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(Stock Code: 355)



(Stock Code: 617)



(Stock Code: 78)

A SUPPLEMENTAL AGREEMENT TO THE SP AGREEMENT RELATING TO THE DISPOSAL OF REGAL ORIENTAL HOTEL

The boards of directors of Century (Stock Code: 355), Paliburg (Stock Code: 617) and Regal (Stock Code: 78) refer to the announcement dated 4th September, 2003 jointly made by Century, Paliburg and Regal relating to, inter alia, the SP Agreement in respect of the disposal of the Regal Oriental Hotel.

On 30th March, 2004, Dragon Root, Sino Bright and Regal entered into a supplemental agreement to the SP Agreement to extend the completion date of the Disposal to 30th June, 2004 and to reinstate the Termination Option (in a revised form) to Dragon Root to terminate the SP Agreement.

The boards of directors of Century (Stock Code: 355), Paliburg (Stock Code: 617) and Regal (Stock Code: 78) refer to the announcement dated 4th September, 2003 jointly made by Century, Paliburg and Regal (the "Joint Announcement") relating to, inter alia, the SP Agreement dated 29th August, 2003 entered into between Dragon Root as the vendor, Sino Bright as the purchaser and Regal as the guarantor of Dragon Root in respect of the disposal of the Regal Oriental Hotel. Unless otherwise stated herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Joint Announcement.

THE SP AGREEMENT

Pursuant to the SP Agreement, Dragon Root agreed to sell and Sino Bright agreed to purchase the Sale Share in Chasehill, which directly owns 100% shareholding interests in Gala (which in turn directly owns 100% interests in the Regal Oriental Hotel), and Dragon Root agreed to procure the assignment of the Assigned Loans to Sino Bright. Consideration of the Disposal is HK\$350 million payable in cash, subject to adjustments as stipulated in the SP Agreement, with completion of the Disposal to take place on 31st March, 2004 or such other date as may be agreed between Dragon Root and Sino Bright.

Dragon Root had under the SP Agreement an option to terminate the SP Agreement by giving notice in writing to Sino Bright (i) within 30 days from the date of the SP Agreement by returning the deposit of HK\$30 million paid by Sino Bright (together with interest earned thereon), together with the payment to Sino Bright of an amount of HK\$15 million (as agreed liquidated damages); or (ii) within 60 days from the date of the SP Agreement by returning the deposit of HK\$30 million paid by Sino Bright (together with interest earned thereon), together with the payment of an amount to Sino Bright of HK\$30 million (as agreed liquidated damages). The latest time for the exercise of such option by Dragon Root to terminate the SP Agreement had now expired.

SUPPLEMENTAL AGREEMENT TO THE SP AGREEMENT

On 30th March, 2004, Dragon Root, Sino Bright and Regal entered into a supplemental agreement to the SP Agreement (the "Supplemental Agreement"). Sino Bright is independent of and not connected with the directors, chief executive or substantial shareholders of Century, Paliburg and Regal and the respective subsidiaries of Century, Paliburg and Regal or any of their respective associates (as defined in the Listing Rules). Pursuant to the Supplemental Agreement, the parties to the SP Agreement agreed to:

1. extend the completion date of the Disposal to 30th June, 2004 or such other date as may be agreed between Dragon Root and Sino Bright; and
2. reinstate an option (in a revised form) to Dragon Root to terminate the SP Agreement (as supplemented by the Supplemental Agreement) (the "Termination Option"), exercisable at its sole discretion, upon the following terms:
 - (a) Dragon Root may at any time exercise the Termination Option to terminate the SP Agreement by giving not less than 14 business days' prior written notice to Sino Bright (the "Termination Notice"), such Termination Notice to expire not later than 30th June, 2004.
 - (b) Upon the service of the Termination Notice, Dragon Root will return to Sino Bright the deposit of HK\$30 million paid by Sino Bright (together with interest earned thereon). In addition, Dragon Root will pay to Sino Bright a fee for termination of the SP Agreement (as supplemented) (the "Termination Fee"). The Termination Fee is the aggregate amount of a sum of HK\$30 million and the sum of HK\$3 million multiplied by the number of months (not exceeding three) from 1st April, 2004 to the date when the SP Agreement (as supplemented) is terminated, and an incomplete part of a month shall be deemed a full month for the purpose of this calculation.
 - (c) The Termination Fee will be satisfied by the issue of new ordinary shares of par value HK\$0.01 each of Regal ("Regal Shares") to Sino Bright, or its nominees, on or before the 30th day after expiry of the Termination Notice at an issue price (the "Issue Price") to be agreed between the parties to the SP Agreement (as supplemented) before service of the Termination Notice. The Issue Price will not be less than a price representing a discount of 19.99% to the benchmarked price. Such benchmarked price will be the higher of (a) the closing price of the Regal Shares quoted on the Stock Exchange on the date when the Termination Notice is served; and (b) the average closing price of the Regal Shares quoted on the Stock Exchange for the 5 consecutive trading days immediately prior to the earlier of (i) the date of announcement by Regal in relation to the Termination Notice; (ii) the date when the Termination Notice is served; and (iii) the date on which the Issue Price is fixed. Failing agreement of the parties on the Issue Price, the Issue Price will be fixed at a price representing a discount of 19.99% to the benchmarked price as referred to above.

