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ISSUE OF ZERO COUPON GUARANTEED CONVERTIBLE BONDS DUE 2010 BONUS ISSUE OF WARRANTS RESUMPTION OF TRADING

The Directors wish to announce that on 28th November, 2005, the Company, the Issuer, the Purchaser and the Optionholders entered into the Subscription Agreement in relation to the issue of the Bonds by the Issuer. The Bonds to be issued under the Subscription Agreement comprise:

- (i) the Firm Bonds in an aggregate principal amount of HK\$80 million; and
- (ii) the Optional Bonds in an additional aggregate principal amount of up to HK\$160 million.

The Company has also made a Pre-emptive Offer of the Bonds to the holders of Series C Convertible Preference Shares. Under the Pre-emptive Offer, a maximum aggregate principal amount of approximately HK\$12.6 million Firm Bonds and approximately HK\$25.3 million Optional Bonds may be issued.

The Bonds comprising the Firm Bonds and the Optional Bonds will carry rights to convert into new Shares at the Conversion Price. The initial Conversion Price per Share is HK\$0.10 (subject to adjustments), representing a premium of approximately 22.0% over the closing price of Shares of HK\$0.082 per Share as quoted on the Stock Exchange on 25th November, 2005 (being the last trading day prior to the suspension of trading in the Shares on the Stock Exchange commencing on 28th November, 2005). The Conversion Price is subject to adjustments as summarised in this announcement.

Based on the initial Conversion Price, a maximum number of approximately 2,779 million new Shares will be issued by the Company if the Bonds (assuming the maximum amount of the Bonds are issued under the Subscription Agreement and the Pre-emptive Offer) are converted in full, representing approximately 16.9% of the existing issued ordinary share capital of the Company comprising approximately 16,416.8 million Shares and approximately 14.5% of the Company's ordinary issued share capital comprising approximately 19,195.8 million Shares as enlarged by the issue of such new Shares.

Of the proceeds of approximately HK\$80 million receivable from the issue of the Firm Bonds under the Subscription Agreement, the Company intends to use approximately HK\$63 million for the redemption of its outstanding Series A Convertible Preference Shares expiring on 14th December, 2005 and the remaining HK\$17 million for general working capital purposes. Additional proceeds from the issue of any Optional Bonds and Bonds under the Pre-emptive Offer are intended to be used by the Group for general working capital purposes.

The Directors also propose a bonus issue of the Warrants to the Shareholders on the basis of one Warrant (each with a HK\$0.10 Subscription Right) for every five Shares held on the Record Date. Based on the approximately 16,416.8 million Shares in issue on the date of this announcement, and assuming no other changes to the Company's issued ordinary share capital on or before the Record Date, approximately 3,283 million units of Warrants carrying aggregate Subscription Rights of approximately HK\$328.3 million will be issued pursuant to the Bonus Issue. Based on the initial Subscription Price of HK\$0.10 per Share (subject to adjustments), every unit of Subscription Right will give the holder of the relative Warrant the right to subscribe for one new Share. Approximately 3,283 million new Shares will fall to be issued upon the Warrants being exercised in full based upon such initial Subscription Price. Application for the listing of, and permission to deal in, the Warrants and the Shares which may fall to be issued upon the exercise of the Subscription Rights on the Stock Exchange will be made by the Company.

A circular setting out details of the Subscription Agreement, the Pre-emptive Offer, the Bonus Issue and the terms of the Warrants together with the notice of the SGM and accompanying form of proxy for the SGM will be despatched by the Company to the Shareholders as soon as practicable.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 28th November, 2005, pending the release of this announcement. The Company has applied to the Stock Exchange for resumption of trading in the Shares from 9:30 a.m. on 30th November, 2005.

ISSUE OF THE BONDS

Subscription Agreement dated 28th November, 2005

The Directors wish to announce that on 28th November, 2005, the Company, the Issuer, the Purchaser and the Optionholders entered into the Subscription Agreement in relation to the proposed issue of certain Firm Bonds to the Purchaser and granting of the options to the Optionholders to subscribe for the Optional Bonds to be issued by the Issuer.

The Purchaser and the Optionholders

Pursuant to the Subscription Agreement, the Purchaser has agreed to subscribe for HK\$80 million Firm Bonds and the Optionholders have been granted options to subscribe for up to HK\$160 million Optional Bonds. The Company understands from the Purchaser and the Optionholders that they have the same group of ultimate beneficial owners and the same shareholding structure. After having made all reasonable enquiries by the Board, the Purchaser, the Optionholders and their ultimate beneficial owners are independent third parties and are not connected persons of the Company. To the best knowledge of the Company, the Purchaser and the Optionholders are newly established investment holding companies and the ultimate beneficial owners of the Purchaser and the Optionholders are a group of individual private investors.

