BVI	100.00
Net Community	Secure Way	66.67
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00
8D Matrix Limited	Century Digital Holdings	60.00
Pilot Pro Holdings Limited	8D Matrix Limited	100.00

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

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Century City	Mr. Lo	50.66
Century City BVI	Century City	100.00
8D BVI	Century City BVI	40.00
Task Master	8D BVI	100.00
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00



<b>(b) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Manyways	Mr. Lo	100.00
Secure Way	Mr. Lo	92.50
8D BVI	Manyways	60.00
Task Master	8D BVI	100.00
Net Community	Secure Way	66.67
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00

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

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Century City	Mr. Lo	50.66
Century City BVI	Century City	100.00
8D BVI	Century City BVI	40.00
Task Master	8D BVI	100.00
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00
8D Matrix Limited	Century Digital Holdings	60.00
8D Matrix Limited	Century City BVI	40.00

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

(ab) The interests in these shares of Grand Modern were held through corporations controlled by Mr. Lo as detailed below:

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Century City	Mr. Lo	50.66
Century City BVI	Century City	100.00
8D BVI	Century City BVI	40.00
Task Master	8D BVI	100.00
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00

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

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

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Century City	Mr. Lo	50.66
Century City BVI	Century City	100.00
8D BVI	Century City BVI	40.00
Task Master	8D BVI	100.00
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00

<b>(b) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Manyways	Mr. Lo	100.00
Secure Way	Mr. Lo	92.50
8D BVI	Manyways	100.00
Task Master	8D BVI	100.00
Net Community	Secure Way	66.67
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00

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

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Century City	Mr. Lo	50.66
Century City BVI	Century City	100.00
8D BVI	Century City BVI	40.00
Task Master	8D BVI	100.00
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00
Century Digital Investments Limited	Century Digital Holdings	99.93

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

(ae) The interests in these shares of Net Community were held through corporations controlled by Mr. Lo as detailed below:

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Century City	Mr. Lo	50.66
Century City BVI	Century City	100.00
8D BVI	Century City BVI	40.00
Task Master	8D BVI	100.00

<b>(b) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Manyways	Mr. Lo	100.00
8D BVI	Manyways	60.00
Task Master	8D BVI	100.00
Secure Way	Mr. Lo	92.50

(af) The interest in the share of Pilot Pro Holdings Limited was held through corporations controlled by Mr. Lo as detailed below:

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Century City	Mr. Lo	50.66
Century City BVI	Century City	100.00
8D BVI	Century City BVI	40.00
Task Master	8D BVI	100.00
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00
8D Matrix Limited	Century Digital Holdings	60.00
8D Matrix Limited	Century City BVI	40.00

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

(ag) The interests in these shares of Speedway Technology Limited were held through corporations controlled by Mr. Lo as detailed below:

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Century City	Mr. Lo	50.66
Century City BVI	Century City	100.00
8D BVI	Century City BVI	40.00
Task Master	8D BVI	100.00
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00

<b>(b) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Manyways	Mr. Lo	100.00
Secure Way	Mr. Lo	92.50
8D BVI	Manyways	60.00
Task Master	8D BVI	100.00
Net Community	Secure Way	66.67
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00

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

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Century City	Mr. Lo	50.66
Century City BVI	Century City	100.00
8D BVI	Century City BVI	40.00

<b>(b) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Manyways	Mr. Lo	100.00
8D BVI	Manyways	60.00

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

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Century City	Mr. Lo	50.66
Century City BVI	Century City	100.00
8D BVI	Century City BVI	40.00
Task Master	8D BVI	100.00
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	99.93

<b>(b) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Manyways	Mr. Lo	100.00
Secure Way	Mr. Lo	92.50
8D BVI	Manyways	60.00
Task Master	8D BVI	100.00
Net Community	Secure Way	66.67
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00

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

<b>(a) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Century City	Mr. Lo	50.66
Century City BVI	Century City	100.00
8D BVI	Century City BVI	40.00
Task Master	8D BVI	100.00
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00
8D Matrix Limited	Century Digital Holdings	60.00
8D Matrix Limited	Century City BVI	40.00
Giant Forward Holdings Limited	8D Matrix Limited	100.00

