

## DIRECTORS' INTERESTS IN SHARE CAPITAL

As at 30th June, 2005, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) of the Company, which (a) are as recorded in the register required to be kept under section 352 of the SFO; or (b) are as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), were as follows:

|                | Name of Director          | Class of Shares held        | Number of Shares Held |                  |                        | Total (Approximate percentage of the Issued Shares as at 30th June, 2005) |
|----------------|---------------------------|-----------------------------|-----------------------|------------------|------------------------|---|
|                |                           |                             | Personal Interests    | Family Interests | Corporate Interests    |   |
| 1. The Company | Mr. Lo Yuk Sui            | Ordinary (i) issued         | 442,765               | -                | 4,250,774,001 (Note b) | 4,251,216,766   |
|                |                           | (ii) unissued (Note b(iii)) | 180,000,000           | -                | -                      | 180,000,000   |
|                |                           |                             |                       |                  |                        | Total (i) & (ii): 4,431,216,766 (61.47%)                                  |
|                | Mr. Donald Fan Tung       | Ordinary (issued)           | 2,718                 | -                | -                      | 2,718 (0.00004%)  |
|                | Mrs. Kitty Lo Lee Kit Tai | Ordinary (issued)           | 100,000               | -                | -                      | 100,000 (0.0014%)   |
|                | Mr. Jimmy Lo Chun To      | Ordinary (issued)           | 284,000               | -                | -                      | 284,000 (0.0039%)   |
|                | Mr. Ng Siu Chan           | Ordinary (issued)           | -                     | 536,500          | -                      | 536,500 (0.0074%)   |



| Name of Associated Corporation                           | Name of Director          | Class of Shares held      | Number of Shares Held               |                  |                                      | Total (Approximate percentage of the Issued Shares as at 30th June, 2005) |                   |
|--|---------------------------|---------------------------|-------------------------------------|------------------|--------------------------------------|---|-------------------|
|  |                           |                           | Personal Interests                  | Family Interests | Corporate Interests                  |   |                   |
| 2. Century City International Holdings Limited ("CCIHL") | Mr. Lo Yuk Sui            | Ordinary (i) issued       | 543,344,843                         | -                | 9,845,994,246<br>(Note a(i))         | 10,389,339,089  |                   |
|  |                           | (ii) unissued             | 350,000,000<br>(Note a(iii))        | -                | 2,110,000,000<br>(Note a(ii))        | 2,460,000,000   |                   |
|  | Total (i) & (ii):         |                           |                                     |                  |                                      | 12,849,339,089<br>(89.81%)  |                   |
|  | Mrs. Kitty Lo Lee Kit Tai | Ordinary (issued)         | 2,510,000                           | -                | -                                    | 2,510,000<br>(0.018%)   |                   |
|  | Mr. Jimmy Lo Chun To      | Ordinary (issued)         | 1,659,800                           | -                | -                                    | 1,659,800<br>(0.012%)   |                   |
|  | Mr. Ng Siu Chan           | Ordinary (issued)         | -                                   | 15,453,000       | -                                    | 15,453,000<br>(0.108%)  |                   |
| 3. Regal Hotels International Holdings Limited ("RHHL")  | Mr. Lo Yuk Sui            | Ordinary (i) issued       | 220,000                             | -                | 3,784,379,610<br>(Note c(i))         | 3,784,599,610   |                   |
|  |                           | (ii) unissued             | 200,022,000<br>(Notes c(iii) & (v)) | -                | 369,805,453<br>(Notes c(ii) to (iv)) | 569,827,453   |                   |
|  | Total (i) & (ii):         |                           |                                     |                  |                                      | 4,354,427,063<br>(51.81%)   |                   |
|  |                           |                           | Preference (issued)                 | -                | -                                    | 3,440<br>(Notes c(iv))  | 3,440<br>(20.54%) |
|  |                           | Mrs. Kitty Lo Lee Kit Tai | Ordinary (i) issued                 | 2,370,000        | -                                    | -   | 2,370,000         |
|  |                           | (ii) unissued             | 237,000<br>(Note d)                 | -                | -                                    | 237,000   |                   |
| Total (i) & (ii):  |                           |                           |                                     |                  | 2,607,000<br>(0.031%)                |   |                   |
| 4. 8D International (BVI) Limited                        | Mr. Lo Yuk Sui            | Ordinary (issued)         | -                                   | -                | 1,000<br>(Note e)                    | 1,000<br>(100%)   |                   |
| 5. Network Sky Limited                                   | Mrs. Kitty Lo Lee Kit Tai | Ordinary (issued)         | -                                   | -                | 50,000<br>(Note f)                   | 50,000<br>(25%)   |                   |