Conditions of the issue of the Firm Bonds under the Subscription Agreement

Completion of the issue of the Firm Bonds under the Subscription Agreement is subject to the fulfilment of, among other things, the following conditions precedent:

1. the representations and warranties given by the Issuer and the Company remaining accurate and correct in all material respects;
2. execution of the guarantee to be given by the Company in respect of the Bonds;
3. the permission of the Bermuda Monetary Authority regarding the issue of the new Shares which may fall to be issued upon conversion of the Bonds or a confirmation from a firm of Bermudan lawyers that further permission from the Bermuda Monetary Authority is not required; and
4. there being no material adverse change in the business condition of the Group (in the reasonable opinion of the Purchaser).

All conditions precedent to the Subscription Agreement shall be satisfied (or waived by the Purchaser) on or before 8th December, 2005, or such other date as may be agreed between the Issuer and the Purchaser. The Purchaser cannot waive condition 3 above. Subject to all the conditions precedent to the Subscription Agreement having been met or waived, as the case may be, it is expected that completion of the Subscription Agreement (i.e. the Closing Date) will be on 9th December, 2005, or such other date as may be agreed between the Issuer and the Purchaser.

Pre-emptive Offer of the Bonds

As at the date of this announcement, there are approximately 3,249.5 million Series C Convertible Preference Shares in issue and outstanding. A summary of the major terms of the Series C Convertible Preference Shares have been set out in the circular of the Company dated 8th November, 2004. Pursuant to the terms of the Series C Convertible Preference Shares, if the Company proposes to issue any new Shares or other securities which are convertible into Shares for cash or as consideration for the acquisition of assets, holders of the Series C Convertible Preference Shares shall be granted a right to elect to subscribe for such number of new Shares or subject securities such that the percentage shareholding interest of the holders of the Series C Convertible Preference Shares shall remain unchanged before and after such issue on a fully diluted basis. Accordingly, the Company has made the Pre-emptive Offer to all the holders of Series C Convertible Preference Shares. Based on the share capital structure of the Company as at the date of this announcement, a maximum aggregate principal amount of approximately HK\$12.6 million Firm Bonds and approximately HK\$25.3 million Optional Bonds may be issued to the holders of the Series C Convertible Preference Shares. Such amounts of Firm Bonds and Optional Bonds may be convertible into a maximum of approximately 126 million new Shares and approximately 253 million new Shares respectively upon exercise of the conversion rights thereunder in full based on the initial Conversion Price.

The issue of any Bonds under the Pre-emptive Offer is conditional on the completion of the issue of the Firm Bonds under the Subscription Agreement. The Pre-emptive Offer is open for acceptance up to and including 9th December, 2005. The issue of any Firm Bonds to any holders of the Series C Convertible Preference Shares shall be subject to due acceptances by the holders of the Series C Convertible Preference Shares under the Pre-emptive Offer and the signing of the relevant subscription agreement(s) within such offer period. Any Firm Bonds which may be subscribed under the Pre-emptive Offer is also expected to be issued on the Closing Date. The Company will make an announcement if any Firm Bonds are issued under the Pre-emptive Offer.

Principal terms of the Bonds

The Firm Bonds and the Optional Bonds

The Bonds comprise:

- (i) the Firm Bonds in an aggregate principal amount of up to approximately HK\$92.6 million (including HK\$80 million Firm Bonds which may be issued under the Subscription Agreement and approximately HK\$12.6 million Firm Bonds which may be issued under the Pre-emptive Offer); and
- (ii) the Optional Bonds in an additional aggregate principal amount of up to approximately HK\$185.3 million (including HK\$160 million Optional Bonds which may be issued under the Subscription Agreement and approximately HK\$25.3 million Optional Bonds which may be issued under the Pre-emptive Offer).

The Bonds will be issued in registered form, in denominations of HK\$1,000 each. The Bonds will be issued at 100% of their principal amount by the Issuer and will be unconditionally and irrevocably guaranteed by the Company.

Subscription of the Optional Bonds

Options granted to the Optionholders

Under the Subscription Agreement, the two Optionholders have each been granted an option to subscribe for up to HK\$80 million principal amount of Optional Bonds subject to (i) the issue of the Firm Bonds and (ii) the Bonds not having been redeemed in whole by the Issuer at its option (as described in the paragraph headed "Early redemption" below) or at the option of the Purchaser (as described in the sub-section headed "Mandate to issue new Shares upon conversion of the Bonds and listing approval" below).

