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Directors:

LO Yuk Sui (*Chairman and Managing Director*)

Daniel BONG Shu Yin

Donald FAN Tung

* Dominic LAI

Tommy LAM Chi Chung

Kitty LO LEE Kit Tai

Jimmy LO Chun To

Kenneth NG Kwai Kai

* Thomas NG Wai Hung

Kai Ole RINGENSON

Belinda YEUNG Bik Yiu

*Head office and principal place
of business:*

18th Floor

Paliburg Plaza

68 Yee Wo Street

Causeway Bay

Hong Kong

* *Independent Non-Executive Directors*

30th April, 2003

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATE TO REPURCHASE ORDINARY SHARES AND
5¼% CONVERTIBLE CUMULATIVE REDEEMABLE PREFERENCE SHARES
AND
ALTERATION OF BYE-LAWS**

The purpose of this circular is to provide to Shareholders of the Company further information on the resolutions relating to (1) the grant of a general mandate (the "Repurchase Mandate") to the Directors for the repurchase of ordinary shares of HK\$0.01 each ("Ordinary Shares") and 5¼% Convertible Cumulative Redeemable Preference Shares of US\$10.00 each ("Convertible Preference Shares") of the Company on the terms set out in the Ordinary Resolution 4(A) (the "Repurchase Proposal") and (2) the alteration to the Bye-laws of the Company (the "Bye-laws") in the manners set out in the Special Resolution, to be proposed at the forthcoming Annual General Meeting of the Company to be held on 12th June, 2003 (the "Annual General Meeting"). The notice of the Annual General Meeting is contained in the accompanying 2002 Annual Report of the Company.

General Mandate to Repurchase Shares

The Directors wish to seek the approval of Shareholders to the Repurchase Mandate for the Repurchase Proposal. The explanatory statement regarding the Repurchase Proposal required to be sent to Shareholders in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) is set out in the Appendix to this circular.

Alteration to the Bye-laws

The proposed alteration to the Bye-laws is to adopt the appropriate reference of the meaning of “recognised clearing house” as ascribed in the Securities and Futures Ordinance of Hong Kong, which came into force on 1st April, 2003, in the definition provisions of the Bye-laws.

Yours faithfully,

LO YUK SUI
Chairman

APPENDIX

This is the explanatory statement to provide requisite information to you for your consideration of the Repurchase Proposal, as required by the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange or on another stock exchange recognised for this purpose by the Securities and Futures Commission and the Stock Exchange. The Ordinary Shares are listed on the Stock Exchange and the Convertible Preference Shares are listed on Société de la Bourse de Luxembourg (“Luxembourg Stock Exchange”).

1. SHARE CAPITAL

As at 23rd April, 2003 (the latest practicable date prior to the printing of this statement), there were 6,297,105,836 Ordinary Shares and 16,748 Convertible Preference Shares in issue respectively.

Subject to the passing of the Ordinary Resolution 4(A) referred to above, the Company would be allowed under the buy back mandate to repurchase a maximum of 629,710,583 Ordinary Shares and 1,674 Convertible Preference Shares, on the assumption that there will be no variation in the issued Ordinary Shares and Convertible Preference Shares during the period up to 12th June, 2003.

2. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Proposal is in the interests of the Company and its Shareholders. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per share or may otherwise be in the interests of the Company, and will only be made when the Directors believe that such purchases will benefit the Company and its Shareholders.

3. FUNDING OF REPURCHASES

Pursuant to the buy back mandate, repurchases would be funded entirely from the Company’s funds legally available for the purpose in accordance with the Company’s Memorandum of Association and Bye-laws and the laws of Bermuda. It is presently proposed that any shares repurchased under the buy back mandate would be funded out of the capital paid up on the repurchased shares, the profits of the Company which would otherwise be available for dividend, the Company’s share premium account and/or its contributed surplus account.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31st December, 2002) in the event that the proposed repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the buy back mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Ordinary Shares and the Convertible Preference Shares of the Company have traded on the Stock Exchange and Luxembourg Stock Exchange respectively in each of the previous twelve months were as follows:

	Ordinary Shares		Convertible Preference Shares	
	Highest	Lowest	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>	<i>US\$</i>	<i>US\$</i>
April 2002	0.135	0.115	325.000	325.000
May 2002	0.139	0.123	325.000	325.000
June 2002	0.131	0.110	325.000	325.000
July 2002	0.120	0.073	325.000	325.000
August 2002	0.091	0.076	325.000	325.000
September 2002	0.086	0.074	325.000	325.000
October 2002	0.080	0.072	300.000	300.000
November 2002	0.081	0.066	300.000	300.000
December 2002	0.069	0.060	300.000	300.000
January 2003	0.064	0.060	300.000	300.000
February 2003	0.069	0.059	325.000	325.000
March 2003	0.068	0.055	325.000	325.000

5. DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates (as defined in the Listing Rules), have any present intention to sell any shares to the Company under the Repurchase Proposal if such is approved by Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Ordinary Resolution 4(A) in accordance with the Listing Rules and the laws of Bermuda.

No other connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell shares to the Company, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by Shareholders.

As at 23rd April, 2003 (the latest practicable date prior to the printing of this statement), Paliburg Holdings Limited (“Paliburg”), a subsidiary of Century City International Holdings Limited of which Mr. Lo Yuk Sui is the Chairman and controlling shareholder, is beneficially interested in approximately 74.9% of the issued ordinary share capital of the Company. Assuming exercise in full of the share repurchase mandate in respect of the ordinary shares of the Company, the shareholding interest of Paliburg in the Company will increase to approximately 83.2%. As a result, exercise of the buy back mandate may lead to failure to comply with the public float requirement under Rule 8.08 of the Listing Rules. The Company will be cautious in exercising the buy back mandate and has no intention to exercise the buy back mandate to such extent as to jeopardise the public float requirement. In addition, the Directors are not aware of any consequences which may arise under the Hong Kong Code on Takeovers and Mergers as a result of any purchases made under the Repurchase Proposal.

6. SHARE PURCHASES MADE BY THE COMPANY

The Company has not purchased any of its shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this statement.