**Notes:**

- (a) (i) The interests in 1,205,994,246 issued ordinary shares of CCIHL were held through companies wholly owned by Mr. Lo Yuk Sui ("Mr. Lo") and a company, namely Master City Limited, 99.96% owned by Mr. Lo.

The interests in 8,640,000,000 issued ordinary shares of CCIHL were held through corporations controlled by Mr. Lo as detailed below:

| (a) | Name of corporation                                  | Controlled by                     | % of control |
|-----|--|-----------------------------------|--------------|
|     | CCIHL  | Mr. Lo                            | 72.62        |
|     | Century City BVI Holdings Limited                    | CCIHL                             | 100.00       |
|     | 8D International (BVI) Limited                       | Century City BVI Holdings Limited | 40.00        |
|     | Task Master Technology Limited                       | 8D International (BVI) Limited    | 100.00       |
|     | Net Community Limited                                | Task Master Technology Limited    | 33.33        |
|     | Century Digital Holdings Limited                     | Net Community Limited             | 100.00       |
|     | Grand Modern Investments Limited<br>("Grand Modern") | Century Digital Holdings Limited  | 100.00       |

| (b) | Name of corporation              | Controlled by                    | % of control |
|-----|----------------------------------|----------------------------------|--------------|
|     | Manyways Technology Limited      | Mr. Lo                           | 100.00       |
|     | Secure Way Technology Limited    | Mr. Lo                           | 92.50        |
|     | 8D International (BVI) Limited   | Manyways Technology Limited      | 60.00        |
|     | Task Master Technology Limited   | 8D International (BVI) Limited   | 100.00       |
|     | Net Community Limited            | Secure Way Technology Limited    | 66.67        |
|     | Net Community Limited            | Task Master Technology Limited   | 33.33        |
|     | Century Digital Holdings Limited | Net Community Limited            | 100.00       |
|     | Grand Modern                     | Century Digital Holdings Limited | 100.00       |

- (ii) The interests in 2,110,000,000 unissued ordinary shares of CCIHL related to the rights to put attached to the 2,110,000,000 Series A exchangeable preference shares ("Almighty Series A Shares") of Almighty International Limited ("Almighty"), a wholly owned subsidiary of CCIHL, held by Grand Modern. Grand Modern may exercise such rights to put during the period from 31st December, 2002 to 15th December, 2009 (as extended), requiring CCIHL to acquire the 2,110,000,000 Almighty Series A Shares at the consideration of the issuance by CCIHL to Grand Modern of 2,110,000,000 new ordinary shares of CCIHL on the basis of one new ordinary share for one Almighty Series A Share.

The interests in 2,110,000,000 unissued ordinary shares of CCIHL were held through corporations controlled by Mr. Lo as detailed below:

| (a) | Name of corporation               | Controlled by                     | % of control |
|-----|-----------------------------------|-----------------------------------|--------------|
|     | CCIHL                             | Mr. Lo                            | 72.62        |
|     | Century City BVI Holdings Limited | CCIHL                             | 100.00       |
|     | 8D International (BVI) Limited    | Century City BVI Holdings Limited | 40.00        |
|     | Task Master Technology Limited    | 8D International (BVI) Limited    | 100.00       |
|     | Net Community Limited             | Task Master Technology Limited    | 33.33        |
|     | Century Digital Holdings Limited  | Net Community Limited             | 100.00       |
|     | Grand Modern                      | Century Digital Holdings Limited  | 100.00       |