Possible options granted to holders of the Series C Convertible Preference Shares

Holders of Series C Convertible Preference Shares who elect to subscribe for any Firm Bonds under the Pre-emptive Offer will also be granted options to subscribe for two Optional Bonds for every Firm Bond subscribed, subject to substantially the same terms and conditions of the options granted to the Optionholders.

Terms of the options to subscribe for the Optional Bonds

The options granted to the Optionholders or which may be granted to holders of the Series C Convertible Preference Shares under the Pre-emptive Offer are exercisable on one or more occasions at any time from and including the date falling 4 months after the Closing Date up to the close of business on the day falling 90 days prior to the Maturity Date subject to the completion of the Subscription Agreement.

The Optional Bonds have the same terms and conditions as the Firm Bonds.

Assuming a maximum of approximately HK\$12.6 million Firm Bonds are issued under the Pre-emptive Offer, the relative options will give the holders thereof the right to subscribe for a maximum of approximately HK\$25.3 million Optional Bonds, which may be convertible into a maximum of approximately 253 million new Shares upon exercise of the conversion rights attached to the Optional Bonds and based on the initial Conversion Price.

Conversion rights

The Bonds are convertible into Shares at any time from and including the date falling 3 months after the Closing Date up to the close of business on the date falling 7 days prior to the Maturity Date subject to the obtaining of (i) approval from the Stock Exchange for the listing of and permission to deal in and (ii) approval of the Shareholders for the issue of the new Shares which may fall to be issued upon conversion of the Bonds (as described in the sub-section headed "Mandate to issue new Shares upon conversion of the Bonds and the listing approval").

Conversion price

The initial Conversion Price is HK\$0.10 per Share, subject to adjustments as summarized below.

The initial Conversion Price was determined on an arm's length basis between the Company, the Issuer, the Purchaser and the Optionholders with reference to the market price of the Shares. The initial Conversion Price represents (i) a premium of approximately 22.0% over the closing price of HK\$0.082 per Share as quoted on the Stock Exchange on 25th November, 2005, being the last full trading day of the Shares immediately prior to the suspension of trading in the Shares on the Stock Exchange commencing on 28th November, 2005; and (ii) a premium of approximately 26.3% over the average closing price of HK\$0.0792 per Share for the last 5 consecutive trading days as quoted on the Stock Exchange up to and including 25th November, 2005.

The Conversion Price will be subject to adjustment for, among other things, consolidations/subdivisions of the Shares, capital distributions, bonus issues, rights issues and certain other dilutive events, including a downward adjustment to the effect that should the Company issue new Shares (or securities convertible into new Shares) at an issue price lower than the then prevailing Conversion Price, the Conversion Price shall be adjusted downwards to such issue price (but such adjustment shall not be retroactive).

Interest

The Bonds will not carry any interest.

Maturity Date

The Maturity Date of the Bonds will be the date falling 5 years from the issue of the Firm Bonds. Any outstanding Bonds will be redeemed on the Maturity Date by the Issuer at an amount equal to 127.63% of their principal amount, representing a yield to maturity of 5% per annum.

Put Option

Bondholders have put options which shall allow them to require the Issuer to redeem all or part of the relevant Bonds at an amount equal to 115.76% of their principal amount, representing a yield to put of 5% per annum, on the third anniversary day of the issue of the Firm Bonds. The options to subscribe for the Optional Bonds are still exercisable by the relevant Optionholders or any holders of the Series C Convertible Preference Shares who elects to subscribe for the Firm Bonds under the Pre-emptive Offer, notwithstanding exercise of the put option by the Bondholders.

Transferability

The Bonds will not be listed on any stock exchange but will be freely transferable to any persons, including any connected persons of the Company. The Company will maintain a register in respect of the holders of the Bonds.

Early redemption

The Company has the right, at any time prior to the Maturity Date by not less than 15 nor more than 30 business days' notice to the Bondholders, to redeem the Bonds at an amount equals to the principal amount of the outstanding Bonds together with a redemption premium equal to 5% per annum (to be calculated on an annual compound basis) if the total outstanding principal amount of the Bonds is less than HK\$10 million. All unexercised options in respect of the Optional Bonds will then lapse.

Ranking of the Shares to be issued upon conversion of the Bonds

The new Shares falling to be issued upon exercise of the conversion rights attaching to the Bonds will in all respects rank pari passu with the then existing issued Shares as at the date of allotment and issue.

