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If you have sold or transferred all your shares in **Panva Gas 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.

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**PANVA GAS HOLDINGS LIMITED****百江燃氣控股有限公司****(Incorporated in Cayman Islands with limited liability)**(Stock Code: 8132)***DISCLOSEABLE TRANSACTION****ACQUISITION OF
13% INTEREST IN CHENGDU CITY GAS**

This Circular will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for 7 days from the day of its posting.

20 December 2004

* *For identification purpose only*

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

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

“Acquisition”	the acquisition of 104,000,000 shares (representing a 13% interest in Chengdu City Gas) pursuant to the Sale and Purchase Agreement
“associate(s)”	as such term is defined under the GEM Listing Rules
“Board”	the board of directors of the Company
“Business Day(s)”	means a day (other than a Saturday or a Sunday) on which licensed banks are generally open for business in the PRC
“Chengdu City Gas”	成都城市燃氣有限公司(City of Chengdu Gas Company Limited), a company established in the PRC, which is currently 90% owned by the Vendor with the remaining 10% owned by the employees of Chengdu City Gas
“Company”	Panva Gas Holdings Limited (百江燃氣控股有限公司) (Stock Code: 8132), a company incorporated in the Cayman Islands with limited liability whose shares are listed on GEM
“Director(s)”	the directors of the Company
“Enerchina”	Enerchina Holdings Limited (Stock Code: 622), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	an independent third party which is not connected with the chief executive, directors, substantial shareholders and management shareholders of the Company or any of its subsidiaries and their respective associates
“Latest Practicable Date”	14 December 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“LP Gas”	liquefied petroleum gas

DEFINITIONS

“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the agreement dated 30 November 2004 entered into between the Vendor and the Company in relation to the sale and purchase of a 13% interest in Chengdu City Gas
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Sinolink”	Sinolink Worldwide Holdings Limited (Stock Code: 1168), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	as such term is defined under the GEM Listing Rules
“Vendor”	成都城建投資管理集團有限責任公司(Chengdu City Development and Investment Management Co., Limited), a PRC state-owned enterprise
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



PANVA

PANVA GAS HOLDINGS LIMITED

百江燃氣控股有限公司*

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 8132)

Executive Directors:

OU Yaping (*Chairman*)

TANG Yui Man, Francis (*Vice Chairman*)

CHEN Wei (*Managing Director*)

LI Fujun

ZHANG Keyu

SHEN Lian Jin

Non-executive Directors:

FOK Kin-ning, Canning

TO Chi Keung, Simon

(alternate director to Mr. FOK Kin-ning, Canning)

Independent Non-executive Directors:

CHEUNG Hon Kit

LI Xiao Ru

GE Ming

Registered Office:

Ugland House, P.O. Box 309

George Town, Grand Cayman

Cayman Islands, British West Indies

*Head office and principal place of
business in Hong Kong:*

28th Floor, Vicwood Plaza

199 Des Voeux Road Central

Hong Kong

20 December 2004

To the shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

**ACQUISITION OF
13% INTEREST IN CHENGDU CITY GAS**

INTRODUCTION

On 1 December 2004, the Board announced that the Company and the Vendor had on 30 November 2004 entered into the Sale and Purchase Agreement in relation to the acquisition by the Company of 104,000,000 shares in Chengdu City Gas (representing approximately 13% interest in Chengdu City Gas) at a total consideration of RMB170,352,000.

* *For identification purpose only*

LETTER FROM THE BOARD

The Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules. The purpose of this circular is therefore to provide you with further information relating to the Acquisition and with other information as required under the GEM Listing Rules.

SALE AND PURCHASE AGREEMENT

Date: 30 November 2004

Parties:

Vendor: 成都城建投資管理集團有限責任公司 (Chengdu City Development and Investment Management Co., Limited)

Purchaser: the Company

To the best of the knowledge, information and belief of the Board and having made all reasonable enquiries, the Vendor (and its ultimate beneficial owners) is a third party independent of the Company and is not a connected person (as defined in the GEM Listing Rules) of the Company and is independent of the connected persons of the Company.