| (b) | Name of corporation              | Controlled by                    | % of control |
|-----|----------------------------------|----------------------------------|--------------|
|     | Manyways Technology Limited      | Mr. Lo                           | 100.00       |
|     | Secure Way Technology Limited    | Mr. Lo                           | 92.50        |
|     | 8D International (BVI) Limited   | Manyways Technology Limited      | 60.00        |
|     | Task Master Technology Limited   | 8D International (BVI) Limited   | 100.00       |
|     | Net Community Limited            | Secure Way Technology Limited    | 66.67        |
|     | Net Community Limited            | Task Master Technology Limited   | 33.33        |
|     | Century Digital Holdings Limited | Net Community Limited            | 100.00       |
|     | Grand Modern                     | Century Digital Holdings Limited | 100.00       |

- (iii) The interests in 350,000,000 unissued ordinary shares of CCIHL were held through the interests in the options conditionally granted to Mr. Lo, entitling Mr. Lo to subscribe for a total of 350,000,000 new ordinary shares of CCIHL at an exercise price of HK\$0.12 per ordinary share (subject to adjustments), under The Century City International Holdings Limited Share Option Scheme adopted by the shareholders of CCIHL on 16th June, 2005. The conditional grant of such options became unconditional on 21st July, 2005. The options will become vested in stages, commencing with 40% of options granted from two years after the offer date of 12th May, 2005 and thereafter a further 20% of options granted for each subsequent year, and be exercisable as follows:

| <u>Exercise Period</u>           | <u>Number of ordinary shares of CCIHL under vested options</u> |
|----------------------------------|--|
| 12th May, 2007 to 11th May, 2011 | 140,000,000  |
| 12th May, 2008 to 11th May, 2011 | 70,000,000   |
| 12th May, 2009 to 11th May, 2011 | 70,000,000   |
| 12th May, 2010 to 11th May, 2011 | 70,000,000   |

- (b) (i) The interests in 3,944,018,001 issued ordinary shares of the Company were held through companies (including Almighty) wholly owned by CCIHL, in which Mr. Lo held 72.62% shareholding interests.

The interests in 306,756,000 issued ordinary shares of the Company were held through corporations controlled by Mr. Lo as detailed below:

| Name of corporation                 | Controlled by                       | % of control |
|-------------------------------------|-------------------------------------|--------------|
| Wealth Master International Limited | Mr. Lo                              | 90.00        |
| Select Wise Holdings Limited        | Wealth Master International Limited | 100.00       |

The interests in 200,000,000 issued ordinary shares of the Company were held through corporations controlled by Mr. Lo as detailed below:

| Name of corporation                 | Controlled by                       | % of control |
|-------------------------------------|-------------------------------------|--------------|
| Wealth Master International Limited | Mr. Lo                              | 90.00        |
| Select Wise Holdings Limited        | Wealth Master International Limited | 100.00       |
| Splendid All Holdings Limited       | Select Wise Holdings Limited        | 100.00       |



- (ii) Under the debt restructuring in respect of CCIHL and its subsidiary companies (then excluding the Company and RHIL and their respective subsidiary companies) (the "CCIHL Group") with the financial creditors of the CCIHL Group (the "Creditors"), which was completed on 15th December, 2004, (the "Restructuring"), part of the indebtedness had been refinanced into the secured bilateral loans with an aggregate principal amount of HK\$13.78 million (the "HK\$13.78 million Secured Bilateral Loans") granted by certain Creditors for a term of two years. The HK\$13.78 million Secured Bilateral Loans were secured by, among others, a total of 137,800,000 issued ordinary shares of the Company (the "137.8 million Charged PHL Shares") held by the CCIHL Group. Under the terms of the HK\$13.78 million Secured Bilateral Loans, the relevant Creditors granting such loans have the right to opt to receive the 137.8 million Charged PHL Shares at a price of HK\$0.10 each for the settlement of the relative amount of the HK\$13.78 million Secured Bilateral Loans proposed to be prepaid by the CCIHL Group in lieu of cash repayment. Such Creditors also have a similar right of electing to receive the 137.8 million Charged PHL Shares upon final repayment at maturity of the HK\$13.78 million Secured Bilateral Loans.