Mandate to issue new Shares upon conversion of the Bonds and listing approval

The Company intends to obtain a specific approval from its Shareholders at the SGM for the issue of any new Shares which may fall to be issued upon conversion of the Bonds which may be issued under the Subscription Agreement and the Pre-emptive Offer.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, any Shares which may fall to be issued upon conversion of the Bonds.

The Company has undertaken to the Purchaser, and will undertake to the holders of the Series C Convertible Preference Shares who elect to subscribe for the Firm Bonds under the Pre-emptive Offer, to use its best endeavours to obtain (i) Shareholders' approval and (ii) the Stock Exchange's listing approval for the issue of new Shares upon conversion of the Bonds within 3 months from the Closing Date (or such other date as may be agreed by the Issuer and the Purchaser in writing), failing which, each of the aforesaid subscribers of the Firm Bonds shall be entitled within one month following expiration of the said 3-month period to require the Issuer to redeem the Firm Bonds issued to it in whole (but not in part) at the principal amount thereof together with interest at a rate of 5% per annum calculated from the Closing Date up to and excluding the date of redemption. In addition, the relevant options granted to the Optionholders (in the case of the Purchaser) and/or the relevant holders of the Firm Bonds (in the case of the holders of the Series C Convertible Preference Shares) (as the case may be) to subscribe for the Optional Bonds shall be cancelled.

If the Purchaser or any holders of the Series C Convertible Preference Shares who elect to subscribe for the Firm Bonds under the Pre-emptive Offer choose not to exercise its rights to require the Issuer to redeem the relevant Firm Bonds as described in the preceding paragraph, then the Bonds which have not been redeemed pursuant to the abovementioned redemption rights will cease to be convertible into new Shares but other terms of the Bonds shall remain unchanged.

During the above 3-month period and before the obtaining of the said Shareholders' approval and listing approval, the Company shall not enter into any transaction which will involve issuing of new Shares using the general mandate granted to the Board by the Shareholders at the annual general meeting of the Company held on 16th June, 2005, unless the Issuer and the Purchaser agree otherwise.

Use of proceeds from the issue of the Bonds

Of the proceeds of approximately HK\$80 million receivable from the issue of the Firm Bonds under the Subscription Agreement, the Company intends to use approximately HK\$63 million for the redemption of its outstanding Series A Convertible Preference Shares and the remaining HK\$17 million for general working capital purposes. Based on the number of outstanding Series A Convertible Preference Shares as at the date of this announcement and assuming all such outstanding Series A Convertible Preference Shares will be redeemed by the Company, the total redemption money amounts to approximately HK\$63 million in accordance with the terms of the Series A Convertible Preference Shares. Additional proceeds from any subscription of the Optional Bonds and the Bonds under the Pre-emptive Offer will be used by the Group for general working capital purposes. As at the date of this announcement, the Company has not identified any particular investment project which would be financed by the proceeds from the issue of the Bonds.

Reasons for the issue of the Bonds

The issue of the Bonds is primarily for fund raising purposes. The Company considers that the issue of the Bonds will provide the Group with fresh capital to redeem its outstanding Series A Convertible Preference Shares expiring on 14th December, 2005 and strengthen its capital base. The purposes of the granting of the options to subscribe for the Optional Bonds are partly to provide the Purchaser with incentives to subscribe for the Firm Bonds and partly to provide the Company with an opportunity to further expand its capital base. The Directors consider the terms of the Subscription Agreement and the Bonds to be fair and reasonable and the issue of the Bonds to be in the interests of the Company and the Shareholders as a whole.

BONUS ISSUE OF THE WARRANTS

The Bonus Issue

The Board proposes the Bonus Issue to the Shareholders on the basis of one Warrant for every five Shares held on the Record Date, subject to the satisfaction of the conditions described below. The Company has not determined the Record Date. It is expected that the Record Date will be before the day when any Firm Bonds will become convertible into new Shares.

The Warrants

Based on the initial Subscription Price of HK\$0.10 per Share, every unit of HK\$0.10 Subscription Right will give the holder of the relative Warrant the right to subscribe for one new Share. Should the Subscription Price be adjusted pursuant to the terms of the Warrants, the number of Shares that a holder of a Warrant is entitled to subscribe for will also be adjusted.

The Warrants will be exercisable at any time from and including the date falling 3 months after the issue date of the Warrants to the close of business on the date falling 7 days prior to the fifth anniversary of the issue of the Warrants.