Assets to be acquired:

104,000,000 shares in Chengdu City Gas (representing approximately 13% interest in Chengdu City Gas as at the date of the Sale and Purchase Agreement).

Consideration:

In accordance with the terms and conditions of the Sale and Purchase Agreement, the consideration of RMB170,352,000 (or its equivalent in foreign currency) representing RMB1.638 per share in Chengdu City Gas shall, within 30 Business Days of signing, be deposited into an escrow account operated jointly by the Vendor and the Company.

The total consideration of RMB170,352,000 was determined based on market research, feasibility studies and investigations conducted by the Company and which was accepted by the Vendor in an open tender on 30 November 2004.

The parties further agreed that upon signing, the Vendor be paid the refundable sum of RMB500,000 as security for the Company strictly adhering to and performing the terms and conditions of the Sale and Purchase Agreement. Such sum of RMB500,000 (together with all interest accrued thereon) shall be duly refunded to the Company within 10 Business Days after completion of the transfer of the shares pursuant to the Sale and Purchase Agreement.

The consideration for the Acquisition will be financed out of the internal resources of the Company.

LETTER FROM THE BOARD

Completion:

Completion is scheduled to take place within 30 Business Days after release of the consideration placed in the joint escrow account to the Vendor which will take place upon the relevant PRC authorities granting the necessary approvals in respect of the Sale and Purchase Agreement. The Sale and Purchase Agreement does not include any long-stop date.

The Sale and Purchase Agreement shall become effective and binding upon signing and the obtaining of the necessary approvals from the relevant PRC authorities.

It has been agreed by the parties that the obtaining of all necessary approvals from the relevant PRC authorities shall be carried out by the Vendor, whilst the Company will provide all necessary assistance in relation thereto.

INFORMATION ON CHENGDU CITY GAS

Chengdu City Gas is currently a state-owned enterprise incorporated in the PRC, which is presently 90% owned by the Vendor with the remaining 10% owned by the employees of Chengdu City Gas.

Chengdu City Gas is principally engaged in the provision of natural gas to domestic and commercial users and the operation of the city gas pipeline network in the city of Chengdu, Sichuan Province, PRC. Upon completion of the Sale and Purchase Agreement, Chengdu City Gas will become a sino-foreign equity joint venture company and will be an associated corporation of the Company.

Upon completion of the Sale and Purchase Agreement, the shareholding of Chengdu City Gas, will be as follows (i) the employees of Chengdu City Gas (10%); (ii) an Independent Third Party (36%); and (iii) the Company (13%) respectively, while the remaining 41% will be remain to be owned by the Vendor. To reflect this shareholding structure, upon completion of the Sale and Purchase Agreement, the board of directors of Chengdu City Gas will comprise of 9 directors, 4 of which will be nominated by the Vendor, 3 of which will be nominated by an Independent Third Party, 1 of which will be nominated by the employees of Chengdu City Gas, with the remaining director to be nominated by the Company. Presently Chengdu City Gas has a registered share capital of RMB800,000,000, of which 90% is owned by the Vendor, while the remaining 10% is owned by the employees of Chengdu City Gas.

As at 30 June 2004 (being the date of the latest audited accounts of Chengdu City Gas), Chengdu City Gas had net assets of approximately RMB825,250,000. The net loss before taxation and extraordinary items and net loss after taxation and extraordinary items of Chengdu City Gas for the year ended 31 December 2002 were RMB4,859,247 and RMB5,587,928 respectively. The net profit before taxation and extraordinary items and net profit after taxation and extraordinary items of Chengdu City Gas for the year ended 31 December 2003 were RMB21,021,247 and RMB14,835,192 respectively.