On completion of the Restructuring, a wholly owned subsidiary company of CCIHL issued exchangeable notes with an aggregate principal amount of approximately HK\$13.78 million (the "Exchangeable Notes") at their principal value to certain Creditors. The Exchangeable Notes, which are for a term of two years and non-interest bearing, are exchangeable into a total of 55,120,000 issued ordinary shares of the Company held by the CCIHL Group at a price of HK\$0.25 per ordinary share, subject to adjustment. The holders of the Exchangeable Notes do not have any right to demand for cash repayment of the Exchangeable Notes. Except in the occurrence of an event of default as defined in the terms of the Exchangeable Notes, the Exchangeable Notes are only exchangeable into ordinary shares of the Company upon maturity on a mandatory basis. However, prior to maturity, the CCIHL Group have the right to repay any of the Exchangeable Notes at their principal amount.

On completion of the Restructuring, Mr. Lo provided a personal guarantee in favour of one of the Creditors (the "Relevant Creditor") in respect of the secured bilateral loan of HK\$12.38 million (the "HK\$12.38 million Secured Bilateral Loan") granted by the Relevant Creditor to the CCIHL Group under the Restructuring and in return the Relevant Creditor granted to Mr. Lo the right to purchase or procure the purchase of the HK\$12.38 million Secured Bilateral Loan at any time within two years from completion of the Restructuring. Under the terms of the HK\$12.38 million Secured Bilateral Loan, the Relevant Creditor has the right to opt to receive the 123,800,000 issued ordinary shares of the Company (the "123.8 million Charged PHL Shares"), which form part of the security for the HK\$12.38 million Secured Bilateral Loan, at a price of HK\$0.10 each for the settlement of the relative amount of the HK\$12.38 million Secured Bilateral Loan proposed to be prepaid by the CCIHL Group in lieu of cash repayment. The Relevant Creditor also has a similar right of electing to receive the 123.8 million Charged PHL Shares upon final repayment at maturity of the HK\$12.38 million Secured Bilateral Loans. If Mr. Lo exercises his right to acquire the HK\$12.38 million Secured Bilateral Loan, he will be entitled to have the rights to acquire the 123.8 million Charged PHL Shares. If Mr. Lo exercises his right to acquire the HK\$12.38 million Secured Bilateral Loan or is required to perform under his guarantee, 50% of the Exchangeable Notes issued to the Relevant Creditor under the Restructuring, which amounted to HK\$6.19 million and carrying the right to exchange into 24,760,000 ordinary shares of the Company at a price of HK\$0.25 per ordinary share, subject to adjustment, will be transferred to Mr. Lo.



- (iii) The interests in 180,000,000 unissued ordinary shares of the Company were held through the interests in the options conditionally granted to Mr. Lo, entitling Mr. Lo to subscribe for a total of 180,000,000 new ordinary shares of the Company at an exercise price of HK\$0.22 per share (subject to adjustments), under The Paliburg Holdings Limited Share Option Scheme adopted by the shareholders of the Company on 16th June, 2005. The conditional grant of such options became unconditional on 21st July, 2005. The options will become vested in stages, commencing with 40% of options granted from two years after the offer date of 12th May, 2005 and thereafter a further 20% of options granted for each subsequent year, and be exercisable as follows:

| <u>Exercise Period</u>           | <u>Number of ordinary shares<br/>of the Company under<br/>vested options</u> |
|----------------------------------|--|
| 12th May, 2007 to 11th May, 2011 | 72,000,000   |
| 12th May, 2008 to 11th May, 2011 | 36,000,000   |
| 12th May, 2009 to 11th May, 2011 | 36,000,000   |
| 12th May, 2010 to 11th May, 2011 | 36,000,000   |

