

**CENTURY CITY INTERNATIONAL HOLDINGS LTD:  
THINGS LOOK VERY GRIM FOR THIS HOTEL-OPERATING COMPANY**

Following on from the accounting firm of Ernst and Young, issuing an absolute disclaimer in respect of the accounts of Century City International Holdings Ltd, the publicly listed company has been sued for about \$HK3.73 million for, allegedly, not paying rent on its Causeway Bay offices.

Century City International (Code: 355, Main Board, The Stock Exchange of Hongkong Ltd) has been in serious trouble for a least the past 5 Financial Years, having acknowledged aggregate Losses Attributable to Shareholders of not less than \$HK9.20 billion, during that period of time.

This company was, at one time, an aspiring hotel-chain operator in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), but its Chairman, Mr Lo Yuk Sui, bit off a great deal more than he could chew.

And, today, he has a bit of indigestion.

For one thing, he financed long-term commitments with short-term borrowings – which did not wash very well when things turned bearish in the HKSAR and in other areas of the world.

The Auditors of Century City International, in their final paragraph of their Report to Members of the company, said, on April 17, 2003, inter alia:

*'On account of the foregoing fundamental uncertainties relating to the appropriateness of the going concern basis, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31<sup>st</sup> December, 2002 and of the loss and cash flows of the Group for the year then ended and as to whether the financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.'*

The latest attack on Century City International comes from the Registered Owner of the 18<sup>th</sup> to 22<sup>nd</sup> Floors of Paliburg Plaza, Number 68, Yee Wo Street, Causeway Bay, where Century City International has its offices in the HKSAR.

Treasure Spot Investments Ltd alleges that Century City International and its wholly owned subsidiary, Century City Holdings Ltd, have failed in their financial obligations to their corporate landlord.

Century City International is the Second Defendant in High Court Action Number 2601 while Century City Holdings is the First Defendant.

It is alleged, at Paragraph 4 of the Statement of Claim, attached to the Writ of Summons, that there exists a Lease, dated June 21, 2002, *'made between the First Plaintiff (Treasure Spot Investments) as lessor and the First Defendant as lessee, the First Plaintiff demised to the First Defendant the Premises.'*

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