<b>(b) Name of corporation</b>	<b>Controlled by</b>	<b>% of control</b>
Manyways	Mr. Lo	100.00
Secure Way	Mr. Lo	92.50
8D BVI	Manyways	60.00
Task Master	8D BVI	100.00
Net Community	Secure Way	66.67
Net Community	Task Master	33.33
Century Digital Holdings	Net Community	100.00
8D Matrix Limited	Century Digital Holdings	60.00
Giant Forward Holdings Limited	8D Matrix Limited	100.00

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under section 344 of the SFO) or which were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have since 31 December 2009, being the date to which the latest published audited financial statements of the Group were made up, been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

Save as disclosed in this Prospectus, none of the Directors were materially interested in any contract or arrangement entered into by any member of the Group which is subsisting as at the date of this Prospectus, and which is significant in relation to the business of the Group.

## **5. SERVICE AGREEMENTS**

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

## **6. LITIGATION**

As disclosed in an announcement of the Company dated 13 August 2010 and the Company's interim report for the six months ended 30 June 2010, the Company has been served with a Writ of Summons issued by The New China Hong Kong Group Limited (in Creditors' Voluntary Liquidation) and The New China Hong Kong Development Limited (in Creditors' Voluntary Liquidation) (together, the "Plaintiffs") against, amongst others, the Company and Century City BVI, a wholly-owned subsidiary of the Company, seeking to, inter alia, challenge the validity of certain transactions related to the disposal of assets by the Plaintiffs to a then subsidiary of the Company back in 1998 and claim for damages suffered thereby. The Company and Century City BVI, having obtained counsels' advice, have applied for the striking out of the Plaintiffs' claims. In any event, the Company and Century City BVI will vigorously contest the claims and take all steps as they consider appropriate to defend themselves against such claims.

Save as disclosed above, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and there was no litigation or claim known to the Directors to be pending or threatened against the Company or any of its subsidiaries which in the opinion of the Directors would be or is likely to be of material importance.

## 7. MATERIAL ADVERSE CHANGE

The Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2009, being the date to which the latest audited consolidated financial statements of the Group were made up.

## 8. PARTICULARS OF DIRECTORS

The brief biographies of the Directors are set out below:

**Mr. Lo Yuk Sui**, aged 66; Chairman and Chief Executive Officer — Chairman and Managing Director since 1989 when the Company was established in Bermuda as the ultimate holding company of the Group and designated as Chief Executive Officer in 2007. Mr. Lo has been the Chairman and the Managing Director of the predecessor listed company of the Group since 1985 and 1986 respectively. He is also the chairman and chief executive officer of Paliburg and Regal, and the non-executive chairman of Regal Portfolio Management Limited (“RPML”), the manager of Regal REIT. Mr. Lo is a qualified architect. In his capacity as the Chief Executive Officer, Mr. Lo oversees the overall policy and decision making of the Group. Mr. Lo is the father of Mr. Jimmy Lo Chun To and Miss Lo Po Man.

**Mr. Kenneth Ng Kwai Kai**, aged 56; Executive Director and Chief Operating Officer — Appointed to the Board in 1989 and designated as Chief Operating Officer in 2007. Mr. Ng joined the Group in 1985 and is in charge of the corporate finance, company secretarial and administrative functions of the Group. Mr. Ng is a Chartered Secretary. He is also an executive director of Paliburg and Regal and a non-executive director of Cosmopolitan, a company listed on the Stock Exchange.

**Mr. Anthony Chuang**, aged 65; Independent Non-Executive Director — Invited to the Board as Independent Non-Executive Director in 1993. Mr. Chuang graduated from University of Notre Dame, South Bend, Indiana, US and has extensive experience in the commercial field.

**Mr. Donald Fan Tung**, aged 53; Executive Director — Appointed to the Board in 2007. Mr. Fan is a qualified architect and has been with the Group since 1987. He is also an executive director and the chief operating officer of Paliburg, an executive director of Regal and a non-executive director of RPML. Mr. Fan is in charge of the property development, architectural design and project management functions as well as overseeing the building construction business of the Group.

**Mr. Kelvin Leung So Po**, aged 38; Executive Director — Appointed to the Board in March 2010. Mr. Leung has been with the Group since 1997. He has been involved in the corporate finance function of the Group. Mr. Leung holds a bachelor degree in business administration from The Chinese University of Hong Kong. He is a member of the Illinois CPA Society and the American Institute of Certified Public Accountants. Mr. Leung has over 15 years of experience in accounting and corporate finance field. He is also a non-executive director of Cosmopolitan.