LETTER FROM THE BOARD

REASONS FOR THE ACQUISITION

The Company is engaged in the downstream operations of the gas sector in the PRC and as part of its strategy in business development, the Company expands through mergers and acquisitions. In addition to its current operations in eight provinces in the PRC, the Company through the Acquisition will further expand its piped gas operations in Sichuan Province. Chengdu is the capital of Sichuan Province, with an urban population of approximately 11 million people, and serves as the major hub for south-west PRC. The surrounding area of Chengdu is a large source of natural gas with annual capacity exceeding 600 million cubic meters of natural gas. The successful acquisition of a 13% interest in Chengdu City Gas marks the eleventh city piped gas project for the Company in Sichuan Province and is therefore in line with the Company's business strategy. The rapid development of the PRC economy, along with accelerated urbanization, translates into growing household natural gas consumption. Moreover, as Chengdu is a major tourism centre in southwestern PRC, the fast-growing hospitality and catering industries will help to boost commercial natural gas consumption as well. In the circumstances, the Directors consider that the Acquisition will allow the Company to enhance its earnings and assets base.

The Board (including the independent non-executive Directors) believes that the terms of the Sale and Purchase Agreement which were agreed on normal commercial terms are fair and reasonable and in the interests of the shareholders of the Company as a whole.

GENERAL

The Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

Your attention is drawn to the general information as set out in the appendix to this circular.

Yours faithfully,
By Order of the Board
Chen Wei
Managing Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

2. DISCLOSURE OF INTERESTS

At the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required pursuant to section 352 of the SFO, to be entered in the register referred to therein; or which are required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of Directors	Interest in shares			Interest in underlying shares pursuant to share options	Aggregate interest/ (Short positions)	Approximate percentage of the Company's issued share capital
	Beneficial owner	Interest of controlled corporations	Total interest in shares			
Chen Wei	4,160,000	–	4,160,000	5,040,000	9,200,000	0.98%
Li Fujun	1,000,000	–	1,000,000	2,600,000	3,600,000	0.38%
Ou Yaping	–	556,871,587	556,871,587	3,600,000	560,471,587	59.48%
	–	(19,230,769)	(19,230,769)	–	(19,230,769)	(2.04%)
			(Note)			
Shen Lian Jin	–	–	–	300,000	300,000	0.03%
Tang Yui Man, Francis	5,440,000	–	5,440,000	960,000	6,400,000	0.68%

Note:

The 556,871,587 shares represent (i) 381,298,462 shares held by Kenson Investment Limited (“Kenson”), a wholly-owned subsidiary of Sinolink. 58.96% interests of Sinolink are held by Asia Pacific Promotion Limited (“Asia Pacific”). Mr. Ou Yaping is the sole beneficial owner of Asia Pacific. Mr. Ou Yaping is deemed under the SFO to be interested in these shares; (ii) 6,081,600 shares held by Asia Pacific directly. The entire issued share capital of Asia Pacific are legally and beneficially held by Mr. Ou Yaping; and (iii) 169,491,525 shares held by Supreme All Investments Limited (“Supreme All”). 100% interests of Supreme All are held by Sinolink. Mr. Ou Yaping is deemed under the SFO to be interested in these shares.

Kenson is under an obligation to transfer 19,230,769 shares of the Company to Hutchison International Limited (“Hutchison International”) upon full exchange of a HK\$62,500,000 redeemable note (the “Note”) held by Hutchison International in accordance with the terms and conditions of the Note.

Directors’ interest in share options granted by the Company

Pursuant to the Company’s share option scheme, the Company has granted options to subscribe for the shares of the Company in favour of certain Directors, details of which as at the Latest Practicable Date are as follows:

Name of Directors	Date of grant	Exercise period	Exercise price HK\$	Number of shares subject to outstanding options as at Latest Practicable Date	Approximate percentage of the Company’s issued share capital
Chen Wei	04.04.2001	01.01.2003-03.04.2011	0.475	1,800,000	0.19%
	04.04.2001	01.01.2004-03.04.2011	0.475	1,800,000	0.19%
	13.11.2001	13.11.2002-13.02.2007	0.940	1,440,000	0.15%
Li Fujun	04.04.2001	01.01.2003-03.04.2011	0.475	920,000	0.10%
	04.04.2001	01.01.2004-03.04.2011	0.475	1,200,000	0.13%
	13.11.2001	13.11.2002-13.02.2007	0.940	480,000	0.05%
Ou Yaping	04.04.2001	01.01.2003-03.04.2011	0.475	1,800,000	0.19%
	04.04.2001	01.01.2004-03.04.2011	0.475	1,800,000	0.19%
Shen Lian Jin	04.04.2001	01.01.2004-03.04.2011	0.475	300,000	0.03%
Tang Yui Man, Francis	13.11.2001	13.11.2002-13.02.2007	0.940	960,000	0.10%

