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ORIENT OVERSEAS (INTERNATIONAL) LIMITED

東方海外(國際)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 316)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF LAND AND
THE FORMATION OF A PRC JOINT VENTURE COMPANY
FOR THE DEVELOPMENT OF LAND IN SHANGHAI**

** For identification purpose only*

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DEFINITIONS

In this Circular, the following expressions have the following meanings unless the context requires otherwise:

“Acquisition”	acquisition of the land use right in respect of the Land for fifty years by the JV Partners from Party A pursuant to the Land Contract and the resettlement by Party B pursuant to the Land Compensation Contract between the JV Partners and Party B;
“Aggregate Consideration”	total consideration of RMB1,480,000,000 (approximately HK\$1,423,070,000) of which RMB444,000,000 (approximately HK\$426,900,000) is the Land Cost payable by the JV Partners to Party A and RMB1,036,000,000 (approximately HK\$996,150,000) is reimbursement of the Resettlement Compensation by the JV Partners to Party B;
“Board”	the board of directors of the Company;
“Circular”	this circular, including the appendix hereto;
“Company”	Orient Overseas (International) Limited;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong Dollars, the lawful currency of The Hong Kong Special Administrative Region of PRC;
“Joint Venture Agreement”	the sino-foreign equity joint venture agreement dated 28th December 2005 entered into between Senning and SNC in respect of the formation of the JV Company;
“JV Company”	a sino-foreign equity joint venture company to be established in Shanghai, the PRC and to be held by Senning and SNC on a 95/5 several basis;
“JV Partners”	Senning and SNC;
“Land”	a piece of land of approximately 60,853 square meters located at Plot 32/8, 88 Street, Changning District, Shanghai, the PRC, with a maximum gross floor area of approximately 242,803 square meters, for commercial purposes, having a tenor of land use right of fifty years commencing from 18th November 2005;

DEFINITIONS

“Land Compensation Contract”	the land compensation contract dated 16th January 2006 between Party B and the JV Partners in respect of the reimbursement of the Resettlement Compensation by the JV Partners to Party B;
“Land Contract”	the land contract dated 18th November 2005 between Party A and the JV Partners in relation to the Acquisition;
“Land Cost”	RMB444,000,000 (approximately HK\$426,920,000) being cost payable by the JV Partners to Party A for Acquisition of the Land;
“Latest Practicable Date”	20th February 2006, being the latest practicable date before printing of this Circular for ascertaining certain information for the purpose of inclusion in this Circular;
“Listing Rules”	The Rules Governing the Listing of Securities on the Main Board of the Stock Exchange;
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 to the Listing Rules;
“Party A”	上海市長寧區房屋土地管理局 (Shanghai Municipal Changning District Housing and Land Administration Bureau), a department under Shanghai District Government, responsible for, inter alia, the planning, administration, management and the grant of land use right of land resources in Changning, Shanghai, the PRC;
“Party B”	上海市長寧區土地資源儲備中心 (Shanghai Municipal Changning District Land Resources Reserve Centre), a company under 上海市長寧區國有資產管理辦公室 (Shanghai Municipal Changning District State Owned Assets Management Department), responsible for, inter alia, the acquisition and management of land resources in Changning, Shanghai, the PRC and building up land reserves;
“PRC”	The People’s Republic of China;
“Resettlement Compensation”	RMB1,036,000,000 (approximately HK\$996,150,000), being the resettlement cost paid or payable by Party B to all the residents residing on the Land;
“RMB”	Renminbi, the lawful currency of the PRC;
“SAFE”	The State Administration of Foreign Exchange, the PRC;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

DEFINITIONS

“Senning”	Senning Property Ltd., a limited liability company incorporated in the British Virgin Islands and is a wholly owned subsidiary of the Company;
“Shares”	issued ordinary shares of US\$0.1 each in the share capital of the Company;
“SNC”	上海新長寧(集團)有限公司 (Shanghai New Changning (Group) Limited), a limited liability company established under the laws of the PRC which is a state owned real estate developing company;
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

Note: The exchange rate used for reference purpose in this Circular is HK\$1.00 to RMB\$1.04 and US\$1.00 to HK\$7.80.



