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**CLARIFICATION ANNOUNCEMENT OF PRESS ARTICLES  
MEMORANDUM OF UNDERSTANDING  
IN RESPECT OF POSSIBLE INVESTMENT IN A NATURAL GAS PROJECT  
AND  
RESUMPTION OF TRADING**

The Board of the Company wishes to clarify the information contained in certain press articles published on 29th March, 2007 relating to the entering into of a non-legally binding Memorandum of Understanding between Smart City, a wholly-owned subsidiary of the Company, and Korus, an independent third party, on 27th March, 2007, for the possible investment by Smart City in a natural gas project in the United States. Most of the contents of the press articles were based on information contained in a related press release issued by the Company on 28th March, 2007, and material contexts of the press release relating to the Memorandum of Understanding are set out in this announcement.

The Board of the Company has noted the recent increases in the trading volume and the price of the ordinary shares and warrants of the Company and wishes to state that it is not aware of any reasons for such increases, save that the Company has issued a press release on 28th March, 2007 relating to the entering into of a non-legally binding Memorandum of Understanding between Smart City and Korus on 27th March, 2007 for the Possible Investment by Smart City in a natural gas project in the United States. The Possible Investment shall involve conducting exploration and development at a natural gas project in Utah, the United States.

**The Board of the Company wishes to emphasize that the Memorandum of Understanding is non-legally binding and further negotiations on the detailed terms and conditions of the Possible Investment are subject to, amongst others, satisfactory results of the due diligence to be undertaken by Smart City. The Possible Investment is still in a preliminary stage. No firm decision has yet been made and the Possible Investment may or may not proceed. Accordingly, Shareholders of the Company and other investors are reminded to exercise caution when dealing in the securities of the Company.**

At the request of the Company, trading in the ordinary shares and warrants on the Stock Exchange was suspended from 2:30 p.m. on 29th March, 2007, pending the release of this announcement. The Company has applied to the Stock Exchange for resumption of trading in the ordinary shares and warrants from 9:30 a.m. on 30th March, 2007.

The board of directors of the Company wishes to clarify the information contained in certain press articles published on 29th March, 2007 relating to the entering into of a non-legally binding Memorandum of Understanding between Smart City, a wholly-owned subsidiary of the Company, and Korus, an independent third party, on 27th March, 2007 for the possible investment by Smart City in a natural gas project in the United States. Most of the contents of the press articles were based on information contained in a related press release issued by the Company on 28th March, 2007, and material contexts of the press release relating to the Memorandum of Understanding are set out in this announcement.

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**MEMORANDUM OF UNDERSTANDING**

Date: 27th March, 2007

Parties: (i) Smart City; and  
(ii) Korus

According to information provided by Korus, it is a private company incorporated in California, the United States with limited liability and is principally engaged in energy investment that focuses on investments in oil and gas exploration. Korus has confirmed to the Century City Group that it is the exclusive agent for the owner of the Utah Project to procure potential investors in Hong Kong to invest in the Utah Project.

To the best of the Directors' knowledge, Korus and its ultimate beneficial owners are not connected persons of the Company and are independent third parties not connected with the Company and its connected persons.

**Major terms of the Memorandum of Understanding**

The Possible Investment shall involve exploration and development at a natural gas project in Utah, the United States. Preliminary information obtained in respect of the Utah Project is as follows:

**Utah Project**

Based on information provided by Korus and according to the Memorandum of Understanding, this is a development project of up to 56,300 acres near Rocky Mountains, Utah, the United States with 16 existing wells in natural gas production. A 3D seismic has already been shot and there are over 232 approved drill locations, and there could be over one trillion cubic feet of recoverable natural gas potential.

Under the Memorandum of Understanding, Smart City will appoint independent professional firms to conduct a preliminary geological/geophysical due diligence and a legal due diligence on the Utah Project as soon as practicable. Subject to the satisfactory results of the due diligence and taking into account technical advice regarding the Utah Project and the costs required for drilling and completion of the Utah Project, the parties to the Memorandum of Understanding will proceed to the negotiation on the terms and conditions of a formal agreement in respect of the Possible Investment on or before 30th April, 2007 (or such later date to be agreed by the parties thereto).

**Consideration**

With reference to the Memorandum of Understanding, apart from the professional fees, such as legal expenses or cost for due diligence exercise, no capital expenses and/or consideration has been paid nor agreed upon by parties to the Memorandum of Understanding. The

aggregate consideration, timing and method of payment and other detailed terms and conditions in respect of the Possible Investment will be subject to the satisfactory results of the due diligence and taking into account technical advice regarding the Utah Project and the costs required for drilling and completion of the Utah Project and will be determined and negotiated on an arm's length basis.

Save as disclosed above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23 of the Rules Governing the Listing of Securities on the Stock Exchange, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

**SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the ordinary shares and warrants on the Stock Exchange was suspended from 2:30 p.m. on 29th March, 2007, pending the release of this announcement. The Company has applied to the Stock Exchange for resumption of trading in the ordinary shares and warrants from 9:30 a.m. on 30th March, 2007.

Made by the order of the Board of the Company, the Directors (namely, Mr. LO Yuk Sui (Chairman and Chief Executive Officer), Mr. Kenneth NG Kwai Kai (Chief Operating Officer), Mr. Anthony Chuang (Independent Non-Executive Director), Mr. Donald FAN Tung (Executive Director), Mr. Jimmy LO Chun To (Executive Director), Miss LO Po Man (Executive Director), Mr. NG Siu Chan (Independent Non-Executive Director) and Mr. WONG Chi Keung (Independent Non-Executive Director)) of which individually and jointly accept responsibility for the accuracy of this statement.

**DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

"Board"	the board of Directors
"Century City Group"	the Company and its subsidiaries
"Company"	Century City International Holdings Limited, a company incorporated in Bermuda with limited liability and certain securities of which are listed on the Stock Exchange
"connected persons"	has the meaning ascribed thereto in the Listing Rules
"Director(s)"	the director(s) of the Company
"Korus"	Korus Partners, LLC., a company incorporated in California, the United States with limited liability
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Memorandum of Understanding"	the non-legally binding memorandum of understanding dated 27th March, 2007 entered into between Smart City and Korus in relation to the Possible Investment
"Possible Investment"	the possible investment by the Century City Group in the Utah Project as contemplated in the Memorandum of Understanding
"Smart City"	Smart City International Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly owned subsidiary of the Company
"Shareholder(s)"	Shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"United States"	The United States of America
"Utah Project"	a natural gas project in Utah, the United States, as described in this announcement

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

Hong Kong, 29th March, 2007