- (c) (i) The issued ordinary shares of RHIHL were held through companies wholly owned by the Company, in which CCIHL held 54.71% shareholding interests.
- (ii) The interests in 369,805,453 unissued ordinary shares of RHIHL were held through companies wholly owned by the Company, in which CCIHL held 54.71% shareholding interests.
- (iii) The interests in 22,000 and 354,197,026 unissued ordinary shares of RHIHL related to the interests in the warrants of RHIHL (the "2007 Warrants") carrying subscription rights in an aggregate amount of HK\$88,554,756.50, which are exercisable during the period from 2nd February, 2005 to 26th July, 2007 to subscribe for a total of 354,219,026 new ordinary shares of RHIHL at an initial subscription price of HK\$0.25 per ordinary share (subject to adjustment).
- (iv) The interests in 15,608,427 unissued ordinary shares of RHIHL related to the interests in 3,440 convertible cumulative preference shares of RHIHL carrying rights to convert into 15,608,427 new ordinary shares of RHIHL, based on the conversion price of HK\$1.7037 per ordinary share and on a reference amount of US\$1,000 per preference share at the fixed exchange rate of HK\$7.730255 to US\$1.00, during the period from 5th December, 1993 to 5th December, 2008.
- (v) The interests in 200,000,000 unissued ordinary shares of RHIHL were held through the interests in the options conditionally granted to Mr. Lo, entitling Mr. Lo to subscribe for a total of 200,000,000 new ordinary shares of RHIHL at an exercise price of HK\$0.75 per ordinary share (subject to adjustments), under The Regal Hotels International Holdings Limited Share Option Scheme adopted by the shareholders of RHIHL on 16th June, 2005. The conditional grant of such options became unconditional on 21st July, 2005. The options will become vested in stages, commencing with 40% of options granted from two years after the offer date of 12th May, 2005 and thereafter a further 20% of options granted for each subsequent year, and be exercisable as follows:

| <u>Exercise Period</u>           | <u>Number of ordinary shares<br/>of RHIHL under vested options</u> |
|----------------------------------|--|
| 12th May, 2007 to 11th May, 2011 | 80,000,000   |
| 12th May, 2008 to 11th May, 2011 | 40,000,000   |
| 12th May, 2009 to 11th May, 2011 | 40,000,000   |
| 12th May, 2010 to 11th May, 2011 | 40,000,000   |



- (d) The derivative interests in these unissued ordinary shares of RHIHL related to the interests in the 2007 Warrants carrying subscription rights in an aggregate amount of HK\$59,250.00, which are exercisable during the period from 2nd February, 2005 to 26th July, 2007 to subscribe for a total of 237,000 new ordinary shares of RHIHL at an initial subscription price of HK\$0.25 per ordinary share (subject to adjustment).
- (e) 400 shares were held through companies controlled by CCIHL, in which Mr. Lo held 72.62% shareholding interests, and 600 shares were held through a company controlled by Mr. Lo.
- (f) The shares were held through a company wholly owned by Mrs. Kitty Lo Lee Kit Tai.

Save as disclosed herein, as at 30th June, 2005, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) of the Company, which (a) are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (b) are required, pursuant to the Model Code in the Listing Rules to be notified to the Company and the Stock Exchange.

Save as disclosed in note 19 to the condensed consolidated financial statements, during the period, no right has been granted to, or exercised by, the following persons, to subscribe for shares in or debentures of the Company under the Executive Share Option Scheme and the New Share Option Scheme (both as referred to in note 19 to the condensed consolidated financial statements) and no option granted to such persons under the Executive Share Option Scheme and the New Share Option Scheme has been cancelled and lapsed:

- (i) any Director, chief executive or substantial shareholders of the Company, or their respective associates;
- (ii) any participant under the Executive Share Option Scheme and the New Share Option Scheme with options granted in excess of the individual limit;
- (iii) any employee working under employment contract that is regarded as "continuous contract" for the purpose of the Employment Ordinance;
- (iv) any supplier of goods or services; and
- (v) any other participants under the Executive Share Option Scheme and the New Share Option Scheme.