ORIENT OVERSEAS (INTERNATIONAL) LIMITED

東方海外(國際)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 316)

Executive Directors:

Mr. Chee Chen TUNG (*Chairman, President and Chief Executive Officer*)

Mr. Tsann Rong CHANG (*Vice Chairman*)

Mr. Nicholas David SIMS (*Vice President and Chief Financial Officer*)

Mr. Philip Yiu Wah CHOW

Mr. Alan Lieh Sing TUNG

Non-Executive Director:

Mr. Roger KING

Independent Non-Executive Directors:

Mr. Simon MURRAY

Dr. Victor Kwok King FUNG

Prof. Richard Yue Chim WONG

Principal Office:

33rd Floor

Harbour Centre

25 Harbour Road

Wanchai, Hong Kong

Registered Office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

27th February 2006

To the Shareholders of the Company

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION
ACQUISITION OF LAND AND
THE FORMATION OF A PRC JOINT VENTURE COMPANY
FOR THE DEVELOPMENT OF LAND IN SHANGHAI**

INTRODUCTION

On 6th February 2006, the Board announced that Senning, a wholly owned subsidiary of the Company, and SNC had successfully bid for the land use right of the Land jointly on a 95/5 several basis for a period of fifty years for the Aggregate Consideration of RMB1,480,000,000 (approximately HK\$1,423,070,000) at a public auction held in Changning, Shanghai, the PRC on 18th October 2005. The relevant government authorities of Shanghai based on state policy had apportioned the Aggregate

* For identification purpose only

LETTER FROM THE BOARD

Consideration payable by the JV Partners for the Acquisition of the Land as Land Cost and Resettlement Compensation payable to the relevant government authorities of the Changning District, Shanghai pursuant to the Land Contract and the Land Compensation Contract entered into by the JV Partners with Party A and Party B respectively.

Senning and SNC have entered into the Joint Venture Agreement to form a sino-foreign equity joint venture company in Shanghai, the PRC for the joint ownership and development of the Land.

The purpose of this Circular is to provide you with further details of the Acquisition of Land and the formation of the JV Company, and other information prescribed by the Listing Rules.

Details of the the Land Contract, the Land Compensation Contract and the Joint Venture Agreement are set out below:-

I. AGREEMENTS FOR ACQUISITION

1. Land Contract

Date: 18th November 2005

Parties: (i) Party A as vendor; and
(ii) JV Partners as purchasers

The Directors confirm that to their best knowledge, information and belief after having made all reasonable enquiries:-

- Party A and its ultimate beneficial owner, Shanghai District government, are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules); and
- SNC and its ultimate beneficial owners, 上海市長寧區國有資產管理辦公室 (Shanghai Changning District Government State Owned Assets Department), 上海長寧投資公司 (Shanghai Changning Investment Company), 上海長寧建設資產經營有限公司 (Shanghai Changning Construction Assets Management Company Limited), 上海鑫達實業總公司 (Shanghai Xinda Industrial Company), are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

LETTER FROM THE BOARD

Particulars of Land:	The Land situated at Plot 32/8, 88 Street, Changning District, Shanghai, the PRC, with a maximum gross floor area of approximately 242,803 square meters.
Consideration and payment:	RMB444,000,000 (approximately HK\$426,920,000) being the Land Cost for the acquisition of the Land paid by the JV Partners in cash to Party A on a 95/5 several basis (Senning's portion of 95% is RMB421,800,000 (approximately HKD405,570,000) in two installments:- (i) A deposit of RMB200,000,000 (approximately HK\$192,310,000) was paid to Party A on 4th November 2005; and (ii) RMB244,000,000 (approximately HK\$234,610,000) was paid to Party A on 17th January 2006.
Principle terms of the Land Contract:	The JV Partners have obtained a 50 years' land use right of the Land. Either party may claim damages from the other party for breach of the Land Contract. The Land Contract is subject to the execution of the Land Compensation Contract.