Fractional entitlements to less than one unit of HK\$0.10 Subscription Right attaching to the Warrants will not be granted to the Shareholders and will be ignored.

The initial Subscription Price is equivalent to the initial Conversion Price. The Subscription Price is subject to substantially the same adjustments as those applicable to the Conversion Price of the Bonds as described in the paragraph headed "Conversion price" above.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrants and the Shares which may fall to be issued upon exercise of the Warrants on the Stock Exchange. The Company will endeavour to comply with the applicable requirements under the Listing Rules in respect of the proposed listing of the Warrants, including the applicable listing requirements under Chapter 8 of the Listing Rules.

The timetable of the Bonus Issue and the listing of the Warrants on the Stock Exchange, together with the trading terms and arrangements, such as the board lot size, of the Warrants, will be included in the circular to be issued by the Company to the Shareholders and the announcement to be made by the Company upon despatch of such circular.

Ranking of the Shares to be issued upon exercise of the Warrants

The new Shares falling to be issued upon exercise of the Subscription Rights will in all respects rank pari passu with the then existing issued Shares as at the date of such allotment and issue.

Non-Qualifying Shareholders

The circular to be issued in relation to the Bonus Issue will not be registered under any securities legislation of any jurisdiction outside Hong Kong and Bermuda. The Warrants will not be issued to Non-Qualifying Shareholders. The Directors are of the view that the issue of the Warrants to the Non-Qualifying Shareholders would, or might, in the absence of compliance with the relevant overseas registration requirements or other formalities, be unlawful or impractical. In deciding whether a Shareholder will be regarded as a Non-Qualifying Shareholder, the Directors will make necessary enquiries regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange and would only regard such Shareholder as a Non-Qualifying Shareholder if it is considered necessary or expedient to do so after making such enquiries. If any Shareholder is regarded as a Non-Qualifying Shareholder, an explanation will be set out in the circular to be despatched by the Company to all the Shareholders. Arrangements will be made for the Warrants, which would otherwise be issued to such Non-Qualifying Shareholders under the Bonus Issue, to be aggregated and sold in the market if a premium, net of expenses, can be obtained. Any net proceeds of sale, after deduction of expenses, will be distributed to the Non-Qualifying Shareholders pro rata to their respective shareholdings and remittances thereof will be posted to them, at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100, in which case it will be retained for the benefit of the Company.

Conditions of the Bonus Issue

The Bonus Issue is conditional on the following:

- passing of an ordinary resolution in relation to (i) the Bonus Issue and (ii) the issue of new Shares pursuant to the exercise of the Warrants at the SGM;
- the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Warrants and any new Shares which may fall to be issued upon the exercise of the Subscription Rights; and
- the completion of the issue of the Firm Bonds under the Subscription Agreement.

Reasons for the Bonus Issue

The issue of the Bonds will have a potential dilutive effect on the shareholding interests of the existing Shareholders in the Company. For details of the changes in the shareholding structure of the Company as a result of the conversion of the Bonds and the exercise of the Warrants, please refer to the section headed "Effect on the shareholding structure of the Company" below. The Directors believe that the Bonus Issue of the Warrants will provide the Shareholders with an opportunity to maintain, to a certain extent, their shareholding interests in the Company after the issue of the Bonds. For this reason, the initial Subscription Price of the Shares to be issued upon exercise of the Warrants is the same as the initial Conversion Price and is subject to substantially the same adjustment provisions.

The issue of the Warrants will also provide the Company with proceeds of approximately HK\$328.3 million if the Subscription Rights are exercised in full. Such amount will be used as general working capital of the Group.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Based on the initial Conversion Price, an aggregate number of 926 million new Shares will fall to be issued upon full conversion of the Firm Bonds (assuming a maximum amount of approximately HK\$80 million Firm Bonds will be issued to the Purchaser and a maximum amount of approximately HK\$12.6 million Firm Bonds will be issued under the Pre-emptive Offer) and an additional aggregate number of 1,853 million new Shares will fall to be issued upon full conversion of the Optional Bonds (assuming a maximum amount of approximately HK\$160 million Optional Bonds will be issued to the Optionholders and a maximum amount of approximately HK\$25.3 million Optional Bonds will be issued under the Pre-emptive Offer).

Based on the approximately 16,416.8 million Shares in issue on the date of this announcement, and assuming no other change to the Company's issued ordinary share capital on or before the Record Date, Warrants in aggregate carrying Subscription Rights of approximately HK\$328.3 million will be issued pursuant to the Bonus Issue. Based on the initial Subscription Price of HK\$0.10, exercise of such Warrants in full would result in the issue of approximately 3,283 million new Shares, representing 20% of the existing issued ordinary share capital of the Company.

