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**LATEST DEVELOPMENT ON
RESCHEDULING OF THE REGAL LOANS
AND
RECOVERY OF U.S. RECEIVABLES**

The boards of directors of Century, Paliburg and Regal are pleased to announce that:-

1. The Regal Group Rescheduling Agreement has been formally entered into by, among others, Regal and all the lenders of the Regal Loans on 30th September, 2003.
2. The Settlement Agreement relating to the recovery of the U.S. Receivables has been formally entered into by, among others, Regal and the US Purchaser on 19th September, 2003 (New York time), and the settlement amount of US\$48.8 million (equivalent to approximately HK\$380.6 million) has since been received from the US Purchaser.

Reference is made to the two announcements dated 7th July, 2003 and 4th September, 2003 respectively both jointly made by Century, Paliburg and Regal (together, the "Joint Announcements") and the Announcement of 2003 Interim Results dated 19th September, 2003 made by each of Century, Paliburg and Regal (collectively, the "Interim Results Announcements"). Unless otherwise stated herein, terms used in this announcement shall have the same meanings as those defined in the Joint Announcements.

RESCHEDULING OF THE REGAL LOANS

The boards of directors of Century, Paliburg and Regal are pleased to announce that the financial restructuring proposal of the Regal Group, details of which were contained in the Joint Announcements, has received unanimous endorsement by the requisite Financial Creditors. Pursuant to the financial restructuring proposal, a rescheduling agreement relating to the Regal Loans (the "Regal Group Rescheduling Agreement") has been formally entered into by, among others, Regal and all the lenders of the Regal Loans on 30th September, 2003. Subject to the fulfilment and/or waiver (by the requisite Financial Creditors) of certain procedural conditions, the Regal Group Rescheduling Agreement is expected to become effective on or before 7th October, 2003.

The board of directors of Regal is of the view that the successful implementation of the rescheduling of the Regal Loans will provide the Regal Group with overall financial stability and a solid platform for its business recovery going forward.

RECOVERY OF U.S. RECEIVABLES

Further to the update on the status of the recovery by Regal of the Deferred Consideration and interest accrued under the US Disposal Agreement (the "U.S. Receivables") contained in the Joint Announcement dated 7th July, 2003 and the Interim Results Announcements, the boards of directors of Century, Paliburg and Regal are pleased to announce that a settlement agreement (the "Settlement Agreement") has been formally entered into by, among others, Regal and the US Purchaser on 19th September, 2003 (New York time). The Settlement Agreement provides for the payment of a settlement amount of US\$48.8 million (equivalent to approximately HK\$380.6 million) in full and final settlement of the legal proceedings related to the recovery of the U.S. Receivables and the total resolution and mutual release of all claims by and between the Regal Group and the US Purchaser under or in connection with the US Disposal Agreement. Pursuant to the terms of the Settlement Agreement, the settlement amount of US\$48.8 million (equivalent to approximately HK\$380.6 million) has since been received from the US Purchaser. Approximately US\$46.3 million (equivalent to approximately HK\$361.1 million) of the settlement amount received will be applied towards partial repayment of the Key Winner Loan and the remaining balance of approximately US\$2.5 million (equivalent to approximately HK\$19.5 million) will be applied to defray legal and other expenses in connection with the recovery of the U.S. Receivables. The receipt of the settlement amount effectively settled the Consideration Receivable of approximately HK\$400.1 million and certain other related receivable of HK\$0.7 million and, at the same time, eliminated a provision made against certain tax indemnity under the US Disposal Agreement in the amount of HK\$24.2 million included under current liabilities, based on the unaudited consolidated financial statements of Regal as at 30th June, 2003. Accordingly, before accounting for any related legal and other expenses, the settlement amount received reflected a surplus of approximately HK\$4.0 million over the net carrying value of the U.S. Receivables.

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, 2nd October, 2003