2. Land Compensation Contract

Date:	16th January 2006
Parties:	(i) Party B; and (ii) JV Partners

The Directors confirm that to their best knowledge, information and belief after having made all reasonable enquiries, Party B and its ultimate beneficial owners, 上海市長寧區國有資產管理辦公室 (Shanghai Municipal Changning District State Owned Assets Management Department), are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

LETTER FROM THE BOARD

Consideration and
payment:

RMB1,036,000,000 (approximately HK\$996,150,000) being the reimbursement by the JV Partners to Party B on a 95/5 several basis (Senning's portion of 95% is RMB984,200,000 (approximately HK\$946,340,000)) in cash in five installments of the Resettlement Compensation paid or payable by Party B in respect of the resettlement of the residents of the Land:-

- (i) 1st instalment
RMB155,400,000 (approximately HK\$149,420,000) was paid to Party B on 25th January 2006;
- (ii) 2nd installment
RMB362,600,000 (approximately HK\$348,650,000) will be paid to Party B before 28th February 2006;
- (iii) 3rd installment
RMB207,200,000 (approximately HK\$199,230,000) will be paid to Party B before 31st May 2006;
- (iv) 4th installment
RMB207,200,000 (approximately HK\$199,230,000) will be paid to Party B before 31st July 2006; and
- (v) 5th installment
RMB103,600,000 (approximately HK\$99,620,000) will be paid to Party B before 10th September 2006.

Principal terms of the
Land Compensation
Contract:

Party B is responsible for clearing and delivering the Land with no residents to the JV Partners in accordance with the time stipulated in the Land Compensation Contract, failing which Party B shall pay liquidated damages to the JV Partners.

The JV Partners shall pay liquidated damages to Party B if the JV Partners fail to pay the Resettlement Compensation to Party B in accordance with the terms stipulated in the Land Compensation Contract.

The Land Compensation Contract is unconditional.

LETTER FROM THE BOARD

3. Others

After the successful bid of the Land by Senning and SNC at the public auction held in Changning, Shanghai on 18th October 2005, it is permitted Senning and SNC to negotiate and agree with Party A and Party B respectively for the Land Contract and Land Compensation Contract.

Completion of the Acquisition is expected to take place before 30th September 2006. The land use right certificate will be issued to the JV Company.

II. JOINT VENTURE AGREEMENT

Date of Agreement: 28th December 2005

Parties: (i) Senning; and
(ii) SNC

1. Scope of Business

The scope of business of the JV Company shall include development, construction, operation and management of the Land situated at Plot 32/8, 88 Street, Changning District, Shanghai, the PRC.

2. Total Investment and Registered Capital of the JV Company

The total investment amount and registered capital of the JV Company shall be US\$240,000,000 (approximately HK\$1,872,000,000) and US\$80,000,000 (approximately HK\$624,000,000) respectively and shall be contributed as to 95% by Senning (US\$228,000,000 (approximately HK\$1,778,400,000), and US\$76,000,000 (approximately HK\$592,800,000) respectively) and as to 5% by SNC (US\$12,000,000 (approximately US\$93,600,000); and US\$4,000,000 (approximately HK\$31,200,000) respectively).

The JV Partners is contributing the registered capital in the form of cash on the earlier of their respective obligation to pay under the Land Contract and Land Compensation Contract or within ninety days after the issuance of the business licence to the JV Company, for upto 15% of its registered capital and balance within three years after issuance of the business licence, based on actual requirement and progress of the development of the Land. Any amount contributed by Senning into the JV Company in excess of, its portion of the registered share capital of the JV Company, of US\$76,000,000 (approximately HK\$592,800,000) will be classified as shareholders' loan. Currently, the Aggregate Consideration, 95% of which is around US\$173,400,000 (approximately HK\$1,352,520,000), the shareholders' loan portion from Senning to JV Company will be US\$97,400,000 (approximately HK\$759,720,000).

LETTER FROM THE BOARD

3. Accounting Treatment

JV Company will be a non wholly owned subsidiary of the Group and its account will be consolidated into the accounts of the Group in accordance with Hong Kong Financial Reporting Standards.