As at the date of this announcement, approximately 3,829.6 million Series A Convertible Preference Shares, approximately 277.5 million Series B Convertible Preference Shares and approximately 3,249.5 million Series C Convertible Preference Shares are outstanding which may, in accordance with their respective terms, be converted into the same number of new Shares. As at the date of this announcement, the Company has no outstanding warrants, options or similar rights to subscribe for or purchase Shares for the purposes of Chapter 15 of the Listing Rules.

The table below sets out the existing shareholding structure of the Company and the shareholding structures of Company under the following scenarios:

Scenario 1

Assuming no Firm Bonds are issued under the Pre-emptive Offer, no Warrants are exercised and the Firm Bonds with a principal amount of HK\$80 million to be issued under the Subscription Agreement are converted in full into 800 million new Shares at the initial Conversion Price.

Scenario 2

Assuming no Firm Bonds are issued under the Pre-emptive Offer, the Firm Bonds with a principal amount of HK\$80 million to be issued under the Subscription Agreement are converted in full into 800 million new Shares at the initial Conversion Price and the Subscription Rights attaching to the Warrants are exercised in full to subscribe for approximately 3,283 million new Shares at the initial Subscription Price.

Scenario 3

Assuming the maximum amount of Firm Bonds (including approximately HK\$12.6 million Firm Bonds under the Pre-emptive Offer) are issued, the maximum amount of Optional Bonds with an aggregate principal amount of approximately HK\$185.3 million are issued, no Warrants are exercised and the Bonds with an aggregate principal amount of approximately HK\$277.9 million are converted in full into approximately 2,779 million new Shares at the initial Conversion Price. Based on the initial Conversion Price, approximately 379 million new Shares may fall to be issued upon conversion of all the Bonds which may be issued under the Pre-emptive Offer.

Scenario 4

Assuming the maximum amount of Firm Bonds (including approximately HK\$12.6 million Firm Bonds under the Pre-emptive Offer) are issued, the maximum amount of Optional Bonds with an aggregate principal amount of approximately HK\$185.3 million are issued, the Bonds with an aggregate principal amount of approximately HK\$277.9 million are converted in full into approximately 2,779 million new Shares at the initial Conversion Price and the Subscription Rights attaching to the Warrants are exercised in full to subscribe for approximately 3,283 million new Shares at the initial Subscription Price. Based on the initial Conversion Price, approximately 379 million new Shares may be issued upon conversion of all the Bonds which may be issued under the Pre-emptive Offer.

	Existing		Scenario 1		Scenario 2		Scenario 3		Scenario 4						
	Number of shares (million)	Shareholding % (on a fully diluted basis)	Number of shares (million)	Shareholding % (on a fully diluted basis)	Number of shares (million)	Shareholding % (on a fully diluted basis)	Number of shares (million)	Shareholding % (on a fully diluted basis)	Number of shares (million)	Shareholding % (on a fully diluted basis)					
Mr. Lo and his associates	11,961.8	72.9%	60.0%	11,961.8	69.5%	57.7%	14,354.2	70.0%	59.7%	11,961.8	62.3%	52.6%	14,354.2	63.9%	55.2%
The Purchaser and the Optionholders* (note 5)	—	0.0%	0.0%	800.0	4.6%	3.9%	800.0	3.9%	3.3%	2,400.0	12.5%	10.6%	2,400.0	10.7%	9.2%
Other Directors	17.1	0.1%	0.1%	17.1	0.1%	0.1%	20.5	0.1%	0.1%	17.1	0.1%	0.1%	20.5	0.1%	0.1%
Holders of Series C Convertible Preference Shares* (note 6)	—	0.0%	0.0%	—	0.0%	0.0%	—	0.0%	0.0%	379.0	2.0%	1.7%	379.0	1.7%	1.5%
Existing public Shareholders*	4,437.9	27.0%	22.2%	4,437.9	25.8%	21.3%	5,325.1	26.0%	22.2%	4,437.9	23.1%	19.5%	5,325.1	23.6%	20.4%
Total	16,416.8	100.0%	82.3%	17,216.8	100.0%	83.0%	20,499.8	100.0%	85.3%	19,195.8	100.0%	84.5%	22,478.8	100.0%	86.4%
Holders of Series B Convertible Preference Shares*	277.5	1.7%	1.4%	277.5	1.6%	1.3%	277.5	1.4%	1.2%	277.5	1.4%	1.2%	277.5	1.2%	1.1%
Holders of Series C Convertible Preference Shares* (note 6)	3,249.5	19.8%	16.3%	3,249.5	18.9%	15.7%	3,249.5	16.0%	13.5%	3,249.5	16.9%	14.3%	3,249.5	14.5%	12.5%
Total - on fully diluted basis	19,943.8	100.0%	20,743.8	100.0%	24,026.8	100.0%	22,722.8	100.0%	26,005.8	100.0%	26,005.8	100.0%	26,005.8	100.0%	100.0%
*Total public shareholding (notes 5 and 6)	27.0%	26.6%	30.4%	29.4%	29.9%	29.2%	25.1%	23.6%	25.3%	33.3%					

