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## Share Transaction

On 23rd July, 2002, the Company exercised in part the Option to subscribe for 9,600,000 Prism Shares in consideration for the issue of the Consideration Shares pursuant to the terms of the Share Exchange Agreement.

Prism carries on a business of telecommunications and Internet-related businesses and equipment trading, through Prism Systems.

The Consideration Shares represent approximately 6.7% of the existing issued share capital of the Company and approximately 6.3% of the then issued share capital of the Company as enlarged by the issue of the Consideration Shares.

The total consideration for the issue of the Consideration Shares is HK\$24.0 million, based on the Issue Price. The aggregate value of the Consideration Shares, based on the closing price of HK\$0.035 per Share as quoted on the Stock Exchange on 23rd July, 2002, is HK\$8.4 million.

### EXERCISE OF OPTION GRANTED UNDER THE SHARE EXCHANGE AGREEMENT DATED 18TH FEBRUARY, 2002

This announcement is made further to the Announcement in relation to the entering into by the Company of the Share Exchange Agreement. The transaction described in the Announcement involving the allotment and issue of 250,000,000 Shares of the Company to Prism in exchange for 10,000,000 Prism Shares pursuant to the Share Exchange Agreement was completed on 8th March, 2002.

Under the Share Exchange Agreement, Prism granted to the Company the Option, which is exercisable at an exercise price of 25 new Shares for each Prism Share during the period from and including 8th March, 2002 to and including the first business day following 1st October, 2002 or the listing of the Prism Shares on an internationally recognised investment exchange, whichever occurs earlier. Further details relating to the terms of the Option were disclosed in the Announcement.

On 23rd July, 2002, the Company exercised in part the Option to subscribe for 9,600,000 Prism Shares and in consideration therefor, 240,000,000 new Shares of the Company will fall to be issued. The issue of the Consideration Shares constitutes a share transaction for the Company under the Listing Rules.

The 9,600,000 Prism Shares subscribed will represent approximately 4.7% of the enlarged issued share capital of Prism. Together with 10,000,000 Prism Shares already held by the Company, the Company will hold an aggregate of 19,600,000 Prism Shares, representing approximately 9.7% of the then issued share capital of Prism as enlarged by the issue of 9,600,000 Prism Shares.

The 9,600,000 Prism Shares are valued at approximately HK\$24.4 million, based on a business valuation report dated 18th February, 2002 prepared by Grant Sherman Appraisal Limited, an independent third party, as referred to in the Announcement.

#### The Consideration Shares

The Consideration Shares represent approximately 6.7% of the existing issued share capital of the Company and approximately 6.3% of the then issued share capital of the Company as enlarged by the issue of the Consideration Shares. The Consideration Shares will rank pari passu in all respects with the existing issued Shares.

The value of the Consideration Shares based on the Issue Price represents a discount of approximately 1.7% to the value attributed to the 9,600,000 Prism Shares, as referred to above.

The total consideration for the issue of the Consideration Shares is HK\$24.0 million, based on the Issue Price. The aggregate value of the Consideration Shares, based on the closing price of HK\$0.035 per Share as quoted on the Stock Exchange on 23rd July, 2002, is HK\$8.4 million.

As at the date of this announcement, Mr. Lo Yuk Sui, the chairman and controlling shareholder of the Company, together with his associates, (collectively, "Mr. Lo") beneficially hold approximately 54.3% shareholding interests in the Company. Following the issue of the Consideration Shares, Mr. Lo will beneficially hold approximately 50.9% shareholding interests in the Company.

There is no lock-up provision in the Share Exchange Agreement with respect to Prism's holding of Shares acquired thereunder. Prism had subsequently disposed of the 250,000,000 Shares acquired in March 2002 pursuant to the Share Exchange Agreement for its working capital purpose, and, as at the date of this announcement, Prism does not hold any shareholding interest in the Company.

#### The Issue Price

The Issue Price represents a premium of 186% over the closing price of HK\$0.035 of the Shares as quoted on the Stock Exchange on 23rd July, 2002 and a premium of 165% over the average closing price of HK\$0.0377 of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days ending on 23rd July, 2002. The aggregate Issue Price for the Consideration Shares will be satisfied by the allotment and issue of 9,600,000 Prism Shares to the Company. The determination of the Issue Price was within the agreed terms of the Option granted under the Share Exchange Agreement.

#### Prism

Prism carries on, through Prism Systems a business of telecommunications and Internet-related businesses and equipment trading, and provides international voice and fax long distance services. Other information on Prism was contained in the Announcement.

The audited accounts of Prism made up to 31st January, 2002 constituted its latest available audited financial information. Based on the audited profit and loss account of Prism for the period from 1st

April, 2001 to 31st January, 2002, the net losses before and after tax were in each case HK\$19,530. Based on the audited balance sheet of Prism as of 31st January, 2002, the net assets of Prism were approximately HK\$17.6 million.

Apart from the Company holding 10,000,000 Prism Shares acquired pursuant to the Share Exchange Agreement in March 2002, each of Prism and its other beneficial shareholders is an independent third party not connected with any of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates.

#### Completion

Completion is expected to take place on or before 26th July, 2002, subject to the granting of approval by the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Consideration Shares. Application has been made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

#### General Mandate

The Consideration Shares will be issued pursuant to the general mandate to allot, issue and deal with new Shares granted to the Directors on 12th June, 2002.

#### Reasons for Exercise of the Option

The Directors consider the exercise of the Option to be in the interest of the Company as it provides an opportunity for the Company to further increase its involvement in information technology and telecommunications businesses, while enlarging the Company's capital base.

#### Business of the Company

The Company is an investment holding company and the principal activities of its subsidiaries include property development and investment, property management, construction and construction-related businesses, hotel ownership and management and other investments.

#### Definitions

Announcement	the announcement dated 19th February, 2002 and made by the Company
Company	Century City International Holdings Limited, a company incorporated in Bermuda with limited liability
Consideration Shares	240,000,000 new Shares
Directors	directors of the Company
Issue Price	HK\$0.10 per Consideration Share
Listing Rules	the Rules governing the Listing of Securities on the Stock Exchange
Option	an option granted by Prism to the Company to subscribe for up to a further 30,000,000 Prism Shares, exercisable in full or in up to three instalments of up to 10,000,000 Prism Shares each, at a consideration per Prism Share of 25 new Shares (subject to certain adjustment provisions) pursuant to the terms of the Share Exchange Agreement
Prism	Prism Communications International Limited, a company incorporated in the British Virgin Islands
Prism Share(s)	ordinary share(s) of HK\$0.01 each in the share capital of Prism
Prism Systems	Prism Systems International Limited, a company incorporated in Hong Kong and wholly-owned by Prism
Shares	ordinary shares of HK\$0.10 each in the share capital of the Company
Stock Exchange	The Stock Exchange of Hong Kong Limited
Share Exchange Agreement	the share exchange agreement dated 18th February, 2002 entered into between the Company, Prism, Mr. Max Tong and Mr. Richard Lo Chi Ho

By Order of the Board  
Century City International Holdings Limited  
Eliza Lam Sau Fun  
Secretary

Hong Kong, 23rd July, 2002