Prior to the issuance of the business license to the JV Company, the payments of Land Cost and Resettlement Compensation will be disclosed under “prepayments” on the balance sheet in the consolidated financial statements of the Group.

After the issuance of the business license to the JV Company, in the books of Senning, the payments of the Land Cost and Resettlement Compensation to the extent exceeding US\$76,000,000 (approximately HK\$592,800,000) will be converted to shareholder’s loan, on application to SAFE for foreign debts registration for Senning’s contribution. In the consolidated financial statements of the Group, the Land Cost will be disclosed under the “prepayments of lease premiums”. The Resettlement Compensation will be included as part of the development costs and apportioned to respective assets categories based on the development design as “properties under development and for sale”, for units identified for sale; and “investment properties” for units held for lease (as the case may be).

4. Profit Sharing

The after-tax profits or loss of the JV Company shall be borne on a 95/5 several basis in proportion to their respective contribution to the registered capital by Senning and SNC.

5. Board Composition

The board of directors of the JV Company shall consist of five directors, of whom four will be appointed by Senning and one will be appointed by SNC.

6. Other Terms

Joint Venture Agreement is subject to issuance of business licence to JV Company. In the event the JV Company is not issued with the business licence, the JV Partners will have to discuss and mutually agree with Party A and Party B on the Acquisition of Land. The business license is anticipated to be issued on or before 30th September 2006.

LETTER FROM THE BOARD

III. FUNDING REQUIREMENTS OF SENNING FOR THE ACQUISITION AND DEVELOPMENT OF THE LAND

The difference between the total capital required (inclusive of the Aggregate Consideration) for the development of the Land (inclusive of the total investment and the registered capital) and the registered share capital to be contributed by Senning shall be funded by internal resources and/or external bank borrowings. The funding requirement is not expected to have any material impact on the Group.

IV. CONTRACT TERMS

Save for the Aggregate Consideration which was determined through a public auction; the apportionment of the Aggregate Consideration as to the Land Cost and the Resettlement Compensation by the relevant government authorities based on state policy; and the Land Cost and Resettlement Compensation once determined were informed to the JV Company and included as a term respectively in the Land Contract and the Land Compensation Contract, all other terms of the Land Contract, the Land Compensation Contract and the Joint Venture Agreement were determined on an arm's length basis. The payment obligation of the JV Partners under the Land Contract and Land Compensation Contract are on several basis. No independent valuation was conducted on the Land. The Directors, including the independent non-executive Directors of the Company, consider that the Aggregate Consideration quoted by the JV Partners for the bid and the terms of the Acquisition and respectively the Land Cost and Resettlement Compensation are on normal commercial terms, and are made in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

V. REASONS FOR THE ACQUISITION OF LAND AND FORMATION OF THE JV COMPANY

The Directors consider the addition of the Land to the landbank and the formation of the JV Company for development of the Land into commercial properties is consistent with one of the core business strategies for the Group.

The Directors (including the independent non-executive Directors of the Company) consider that the Land Contract, Land Compensation Contract, including the Aggregate Consideration offered by the JV Partners, and the Joint Venture Agreement are normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

VI. GENERAL

The principal business of the Group is container transport and logistics services, ports and terminals and property development and investment.

It is the view of the Directors that the Acquisition of Land and the formation of the JV Company will bring profit to the Group. The Group's non current assets will increase by approximately RMB1,480,000,000 (approximately HK\$1,423,070,000) following the transaction, whilst current assets will decrease and long term liabilities will increase depending on the proportion of the acquisition costs funded from internal resources and/or external bank borrowings (as the case may be) which has not yet been decided as at the date of this Circular. As at the date of this Circular, Senning has paid RMB569,430,000 (approximately HK\$547,523,000), which is funded from internal resources and represents 95% of the portion of the Aggregate Consideration already paid.

Subject to the final development design and market conditions, the preliminary development plan for the Land is for offices, serviced apartments, retail units and a hotel. The offices and serviced apartments are currently planned for sale, and retail units and hotel are for rental. Construction is currently scheduled to commence in 2007.

