

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shanghai Century Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



SHANGHAI CENTURY HOLDINGS LIMITED

上海世紀控股有限公司*

(Incorporated in Bermuda with limited liability)

DISCLOSEABLE TRANSACTION

ESTABLISHMENT OF A JOINT VENTURE IN THE PRC

Financial Adviser to Shanghai Century Holdings Limited



Shenyin Wanguo Capital (H.K.) Limited

** For identification purpose only*

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
Introduction	3
JV agreement	4
Reasons for establishment of the joint venture	5
Additional information	5
General information	6

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	Shanghai Century Holdings Limited (formerly known as Fourseas.com Limited), a company incorporated in Bermuda, the shares of which are currently listed on the Stock Exchange;
“Directors”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“JV Agreement”	the joint venture agreement dated 12 August, 2002 and entered into between Victory Gateway and Shanghai Binhai to establish the JV Company;
“JV Company”	a sino-foreign equity joint venture to be established in the PRC which is to be owned as to 91% by Victory Gateway and 9% by Shanghai Binhai, to be named as 上海濱海高爾夫旅遊度假村有限公司 (Shanghai Binhai Golf And Tourist Resort Company Limited) or such other name as may be permitted by the relevant authority in the PRC;
“Latest Practicable Date”	9 September, 2002, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong and the Macau Special Administrative Region and Taiwan;
“SDI Ordinance”	Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong);
“Shanghai Binhai”	上海濱海高爾夫俱樂部有限公司, a limited liability company established in the PRC;
“Share(s)”	share(s) of HK\$0.02 each in the capital of the Company;
“Shareholders”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

DEFINITIONS

“Victory Gateway”	Victory Gateway Limited, a wholly-owned subsidiary of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC; and
“%”	per cent.

Conversion of Renminbi into Hong Kong dollars is based on the exchange rate of RMB1.00 = HK\$0.9346.



SHANGHAI CENTURY HOLDINGS LIMITED

上海世紀控股有限公司*

(Incorporated in Bermuda with limited liability)

Executive Directors:

He Xuechu
Dai Zhi Kang
Ku Wai Kwan

Registered office:

Cedar House
41 Cedar Avenue
Hamilton HM12
Bermuda

Principal place of business in Hong Kong:

26/F., COSCO Tower
183 Queen's Road Central
Hong Kong

10 September, 2002

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

ESTABLISHMENT OF A JOINT VENTURE IN THE PRC

INTRODUCTION

It was announced by the Company on 12 August, 2002 that Victory Gateway entered into the JV Agreement on 12 August, 2002 with Shanghai Binhai to establish the JV Company. The JV Company will be principally engaged in travel related business in the PRC, including golf and tourist resort management and operation and other related services and business. Pursuant to the JV Agreement, Victory Gateway agreed to invest a sum of RMB18,200,000 (equivalent to approximately HK\$17,009,720) in cash as capital contribution to the JV Company. The JV Company will be owned as to 91% by Victory Gateway and 9% by Shanghai Binhai.

The establishment of the JV Company constitutes a discloseable transaction for the Company under the Listing Rules. The purpose of this letter and the remainder of the circular of which this letter forms part (the "Circular") are to provide you with information relating to the JV Agreement.

LETTER FROM THE BOARD

JV AGREEMENT

Date: 12 August, 2002

Parties: Victory Gateway; and

Shanghai Binhai. Shanghai Binhai and its beneficial owners are independent third parties not connected with any of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules).

Business: The JV Company will be principally engaged in travel related business in the PRC, including golf and tourist resort management and operation and other related services and business.

Term: 50 years from the date of issue of the business licence of the JV Company, such term may be renewed six months before expiry provided that the approval for renewal from relevant PRC authority is obtained. Save for general approval from the relevant PRC authority to be obtained for setting up of sino-foreign joint venture, no specific approval is required to be obtained from the relevant PRC authorities prior to the commencement of the business of JV Company.

Capital Structure: The registered capital of the JV Company shall be RMB20,000,000 (equivalent to approximately HK\$18,692,000) and the total investment of the JV Company shall be RMB40,000,000 (equivalent to approximately HK\$37,384,000).

The registered capital of the JV Company will be contributed by Victory Gateway and Shanghai Binhai in the following manners:

- (i) RMB18,200,000 (equivalent to approximately HK\$17,009,720) shall be contributed by Victory Gateway in cash by an one-off payment upon approval of the JV Agreement from the relevant authority in the PRC is obtained. Victory Gateway's capital contribution will be financed by the proceeds raised from the Company's private placement in May 2002; and
- (ii) RMB1,800,000 (equivalent to approximately HK\$1,682,280) shall be contributed by Shanghai Binhai in cash by an one-off payment upon approval of the JV Agreement from the relevant authority in the PRC is obtained.

The JV Company will be owned as to 91% by Victory Gateway and as to 9% by Shanghai Binhai.

LETTER FROM THE BOARD

Save for the contribution of the above registered capital to JV Company by Victory Gateway under the JV Agreement, Victory Gateway does not have any commitment to provide additional funding or financing to the JV Company. Both of the Victory Gateway and Shanghai Binhai have agreed that any funding requirement in excess of the registered capital of JV Company would be financed by way of external financing by the JV Company itself.

Profit distribution: Profits of the JV Company will be shared among the shareholders in proportion to their respective shareholdings in the JV Company.

Board of directors: Victory Gateway and Shanghai Binhai shall have the right to appoint 5 directors and 1 director to the JV Company respectively.