**Mr. Jimmy Lo Chun To**, aged 36; Executive Director — Appointed to the Board in 1999. He is also an executive director of Paliburg and Regal and a non-executive director of RPML. Mr. Jimmy

Lo graduated from Cornell University, New York, U.S. with a degree in architecture. Apart from his involvement in the design of the Group's property projects and the hotel projects of the Regal Group, he undertakes responsibilities in the business development function of the Group. He is the son of Mr. Lo Yuk Sui and the brother of Miss Lo Po Man.

**Miss Lo Po Man**, aged 31; Executive Director — Appointed to the Board in 2007. Miss Lo graduated from Duke University, North Carolina, U.S. with a bachelor degree in psychology. She is also an executive director of Paliburg and Regal. Miss Lo joined the Regal Group in 2000 and has been involved in the marketing and sales functions of the Regal Group. Miss Lo is an executive director of the estate agency business of the Regal Group and has undertaken an active role in directing the marketing campaign of the Regalia Bay luxury residential development in Stanley, Hong Kong. She also undertakes responsibilities in the business development function of the Regal Group. Miss Lo is the daughter of Mr. Lo Yuk Sui and the sister of Mr. Jimmy Lo Chun To.

**Mr. Ng Siu Chan**, aged 80; Independent Non-Executive Director — Invited to the Board as Independent Non-Executive Director in 1994. Mr. Ng is also an independent non-executive director of Paliburg and Regal. He is a non-executive director of Transport International Holdings Limited, which is publicly listed in Hong Kong.

**Mr. Wong Chi Keung**, aged 55; Independent Non-Executive Director — Invited to the Board as Independent Non-Executive Director in 2004. Mr. Wong is also an independent non-executive director of Paliburg and Regal. He holds a master's degree in business administration from the University of Adelaide in Australia. He is a fellow member of Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants and CPA Australia and an associate member of The Institute of Chartered Secretaries and Administrators and The Chartered Institute of Management Accountants. Mr. Wong is also a responsible officer for asset management, advising on securities and advising on corporate finance for Greater China Capital Limited (formerly known as Sinox Fund Management Limited) under the SFO. Mr. Wong was an executive director, the deputy general manager, group financial controller and company secretary of Guangzhou Investment Company Limited (now known as "Yuexiu Property Company Limited"), a company listed on the Stock Exchange, for over ten years. He is also an independent non-executive director and a member of the audit committee of Asia Orient Holdings Limited, Asia Standard International Group Limited, China Nickel Resources Holdings Company Limited, China Ting Group Holdings Limited, First Natural Foods Holdings Limited (Provisional Liquidators Appointed), FU JI Food and Catering Services Holdings Limited (Provisional Liquidators Appointed), Golden Eagle Retail Group Limited, Ngai Lik Industrial Holdings Limited, PacMOS Technologies Holdings Limited and TPV Technology Limited, and an independent non-executive director of ENM Holdings Limited, all of which companies are listed on the Stock Exchange. Mr. Wong has over 30 years of experience in finance, accounting and management.

## 9. COMPETING INTERESTS

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



**10. MATERIAL CONTRACTS**

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within 2 years preceding the issue of this Prospectus and are or may be material:

- (i) the sale and purchase agreement dated 10 September 2009 (the “S&P Agreement”) entered into between Paliburg, Paliburg Development BVI Holdings Limited (a wholly-owned subsidiary of Paliburg), DB Trustees (Hong Kong) Limited and RPML in respect of, among others, the disposal of 75% of the issued share capital of Twentyfold Investments Limited and 75% of the amount due from Twentyfold Investments Limited and its subsidiary to Paliburg Development Finance Limited (a wholly-owned subsidiary of Paliburg);
- (ii) the shareholders agreement entered into between Wise Tower Limited, Paliburg Development BVI Holdings Limited, DB Trustees (Hong Kong) Limited, Paliburg and Twentyfold Investments Limited on 20 October 2009 for the purpose of governing certain rights and obligations of the shareholders of Twentyfold Investments Limited;
- (iii) the assignment deed entered into between Paliburg Development Finance Limited, Paliburg, Wise Tower Limited, Sonnix Limited on 20 October 2009 in relation to the assignment of 75% of the shareholders’ loan due from Twentyfold Investments Limited and its subsidiary to Paliburg Development Finance Limited to Regal REIT; and
- (iv) the Underwriting Agreement.

