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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in 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 Land Holdings Limited (formerly known as imGO Limited), you should at once hand this circular to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



**Shanghai Land Holdings Limited**

**上海地產控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**ACQUISITION OF**  
**THE ENTIRE ISSUED SHARE CAPITAL OF AND**  
**THE ENTIRE OUTSTANDING SHAREHOLDER'S LOAN TO**  
**HIP YICK PROFITS LIMITED**

**DISCLOSEABLE TRANSACTION**

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# CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
Introduction .....	3
The Proposed Transaction .....	4
The Consideration .....	6
Reasons and benefits for the Proposed Transaction .....	6
Conditions Precedent of the Proposed Transaction .....	7
General .....	7
Additional Information .....	8
<b>Appendix I – Property valuation</b> .....	9
<b>Appendix II – General information</b> .....	12

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## DEFINITIONS

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

“Board”	the board of Directors
“business day”	a day on which banks in Hong Kong are open for general banking transactions other than a Saturday or Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon
“BVI”	the British Virgins Islands
“Company”	Shanghai Land Holdings Limited, a company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange
“Completion”	completion of the Proposed Transaction which is subject to the conditions as set out under the paragraph headed “Conditions Precedent of the Proposed Transaction” being fulfilled or waived (if applicable) by the relevant parties to the Conditional Sale and Purchase Agreement
“Completion Date”	the day at which the conditions as set out under the paragraph headed “Conditions Precedent of the Proposed Transaction” being fulfilled or waived (if applicable) or such other date as the parties to the Conditional Sale and Purchase Agreement may agree in writing
“Conditional Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 15th January, 2003 entered into between King Success and Ms. Yu regarding King Success’ acquisition of the entire issued share capital of and the entire shareholder’s loan to Hip Yick
“Consideration”	RMB400.0 million (equivalent to approximately HK\$381.0 million) for the Proposed Transaction
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hip Yick”	Hip Yick Profits Limited, a company incorporated in the BVI, which owns the entire issued share capital of Longbai Co Ltd
“Hip Yick Group”	Hip Yick and Longbai Co Ltd
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“King Success”	King Success Holdings Limited, a company incorporated in the BVI and a wholly-owned subsidiary of the Company
“Latest Practicable Date”	29th January, 2003, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longbai Co Ltd”	Hotel Yihe Longbai Shanghai Company Limited, a company established as a wholly-foreign owned enterprise under the laws of the PRC
“Longbai Hotel”	Hotel Yihe Longbai Shanghai (上海逸和龍柏飯店)
“Mr. Chau”	Mr. Chau Ching Ngai, the chairman and the controlling shareholder of the Company
“Ms. Yu”	Ms. Yu Kwo (虞戈), the vendor in the Proposed Transaction, who is independent of and not connected with the Company or the directors, chief executive or substantial shareholders of the Company or its subsidiaries or their respective associates (as defined in the Listing Rules)
“PRC”	the People’s Republic of China
“PRC GAAP”	the PRC Generally Accepted Accounting Principles
“Proposed Transaction”	the transaction contemplated under the Conditional Sale and Purchase Agreement
“SDI Ordinance”	Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong)
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Valuation Report”	A letter, a summary of valuation and valuation certificate prepared by Vigers dated 4th February, 2003
“Vigers”	Vigers Hong Kong Limited, an independent property valuer
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“JPY”	Japanese Yen, the lawful currency of Japan
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America

*Unless otherwise specified, the translation of RMB, US\$ and JPY into Hong Kong dollars is based on the exchange rate of HK\$1.00 to RMB1.05, US\$1.00 to HK\$7.80 and HK\$1.00 to JPY15.72 respectively. The above translation should not be construed as a representation that the relevant amounts have been, could have been, or could be, converted at that or any other rate at all.*

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LETTER FROM THE BOARD

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**Shanghai Land Holdings Limited**

**上海地產控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

*Executive Directors:*

Chau Ching Ngai (*Chairman*)

Lee Deng Charng

Gong Bei Ying

Jiang Dong Liang

Mao Wei Ping

Shan Zhenglin

Koo Hoi Yan, Donald

*Registered office:*

67th Floor, The Center

99 Queen's Road Central

Hong Kong

*Non-executive Directors:*

Tan Lim Heng

Fan Cho Man

*Independent non-executive Directors:*

Liu Lit Man

Mok Chiu Kuen

4th February, 2003

*To the Shareholders*

Dear Sir or Madam,

**ACQUISITION OF  
THE ENTIRE ISSUED SHARE CAPITAL OF AND  
THE ENTIRE OUTSTANDING SHAREHOLDER'S LOAN TO  
HIP YICK PROFITS LIMITED  
DISCLOSEABLE TRANSACTION**

**1. INTRODUCTION**

It was announced on 16th January, 2003, King Success, a wholly owned subsidiary of the Company, has entered into the Conditional Sale and Purchase Agreement on 15th January, 2003 with Ms. Yu, pursuant to which (inter alia) (i) King Success conditionally agreed to purchase and, Ms. Yu, conditionally agreed to sell the entire issued share capital of and the entire shareholder's loan of approximately HK\$105.3 million as at 30th November, 2002 to Hip Yick for an aggregate consideration of RMB400.0 million (equivalent to approximately HK\$381.0 million) (subject to adjustments); and (ii) Ms. Yu has

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## LETTER FROM THE BOARD

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personally agreed to furnish a profit guarantee to King Success that the net profit after tax of Longbai Co Ltd, a wholly owned subsidiary of Hip Yick, for the financial year ending 31st December, 2003 shall not be less than RMB20.0 million (equivalent to approximately HK\$19.0 million). The Consideration will be satisfied in cash by internal resources.