Notes:

- The vesting period of the share options is from the date of grant until the commencement of the exercise period.
- These options represent personal interests held by the Directors as beneficial owner.

Interests in shares in associated corporations

Name of Director	Name of associated corporations	Interest of controlled corporations	Beneficial owner	Family Interest	Aggregate interest	Approximate percentage of the issued share capital of the associated corporation
Ou Yaping	Sinolink	1,374,222,000 (Note 1)	–	6,475,920	1,380,697,920	59.24%
	Enerchina	1,147,680,775 (Note 2)	–	–	1,147,680,775 (Note 2)	50.10%
	Asia Pacific	–	1	–	1	100%
	Supreme All	1	–	–	1	100%

Notes:

1. These shares are held by Asia Pacific which is legally and beneficially wholly owned by Mr. Ou Yaping.
2. The 1,147,680,775 shares in Enerchina represent the aggregate of: (i) the 571,887,966 shares held by Sinolink (Mr. Ou Yaping through his wholly-owned company, Asia Pacific, holds approximately 58.96% of the existing issued share capital of Sinolink and is therefore deemed to be interested in all the shares in which Sinolink is interested); and (ii) the 575,792,809 shares held by Smart Orient Investments Limited (“Smart Orient”). 100% interests of Smart Orient are held by Sinolink. Mr. Ou Yaping is deemed under the SFO to be interested in these shares.

Interests in options to subscribe for shares of associated corporations

Pursuant to the share option schemes of the relevant associated corporations, certain Directors were granted options to subscribe for the shares of the relevant associated corporations, details of which as at the Latest Practicable Date are as follows:

Name of Directors	Name of associated corporations	Date of grant	Exercise period	Exercise price HK\$	Number of share subject to outstanding options as at the Latest Practicable Date
Chen Wei	Sinolink	14.03.2002	01.12.2002-01.12.2005	0.56	6,400,000
Ou Yaping	Enerchina	09.06.2004	09.06.2004-08.06.2014	0.44	2,288,000
Tang Yui Man, Francis	Enerchina	09.06.2004	09.06.2004-08.06.2014	0.44	22,880,000

Note: The vesting period of the share options is from the date of grant until the commencement of the exercise period

Save as disclosed above, none of the Directors or chief executives of the Company (as defined in the GEM Listing Rules) had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which require notification to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO; or which are required pursuant to section 352 of the SFO, to be entered in the register referred to therein; or which are required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following person(s) or corporations (not being a Director or chief executive of the Company), had an interest in the shares and underlying shares of the Company which were recorded in the register of interests required to be kept by the Company under Section 336 of the SFO:

Long positions and short positions in shares and underlying shares in the Company