**11. PARTIES INVOLVED IN THE RIGHTS ISSUE AND CORPORATE INFORMATION****Registered office of the Company**

Rosebank Centre  
11 Bermudiana Road  
Pembroke  
Bermuda

**Head office and principal place of business of the Company**

11th Floor, 68 Yee Wo Street  
Causeway Bay  
Hong Kong

**Principal share registrar and transfer office of the Company**

Butterfield Fulcrum Group (Bermuda) Limited  
Rosebank Centre  
11 Bermudiana Road  
Pembroke HM08  
Bermuda

**Hong Kong branch share registrar and transfer office of the Company**

Tricor Tengis Limited  
26th Floor, Tesbury Centre  
28 Queen's Road East  
Wanchai, Hong Kong

**Underwriters**

OSK Securities Hong Kong Limited  
12/F, World-Wide House  
19 Des Voeux Road Central  
Hong Kong

Ablewise Investments Limited  
P.O. Box 957, Offshore Incorporations Centre  
Road Town  
Tortola  
British Virgin Islands

**Principal bankers**

The Hongkong and Shanghai Banking Corporation Limited  
HSBC Main Building  
1 Queen's Road Central  
Hong Kong

The Bank of East Asia, Limited  
10 Des Voeux Road Central  
Hong Kong

Standard Chartered Bank (Hong Kong) Limited  
Standard Chartered Bank Building  
4-4A Des Voeux Road Central  
Hong Kong

**Auditors**

Ernst & Young (Certified Public Accountants)  
18/F., Two International Finance Centre  
8 Finance Street, Central  
Hong Kong

**Legal advisers to the Underwriters**

Iu, Lai & Li  
20th Floor, Gloucester Tower  
The Landmark  
11 Peddar Street  
Central  
Hong Kong

**Authorised representatives**

Mr. Kenneth Ng Kwai Kai  
Ms. Eliza Lam Sau Fun

The business address of the authorised representatives of the Company is at 11th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong

**12. EXPERT'S QUALIFICATION AND CONSENT**

The following is the qualification of the expert who has provided its advice which is contained in this Prospectus:

<b>Name</b>	<b>Address</b>	<b>Qualification</b>
Ernst & Young	18/F., Two International Finance Centre 8 Finance Street, Central Hong Kong	Certified Public Accountants

Ernst & Young has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its letter and the reference to its name in the form and context in which they appear. As at the Latest Practicable Date, Ernst & Young was not interested beneficially or otherwise in any shares or securities in any member of the Group and did not have any right, whether legally enforceable or not, or option to subscribe for or to nominate persons to subscribe for any shares or securities in any member of the Group nor did they have any interest, either direct or indirect, in any assets which have been, since the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

**13. DOCUMENTS REGISTERED BY THE REGISTRARS OF COMPANIES**

Copies of the Prospectus Documents and the written consent by Ernst & Young have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies Ordinance.

A copy of each of the Prospectus Documents has been, or will as soon as reasonably practicable after the Prospectus Posting Date be, filed with the Registrar of Companies in Bermuda in accordance with the Companies Act.

**14. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours on any Business Day at the office of the Company, at 11/F, 68 Yee Wo Street, Causeway Bay, Hong Kong up to and including Tuesday, 2 November 2010:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for each of the two years ended 31 December 2008 and 2009;
- (c) the interim report of the Company for the six months ended 30 June 2010;
- (d) the letter from Ernst & Young relating to the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;
- (e) the contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (f) the written consent referred to in the paragraph headed “Expert’s Qualification and Consent” in this appendix;
- (g) the circular of the Company dated 30 September 2009 in relation to, among other things, the entering into of the S&P Agreement as stated in the paragraph headed “Material Contracts” above; and
- (h) this Prospectus.

**15. MISCELLANEOUS**

- (i) The company secretary of the Company is Ms Eliza Lam Sau Fun (an associate of the Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries).
- (ii) There are no founder or management or deferred shares in the share capital of the Company.
- (iii) This Prospectus is prepared in both English and Chinese. In case of inconsistency, the English text of this Prospectus shall prevail over the text in the corresponding Chinese Prospectus.