Notes:

- Conversion of the Bonds may only take place three months after the Closing Date and the Warrants may only be exercised three months after the issue date of the Warrants.
- The initial Conversion Price is HK\$0.10. If the Conversion Price is adjusted downward, the number of Shares which may fall to be issued upon conversion of the Bonds will increase and the shareholding interest of other Shareholders will be further diluted.
- The initial Subscription Price is HK\$0.10. The Warrants are assumed to be issued pro rata to the existing Shareholders and to be exercised by them in full under Scenarios 2 and 4.
- Assuming all the Series A Convertible Preference Shares are redeemed in full on or prior to the relevant maturity date.
- The Purchaser and the Optionholders may not be regarded as public Shareholders under Scenarios 3 and 4 as they may have shareholdings of 10% or more.
- Based on the existing shareholding of the Series C Convertible Preference Shares, one of the relevant holder may hold 10% or more of the issued ordinary share capital of the Company after conversion of the Series C Convertible Preference Shares under the above scenarios. Accordingly, its holding in the ordinary share capital of the Company will not be counted as part of the public shareholdings in the relevant scenarios.
- Save for the above, assuming there will be no other changes to the shareholding structure of the Company.

The Stock Exchange has indicated that it will closely monitor the trading in the Shares if less than 25% of the issued Shares are held by the public. If the Stock Exchange believes that a false market exists or may exist in the Shares, or there are too few Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend trading in the Shares until a sufficient level of public float is attained.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE-MONTH PERIOD

No equity fund raising activities have been carried out by the Company in the past twelve-month period.

SPECIAL GENERAL MEETING

The Company will convene the SGM to consider and, if thought fit, to approve, among other things, (i) the issue of the new Shares which may fall to be issued upon conversion of the Bonds and (ii) the Bonus Issue, the terms of the Warrants and the issue of the new Shares which may fall to be issued upon exercise of the Subscription Rights attaching to the Warrants. If the Purchaser, the Optionholders, any of the ultimate beneficial owners of the Purchaser and the Optionholders, any holder of the Series C Convertible Preference Shares who elect to subscribe for the Firm Bonds under the Pre-emptive Offer or any of their respective associates holds any Shares at the date of the SGM, such Shareholder, as well as any other Shareholder who has a material interest in the proposed issue of the Bonds, should abstain from voting at the SGM in respect of the resolution for approving the issue of the new Shares which may fall to be issued upon conversion of the Bonds.

GENERAL

The Group is principally engaged in property development and investment, construction and building-related businesses, and other investments.

A circular setting out details of the Subscription Agreement, the Pre-emptive Offer, the Bonus Issue and the terms of the Warrants together with the notice of the SGM and accompanying form of proxy for the SGM will be despatched by the Company to the Shareholders as soon as practicable. Grand Modern Investment Limited, a company controlled by Mr. Lo and which holds approximately 65.5% of the issued Shares as at the date of this announcement, has indicated to the Board that it will vote in favour of all the resolutions to be proposed at the SGM in relation to the Bonus Issue, the terms of the Warrants and the issue of the new Shares which may fall to be issued upon (i) conversion of the Bonds and (ii) exercise of the Subscription Rights attaching to the Warrants.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 28th November, 2005, pending the release of this announcement. The Company has applied to the Stock Exchange for resumption of trading in the Shares from 9:30 a.m. on 30th November, 2005.