REASONS FOR ESTABLISHMENT OF THE JOINT VENTURE

The Directors consider that the terms and conditions of the JV Agreement are fair and reasonable so far as the Company and its shareholders are concerned. Currently, the Group is principally engaged in travel related business and is also engaged in property related business. The Directors believe that establishment of the JV Company provides an excellent opportunity for the Group to expand its principal business in Shanghai, the PRC, one of the fastest growing financial centers in Asia. The JV Company will become a non wholly-owned subsidiary of the Company and the Company will be able to consolidate the profits from the JV Company by virtue of its 91% interest therein. Hence, the establishment of the JV Company is expected to give a positive effect on the earnings per share of the company. In addition, as a result of the establishment of the JV Company, there is no adverse effect on the assets and liabilities of the Group.

ADDITIONAL INFORMATION

Reference is made to the announcements of the Company dated 23 August 2002 and 30 August 2002 respectively in relation to the resignation of Mr. Chan Wai Dune and Mr. Goh Gen Cheung as independent non-executive directors of the Company with effect from 23 August 2002 and 1 September 2002 respectively. Pursuant to Rule 3.10 of the Listing Rules, the Board must include at least two independent non-executive directors. The Company has applied to the Stock Exchange for a grace period of one month for the Company to appoint at least two independent non-executive directors until 2 October 2002. The Company is selecting the most suitable candidates for the appointment of independent non-executive directors and it will ensure that compliance resumes as soon as possible.

Your attention is drawn to the general information set out in the following sections of the Circular.

Yours faithfully,
By Order of the Board
Dai Zhi Kang
Executive Director

GENERAL INFORMATION

RESPONSIBILITY STATEMENT

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

DIRECTORS' INTERESTS IN SECURITIES

As at the Latest Practicable Date, the interests of the Directors and their associates in the share capital, warrants and options of the Company and its associated corporations within the meaning of the SDI Ordinance which have been notified to the Company and the Stock Exchange pursuant to Section 28 of the SDI Ordinance (including interests which they are deemed or taken to have under Section 31 of, or Part I of the Schedule to, the SDI Ordinance) or which are required pursuant to Section 29 of the SDI Ordinance to be entered in the register referred to therein, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

Name of Director	Personal interests	Family interests	Corporate interests	Other interests
Mr. He Xuechu	10,000,000		1,600,000,000 (note 1)	
Mr. Dai Zhi Kang			1,600,000,000 (note 2)	

Notes:

1. This represents the interest held by Giant Glory Assets Limited, a company owned as to 40% by Mr. He Xuechu.
2. This represents the interest held by Giant Glory Assets Limited, a company owned as to 36% by Mr. Dai Zhi Kang.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors had any personal, family, corporate or other interest in the Shares or other securities of the Company or any of its associated corporations (within the meaning of the SDI Ordinance) which will have to be notified to the Company and the Stock Exchange pursuant to Section 28 of the SDI Ordinance (including interests which any such Director is taken or deemed to have under Section 31 of, or Part I of the Schedule to, the SDI Ordinance); or which is required, pursuant to Section 29 of the SDI Ordinance, to be entered in the register referred to therein, or which is required, pursuant to the Model Code for Securities Transaction by Directors of Listed Companies in the Listing Rules, to be notified to the Company and the Stock Exchange.

GENERAL INFORMATION

SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to, or can be ascertained after reasonable enquiry by, the Directors, the following shareholders were, directly or indirectly, interested in 10% or more of issued share capital carrying of the Company as recorded in the register referred to be kept under Section 16 of the SDI Ordinance.

Name of shareholder	Number of ordinary shares
Giant Glory Assets Limited	1,600,000,000
Mr. He Xuechu	1,610,000,000 (<i>note 1</i>)
Mr. Dai Zhi Kang	1,600,000,000 (<i>note 2</i>)
Peak Smart Holdings Limited	1,000,000,000
Mr. Yang Yonggen	1,000,000,000 (<i>note 3</i>)

Notes:

1. The interest disclosed herein being the corporate interests as referred to in note (1) under the section headed “Directors’ interest in securities” above and the personal interests of Mr. He Xuechu.
2. The interest disclosed herein being the corporate interests of Mr. Dai Zhi Kang as referred to in note (2) under the section headed “Directors’ interest in securities” above.
3. These shares are held by Peak Smart Holdings Limited, a company which is 100% owned by Mr. Yang Yonggen.
4. Save as disclosed herein, no other person was recorded in the register kept pursuant to Section 16 of the SDI Ordinance as having, directly or indirectly, an interest of 10% or more of the issued share capital of the Company as at the Latest Practicable Date.

LITIGATION

So far as the Directors are aware, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

SERVICE CONTRACT

As at the Latest Practicable Date, there is no service contract between any Directors or proposed Directors and members of the Group which does not expire or is not determinable by the employer within one year without payment of compensation other than statutory compensation.

GENERAL INFORMATION

MISCELLANEOUS

- (a) The secretary of the Company is Mr. Tso Shiu Kei Vincent, a solicitor of the High Court of the Hong Kong Special Administrative Region.
- (b) The registered office of the Company is at Cedar House, 41 Cedar Avenue, Hamilton HM12, Bermuda and its head office and principal place of business in Hong Kong is at 26/F., COSCO Tower, 183 Queen's Road Central, Hong Kong.
- (c) The share registrar and transfer office of the Company in Hong Kong is Secretaries Limited at 5th Floor, Wing On Centre, 111 Connaught Road, Central, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text.