The total number of new Regal Shares (excluding fractions) to be issued for satisfying the payment of the Termination Fee (the "Relevant New Shares") will be determined by dividing the aggregate amount of the Termination Fee by the Issue Price. The Relevant New Shares will be credited as fully paid and rank pari passu in all respects with the Regal Shares then in issue, and will be listed on the Stock Exchange.

Unless the SP Agreement (as supplemented) is terminated by Dragon Root in accordance with the terms of the SP Agreement (as supplemented), Sino Bright will be bound to complete the Disposal pursuant to the terms of the SP Agreement (as supplemented).

Issue of New Regal Shares to satisfy the payment of the Termination Fee

If the Termination Option is exercised, the Relevant New Shares are intended to be issued under the general mandate to allot, issue and deal with Regal Shares granted to the directors of Regal at Regal's annual general meeting held on 12th June, 2003 (the "Existing Mandate"). Regal has issued 180 million Regal Shares under the Existing Mandate, representing approximately 14.29% of the maximum number of new Regal Shares which could be issued pursuant to the Existing Mandate.

Reasons for entering into the Supplemental Agreement

In view of the improved market conditions and prospects for the local hotel sector since the SP Agreement was entered into, the relative merits of selling the Regal Oriental Hotel have been reconsidered by Regal. From the perspective of the Regal Group as a whole, it is considered that it may now be more beneficial to Regal if Regal could continue to position itself as one of the largest hotel owners and operators in Hong Kong. In these circumstances, Dragon Root initiated negotiation with Sino Bright to enter into the Supplemental Agreement to extend the completion date of the Disposal and to reinstate the Termination Option (in a revised form). The directors of Regal consider that the Supplemental Agreement could provide Regal with additional time and flexibility for its contemplation of other possible proposals or arrangements with respect to the Regal Oriental Hotel which may serve better commercial and financial benefits to Regal than the Disposal under the SP Agreement.

GENERAL

The respective boards of directors of Century, Paliburg and Regal comprise the following directors as at the date of this announcement:-

Directors of Century

Mr. LO Yuk Sui (Chairman and Managing Director), Mr. Anthony CHUANG (Independent Non-Executive Director), Mr. Tommy LAM Chi Chung, Mrs. Kitty LO LEE Kit Tai (Non-Executive Director), Mr. Jimmy LO Chun To, Mr. Kenneth NG Kwai Kai and Mr. NG Siu Chan (Independent Non-Executive Director)

Directors of Paliburg

Mr. LO Yuk Sui (Chairman and Managing Director), Mr. Donald FAN Tung, Mrs. Kitty LO LEE Kit Tai (Non-Executive Director), Mr. Jimmy LO Chun To, Mr. Kenneth NG Kwai Kai, Mr. NG Siu Chan (Independent Non-Executive Director), Hon Abraham SHEK Lai Him, JP (Independent Non-Executive Director) and Dr. Alex WU Shu Chih, CBE, LL D, FBIM FIOP, F Inst D, JP (Independent Non-Executive Director)

Directors of Regal

Mr. LO Yuk Sui (Chairman and Managing Director), Mr. Donald FAN Tung, Mr. Dominic LAI (Independent Non-Executive Director), Mr. Tommy LAM Chi Chung, Mrs. Kitty LO LEE Kit Tai (Non-Executive Director), Mr. Jimmy LO Chun To, Mr. Kenneth NG Kwai Kai, Mr. Thomas NG Wai Hung (Independent Non-Executive Director), Mr. Kai Ole RINGENSON (Non-Executive Director), Dr. Alex WU Shu Chih, CBE, LL D, FBIM FIOP, F Inst D, JP (Independent Non-Executive Director) and Ms. Belinda YEUNG Bik Yiu

By Order of the Board
CENTURY CITY INTERNATIONAL
HOLDINGS LIMITED
Eliza Lam Sau Fun
Secretary

By Order of the Board
PALIBURG HOLDINGS LIMITED
Eliza Lam Sau Fun
Secretary

By Order of the Board
REGAL HOTELS INTERNATIONAL
HOLDINGS LIMITED
Eliza Lam Sau Fun
Secretary

Hong Kong, 31st March, 2004