Name of shareholders	Interest in shares Long positions/(short positions)			Total interest in shares	Interest in underlying shares pursuant to share options/ debentures	Aggregate interest/(short positions)	Approximate percentage of the Company's issued share capital
	Beneficial owner	Held by controlled corporation	Held by trust				
Kenson	381,298,462 (19,230,769) <i>(Note 1)</i>	- -	- -	381,298,462 (19,230,769)	-	381,298,462 (19,230,769)	40.47% (2.04%)
Sinolink	-	550,789,987 (19,230,769)	-	550,789,987 (19,230,769)	-	550,789,987 (19,230,769)	58.45% (2.04%)
Asia Pacific	6,081,600 -	550,789,987 (19,230,769)	-	556,871,587 (19,230,769)	-	556,871,587 (19,230,769)	59.10% (2.04%)
Deutsche Bank Aktiengesellschaft	72,475,282	-	-	72,475,282	-	72,475,282	7.69%
Value Partners Limited	-	48,000,000	-	48,000,000	-	48,000,000	5.09%
Cheah Cheng Hye	-	48,000,000	-	48,000,000	-	48,000,000	5.09%
Hutchison International Limited	38,461,538	-	-	38,461,538	19,230,769	57,692,307 <i>(Note 2)</i>	6.12%
Hutchison Whampoa Limited	-	38,461,538	-	38,461,538	19,230,769	57,692,307 <i>(Note 2)</i>	6.12%
Cheung Kong (Holdings) Limited	-	38,461,538 <i>(Note 3)</i>	-	38,461,538	19,230,769	57,692,307	6.12%
Li Ka-Shing Unity Trustee Company Limited	-	-	38,461,538 (as trustee) <i>(Note 3)</i>	38,461,538	19,230,769	57,692,307	6.12%
Li Ka-Shing Unity Trustcorp Limited	-	-	38,461,538 (as trustee and beneficiary of a trust) <i>(Note 3)</i>	38,461,538	19,230,769	57,692,307	6.12%
Li Ka-Shing Unity Trustee Corporation Limited	-	-	38,461,538 (as trustee and beneficiary of a trust) <i>(Note 3)</i>	38,461,538	19,230,769	57,692,307	6.12%
Li Ka-shing	-	38,461,538 (also as founder of discretionary trusts) <i>(Note 3)</i>	-	38,461,538	19,230,769	57,692,307	6.12%

Note :

1. Sinolink is interested in the entire issued share capital of Kenson. Therefore, by virtue of Section 310 of Part XV of the SFO, the shares in which Kenson is shown as being interested are included in and duplicate with interest in the shares of the Company held by Sinolink and Asia Pacific. Mr. Ou Yaping is the sole beneficial shareholder of Asia Pacific. Mr. Ou Yaping is deemed under Part XV of the SFO to have an interest in the shares held by Kenson.

Kenson is under an obligation to transfer 19,230,769 shares to Hutchison International upon full exchange of the Note held by Hutchison International in accordance with the terms and conditions of the Note.

2. Hutchison International is interested in 38,461,538 shares and in the Note which is exchangeable into existing shares at the exchange price of HK\$3.25 (subject to adjustment) per share. Upon full exchange of the Note at the initial exchange price, Hutchison International shall be entitled to 19,230,769 shares and is accordingly interested in an aggregate of 57,692,307 shares.

Hutchison International is a wholly owned subsidiary of Hutchison Whampoa Limited (“Hutchison Whampoa”). By virtue of Part XV of the SFO, Hutchison Whampoa is deemed to be interested in 57,692,307 shares.

3. Certain subsidiaries of Cheung Kong (Holdings) Limited (“Cheung Kong”) are entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of Hutchison Whampoa.

Li Ka-Shing Unity Holdings Limited, of which each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital, owns the entire issued share capital of Li Ka-Shing Unity Trustee Company Limited (“TUT1”). TUT1 as trustee of The Li Ka-Shing Unity Trust, together with certain companies which TUT1 as trustee of The Li Ka-Shing Unity Trust is entitled to exercise or control the exercise of more than one-third of the voting power at their general meetings, hold more than one-third of the issued share capital of Cheung Kong.

In addition, Li Ka-Shing Unity Holdings Limited also owns the entire issued share capital of Li Ka-Shing Unity Trustee Corporation Limited (“TDT1”) as trustee of The Li Ka-Shing Unity Discretionary Trust (“DT1”) and Li Ka-Shing Unity Trustcorp Limited (“TDT2”) as trustee of another discretionary trust (“DT2”). Each of TDT1 and TDT2 holds units in The Li Ka-Shing Unity Trust.