THE BOARD**Executive Directors:**

Mr. LO Yuk Sui
(Chairman and Managing Director)
Mr. Jimmy LO Chun To
Mr. Kenneth NG Kwai Kai

Non-Executive Director:

Mrs. Kitty LO LEE Kit Tai

Independent Non-Executive Directors:

Mr. Anthony CHUANG
Mr. NG Siu Chan
Mr. WONG Chi Keung

DEFINITIONS

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

"associates"	has the same meaning as defined in the Listing Rules
"Board"	the board of Directors
"Bondholder(s)"	holder(s) of the Bonds
"Bonds"	the zero coupon convertible bonds to be issued by the Issuer due 2010, comprising the Firm Bonds and any Optional Bonds, convertible into Shares and guaranteed by the Company
"Bonus Issue"	the proposed bonus issue of the Warrants
"Closing Date"	the closing date for the issue of the Firm Bonds
"Company"	Century City International Holdings Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the Stock Exchange
"connected person(s)"	has the same meaning as defined in Chapters 1 and 14A of the Listing Rules
"Conversion Price"	the conversion price of the Bonds, initially being HK\$0.10 per Share, which is subject to adjustments as summarised in this announcement
"Directors"	the directors of the Company
"Firm Bonds"	Bonds in an aggregate principal amount of up to approximately HK\$92.6 million which may be issued to the Purchaser under the Subscription Agreement and holders of the Series C Convertible Preference Shares under the Pre-emptive Offer
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Issuer"	Supreme Way Limited, an indirect wholly-owned subsidiary of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Maturity Date"	has the meaning ascribed to it under the paragraph headed "Maturity Date" of the sub-section headed "Principal terms of the Bonds" in this announcement
"Mr. Lo"	Mr. Lo Yuk Sui, the chairman of the Board
"Non-Qualifying Shareholder(s)"	Shareholder(s) whose address(es) as shown on the register of members of the Company at the close of business on the Record Date is (are) either outside Hong Kong or situated in place(s) where, in the opinion of the Directors, the Warrants may not be offered without compliance with registration and/or other legal or regulatory requirements of that jurisdiction or jurisdictions outside Hong Kong, in the absence of which the issue of the Warrants to the Non-Qualifying Shareholder(s) may be unlawful or impractical
"Optional Bonds"	additional Bonds in an aggregate principal amount of up to HK\$185.3 million, which may be issued to the Optionholders and any holder of the Series C Convertible Preference Shares who elects to subscribe for the Firm Bonds under the Pre-emptive Offer
"Optionholders"	Hero Crown Investments Limited and Rolling High Limited, which are not and whose beneficial owners are not connected persons of the Company
"Pre-emptive Offer"	a conditional offer in respect of the Bonds to be made by the Company to the holders of the Series C Convertible Preference Shares pursuant to the terms of such preference shares
"Purchaser"	Raised Fortune Investments Limited, which and whose beneficial owners are not connected persons of the Company
"Qualifying Shareholder(s)"	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date
"Record Date"	the record date to be fixed by the Board for the determination of entitlements to the issue of the Warrants under the Bonus Issue
"Series A Convertible Preference Shares"	the convertible non-voting preference shares of par value of HK\$0.10 each issued by the Company with a term of one year, the principal terms of which have been set out in the Company's circular dated 8th November, 2004
"Series B Convertible Preference Shares"	the convertible non-voting preference shares of par value of HK\$0.10 each issued by the Company with a term of two years, the principal terms of which have been set out in the Company's circular dated 8th November, 2004
"Series C Convertible Preference Shares"	the convertible non-voting preference shares of par value of HK\$0.10 each issued by the Company with a term of five years, the principal terms of which have been set out in the Company's circular dated 8th November, 2004
"SGM"	the special general meeting of the Company to be convened for the purposes of seeking approvals from the Shareholders for, among other things, (i) the issue of any Shares which may fall to be issued upon conversion of the Bonds; and (ii) the Bonus Issue and the issue of any Shares which may fall to be issued upon the exercise of the Subscription Rights
"Share(s)"	ordinary share(s) of HK\$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Agreement"	the conditional subscription agreement dated 28th November, 2005, entered into between the Company, the Issuer, the Purchaser and the Optionholders in relation to the subscription of certain Bonds
"Subscription Price"	the sum payable in respect of each Share subscribed for upon exercise of a Subscription Right by a holder of a Warrant, initially being HK\$0.10 per Share, which is subject to adjustments as summarized in this announcement
"Subscription Right"	in relation to each Warrant, means the right of the holder of the Warrant, in units of HK\$0.10 each, to subscribe for a certain number of new Shares at the Subscription Price per Share at any time from and including the date falling 3 months after the issue date of the Warrants to the close of business on the date falling 7 days prior to the fifth anniversary of the issue of the Warrants (both dates inclusive)
"Warrants"	warrants to be issued by the Company under the Bonus Issue which carry the benefit of the Subscription Right
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent.

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

Hong Kong, 29th November, 2005