The Acquisition of Land and the formation of the JV Company constitutes discloseable transactions of the Company under the Listing Rules as the Aggregate Consideration and the total investment amount paid or payable by Senning exceeds 5% but not more than 25% of the applicable size tests under Chapter 14 of the Listing Rules.

Your attention is drawn to the information set out in the Appendix to this Circular.

Yours faithfully,
By order of the Board
Chee Chen Tung
Chairman

1. RESPONSIBILITY STATEMENT

This Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, the underlying Shares and the debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name	Direct Interests	Other Interests		Total Number of Shares Interested (in Long Position)	Percentage
		Beneficial	Voting		
Chee Chen Tung	—	97,811,011 (Note 1)	326,627,577 (Notes 2 & 3)	424,438,588	67.82%
Roger King	—	97,811,011 (Note 1)	—	97,811,011	15.62%
Tsann Rong Chang	612,731	—	—	612,731	0.09%
Nicholas David Sims	55,660	—	—	55,660	0.01%
Philip Yiu Wah Chow	79,600	—	—	79,600	0.01%
Simon Murray	65,000	57,200 (Note 4)	—	122,200	0.02%

Notes:

1. Mr. Chee Chen Tung and Mr. Roger King have an interest in a trust which, through Springfield Corporation (“Springfield”), holds 97,811,011 Shares. Of such Shares, Springfield has an indirect interest in 30,765,425 Shares in which Monterrey Limited (“Monterrey”), a wholly-owned subsidiary of Springfield, has a direct interest, and Springfield has a direct interest in 67,045,586 Shares.
2. Wharnclyff Limited (“Wharnclyff”), a company owned by a discretionary trust established by Mrs. Shirley Shiao Ping Peng, a sister of Mr. Chee Chen Tung and sister-in-law of Mr. Roger King, holds 278,165,570 Shares and

the voting rights in respect of such holdings are held by Mr. Chee Chen Tung through Tung Holdings (Trustee) Inc. Gala Way Company Inc. (“Gala Way”), a company owned by the discretionary trust established by Mrs. Shirley Shiao Ping Peng, holds 48,462,007 Shares and the voting rights in respect of such holdings are held by Mr. Chee Chen Tung through Tung Holdings (Trustee) Inc.

3. Wharnclyff, Gala Way, Springfield and Monterrey together are referred to as the controlling shareholders.
4. Mr. Simon Murray has gifted 57,200 Shares to the Simon Murray Family 1985 Trust, a discretionary trust of which he is the settlor.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in the Shares, the underlying Shares and the debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SUBSTANTIAL SHAREHOLDERS’ INTEREST

As at the Latest Practicable Date and so far as is known to the Directors and chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares and the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO:

Name	Nature of Interest	Number of Shares Interested (in Long Position)	Percentage
Bermuda Trust Company Limited	Trustee	424,438,588 (Note 1)	67.82%
Shirley Shiao Ping Peng	Founder of a discretionary trust	326,627,577 (Note 2)	52.19%
Fortune Crest Inc.	Indirect	326,627,577 (Note 2)	52.19%
Winfield Investment Limited	Indirect	326,627,577 (Notes 2 & 3)	52.19%

Name	Nature of Interest	Number of Shares Interested (in Long Position)	Percentage
Tung Holdings (Trustee) Inc.	Voting	326,627,577 <i>(Note 4)</i>	52.19%
Wharnc cliff Limited	Direct	278,165,570 <i>(Notes 2 & 5)</i>	44.45%
Chee Hwa Tung	Indirect	97,836,242 <i>(Note 6)</i>	15.63%
Springfield Corporation	Direct and Indirect	97,811,011 <i>(Note 6)</i>	15.62%
Archduke Corporation	Beneficiary of a trust	97,811,011 <i>(Note 7)</i>	15.62%
Phoenix Corporation	Beneficiary of a trust	97,811,011 <i>(Note 7)</i>	15.62%
Archmore Limited	Beneficiary of a trust	97,811,011 <i>(Note 8)</i>	15.62%
Edgemont Investment Limited	Indirect	97,811,011 <i>(Note 9)</i>	15.62%
Javier Associates Limited	Indirect	97,811,011 <i>(Note 10)</i>	15.62%
Gala Way Company Inc.	Direct	48,462,007 <i>(Notes 2 & 5)</i>	7.74%
Monterrey Limited	Direct	30,765,425 <i>(Notes 6 & 11)</i>	4.91%