By virtue of the SFO, each of Mr. Li Ka-shing, being the settlor and may being regarded as a founder of each of DT1 and DT2 for the purpose of the SFO, TDT1, TDT2, TUT1 and Cheung Kong is deemed to be interested in the 38,461,538 shares and in the Note representing 19,230,769 underlying shares both held by Hutchison International.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other persons or corporation having an interest or short position in the shares and underlying shares of the Company 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 is interested in 5% 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.

4. DIRECTORS’ SERVICE CONTRACTS

None of the Directors has any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

5. COMPETING INTERESTS

So far as the Directors are aware, none of the Directors or any of their respective associates, have engaged in any business that competes or may compete with the business of the Group or has any other conflict of interest with the Group.

6. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, no member of the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

7. GENERAL

- (a) The branch share registrar and transfer office in Hong Kong of the Company is Computershare Hong Kong Investor Services Limited at Shop 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (b) The registered office of the Company is at Ugland House, P.O. Box 309, George Town, Grand Cayman, Cayman Islands, British West Indies.
- (c) The head office and principal place of business of the Company in Hong Kong is at 28th Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong.
- (d) The compliance officer of the Company appointed pursuant to Rule 5.19 of the GEM Listing Rules is Mr. Li Fujun, an executive Director.
- (e) The company secretary of the Company is Mr. Lo Tai On, Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.
- (f) The qualified accountant of the Company appointed pursuant to Rule 5.15 of the GEM Listing Rules is Mr. Yu Man To, Gerald, MBA, CPA (Aust.), CPA. Mr. Yu holds a Bachelor's degree in Business and a Master's degree in Business Administration and is a certified practising accountant in Australia and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.
- (g) The Company has established an audit committee with written terms of reference in compliance with Rules 5.29 to 5.30 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The audit committee comprises three independent non-executive Directors, namely, Messrs. Cheung Hon Kit, Li Xiao Ru and Ge Ming, whose brief biographical details are set out below:

Mr. Cheung Hon Kit, aged 50, is an independent non-executive Director of the Company. Mr. Cheung has over 26 years' experience in real estate development, the property business and corporate finance. Mr. Cheung graduated from the University of London with a Bachelor of Arts degree. He has worked in key executive positions in various leading property companies in Hong Kong. Currently, he is an executive director of ITC Corporation Limited and Paul Y.-ITC Construction Holdings Limited and the managing director of Wing On Travel (Holdings) Limited. He is also a director of Hanny Holdings Ltd, Cyber On-Air Group Company Ltd., Skynet (International Group) Holdings Limited and Innovo Leisure Recreation Holdings Limited. He has been an independent non-executive Director of the Company since January 2001.

Mr. Li Xiao Ru, aged 47, is an independent non-executive Director of the Company. He was educated at Shanghai Foreign Language University in the PRC and received his Bachelor of Arts from Columbia University, the United States of America and Jurist Doctor from New York University, the United States of America. Prior to joining Morrison & Foerster, he worked at major international law firms in both New York and Hong Kong and became a partner at the Hong Kong office of Morrison & Foerster in 2003. He was the managing director of Hong Kong Construction (Holdings) Limited, a listed company in Hong Kong during the period from March 1998 to July 2001. Mr. Li is also an independent non-executive director of China HealthCare Holdings Limited, Jilin Chemical Industrial Co. Ltd and Great Wall Technology Co. Ltd. He has been an independent non-executive Director of the Company since April 2003.

Mr. Ge Ming, aged 53, has more than 22 years' experience in accounting and financial management. Mr. Ge holds a Master's degree in economics from the Research Institute of Fiscal Science attached to the Ministry of Finance, the PRC and is a member of China Institute of Certified Public Accountants. Mr. Ge is an executive director from CCAFMS side in CCAFMS – E & Y Management Services Limited and has distinctive knowledge of the business regulatory environment in the PRC as well in Hong Kong. Mr. Ge has not held any directorship in other publicly listed companies in the past three years. He has been an independent non-executive Director of the Company since September 2004.

- (h) The English text of this circular shall prevail over the Chinese text in case of inconsistency.