Notes:

1. Bermuda Trust Company Limited has an indirect interest in the same Shares in which Fortune Crest Inc. (“Fortune Crest”) and Springfield, wholly-owned subsidiaries of Bermuda Trust Company Limited, have an interest.
2. Mrs. Shirley Shiao Ping Peng, a sister of Mr. Chee Chen Tung and sister-in-law of Mr. Roger King, established the discretionary trust which, through Winfield Investment Limited

(“Winfield”), a wholly-owned subsidiary of Fortune Crest, holds 326,627,577 Shares, 278,165,570 of which are owned by Wharncliff, a wholly-owned subsidiary of Winfield, and 48,462,007 of which are owned by Gala Way, a wholly-owned subsidiary of Winfield.

3. Winfield has an indirect interest in the same Shares in which Wharncliff and Gala Way, wholly-owned subsidiaries of Winfield, have an interest.
4. Tung Holdings (Trustee) Inc. is a company wholly-owned by Mr. Chee Chen Tung.
5. Wharncliff and Gala Way are wholly-owned subsidiaries of Winfield.
6. Mr. Chee Hwa Tung, a brother of Mr. Chee Chen Tung and brother-in-law of Mr. Roger King, has an interest in the trust which, through Springfield, holds 97,811,011 Shares. Of such Shares, Springfield has an indirect interest in the same 30,765,425 Shares in which Monterrey, a wholly-owned subsidiary of Springfield, has a direct interest, and Springfield has a direct interest in 67,045,586 Shares. Mrs. Betty Hung Ping Tung, the spouse of Mr. Chee Hwa Tung, owns 25,231 Shares.
7. Archduke Corporation and Phoenix Corporation, companies which are wholly-owned by Mr. Chee Chen Tung, have an interest in the trust which, through Springfield, holds 97,811,011 Shares.
8. Archmore Limited, a company which is wholly-owned by Edgemont Investment Limited (“Edgemont”), has an interest in the trust which, through Springfield, holds 97,811,011 Shares.
9. Edgemont has an indirect interest in the same Shares in which Archmore Limited, a wholly-owned subsidiary of Edgemont, has an interest.
10. Javier Associates Limited (“Javier”), a company which is wholly-owned by Mr. Chee Chen Tung, has an indirect interest in the same Shares in which Edgemont, a wholly-owned subsidiary of Javier, has an interest.
11. Monterrey is a wholly-owned subsidiary of Springfield.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified by any person (other than a Director or chief executive of the Company) who had interests or short positions in the Shares and the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or in any options in respect of such capital.

As at the Latest Practicable Date, none of the Directors or the chief executive of the Company was a director or an employee of a company which had an interest or short position in the Shares and the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. SERVICE CONTRACT

Mr. Tsann Rong Chang and Mr. Nicholas David Sims have service contracts with the Company which expire on 30th June 2006 and 21st October 2006 respectively. None of the Directors has entered into any service contract with the Company or any of its subsidiaries which is not determinable by the Company within one year without any payment of compensation, other than statutory compensation.

5. SECRETARY AND QUALIFIED ACCOUNTANT

The Secretary of the Company is Ms. Lammy Chee Fun Lee, Barrister and the Qualified Accountant of the Company is Mr. Kit Man Fung, Certified Public Accountant of Hong Kong Institute of Certified Public Accountants.

6. LITIGATION

As at the Latest Practicable Date, no litigation or claim of material importance is known to the Directors to be pending or threatened against any member of the Group.

7. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective associates (as defined in the Listing Rules) had any interest in a business, which competes or may compete with the business of the Group.

8. MISCELLANEOUS

The principal registrar of the Company is Butterfield Fund Services (Bermuda) Limited at Rosebank Centre, 11 Bermudiana Road, Pembroke, Bermuda and the branch registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

The English text of this Circular shall prevail over the Chinese text.