The Proposed Transaction constitute a discloseable transaction of the Company under the Listing Rules.

### 2. THE PROPOSED TRANSACTION

#### **Date of the Conditional Sale and Purchase Agreement:**

15th January, 2003

#### **Parties:**

Vendor: Ms. Yu, the 100% beneficial owner of Hip Yick

Purchaser: King Success, a wholly-owned subsidiary of the Company

#### **Assets to be acquired:**

Pursuant to the Conditional Sale and Purchase Agreement, King Success conditionally agreed to purchase and, Ms. Yu, conditionally agreed to sell the entire issued share capital of and the entire shareholder's loan of approximately HK\$105.3 million as at 30th November, 2002 to Hip Yick, for an aggregate consideration of RMB400.0 million (equivalent to approximately HK\$381.0 million) (subject to adjustments). Hip Yick will become a wholly-owned subsidiary of the Company upon the Completion.

#### **Information on Hip Yick:**

Hip Yick was incorporated in August 2000 under the laws of BVI and acquired the 90% equity interest in Longbai Co Ltd in July 2001 and the remaining 10% interest in April 2002. Hip Yick is an investment holding company whose sole asset is its wholly-owned subsidiary, Longbai Co Ltd which in turn wholly owns and operates Longbai Hotel. Mr. Chau confirms that he has no interest, directly or indirectly, in Hip Yick since its incorporation in 2000.

The unaudited consolidated profit before and after taxation of Hip Yick for the eleven months ended 30th November, 2002 was approximately HK\$3.2 million. The unaudited consolidated net asset value of Hip Yick as at 30th November, 2002, after including the revaluation surplus of Longbai Hotel based on the Valuation Report of approximately RMB395.0 million (equivalent to approximately HK\$376.2 million), was approximately HK\$389.5 million.

#### **Information on Longbai Co Ltd:**

Longbai Co Ltd was established in 1985 under the laws of the PRC and has been granted a business license with an operating period expiring in August 2035. Longbai Co Ltd is currently a wholly-foreign owned enterprise, the sole asset of which is its investment in Longbai Hotel.

## LETTER FROM THE BOARD

Mr. Chau acquired a 10% equity interest in Longbai Co Ltd, a subsidiary of Hip Yick which in turn owns Hotel Yihe Longbai Hotel, on 27th July, 2001 from Hotel Nikko Corporation, being independent of, and not connected with the Company or the directors, chief executive or substantial shareholders of the Company or its subsidiaries or their respective associates (as defined in the Listing Rules), and subsequently disposed of his 10% equity interest in Longbai Co Ltd on 9th April, 2002 to Hip Yick. Hip Yick had obtained the formal approval of the new articles and the shares transfer of Longbai Co Ltd from the relevant PRC government authorities on 4th June, 2002 and Longbai Co Ltd became a wholly-owned subsidiary of Hip Yick which in turn is wholly owned by Ms. Yu.

Longbai Hotel is situated at Hong Qiao Road within Hong Qiao District, Shanghai, the PRC. It is erected on a site with an area of approximately 21,992 square metres with a total gross floor area of approximately 31,365 square metres.

Longbai Hotel comprises six buildings, one of which is the main building which is occupied as a hotel and the other five buildings house the ancillary facilities. The main building is a 11-storey four-star hotel with 385 rooms of a total gross floor area of approximately 31,214 square metres. Longbai Hotel is granted the Certificate of Four Star Hotel issued by the National Tourism Administration of the PRC in February 1991.

The registered capital of Longbai Co Ltd is JPY2,255.0 million (equivalent to approximately HK\$143.4 million) and such registered capital has been fully paid up. The unaudited net asset value of Longbai Co Ltd as at 30th November, 2002, excluding the shareholder's loan of approximately JPY11,080.0 million (equivalent to approximately HK\$704.8 million) and after including the revaluation surplus of Longbai Hotel based on the Valuation Report of approximately RMB395.0 million (equivalent to approximately HK\$376.2 million), was approximately RMB521.9 million (equivalent to approximately HK\$497.0 million).

### Extract of financial information of Longbai Co Ltd

	Based on PRC GAAP		
	Audited	Unaudited	
		For the eleven months ended	
		30th November,	
	2000	2001	2002
		<i>RMB' million</i>	
Turnover	43.8	44.1	48.0
Profit/(loss) before taxation and excluding exchange difference arising from intercompany shareholder's loan	58.0 <sup>(1)</sup>	(22.6)	14.1
Profit/(loss) after taxation and excluding exchange difference arising from intercompany shareholder's loan	58.0 <sup>(1)</sup>	(22.6)	14.1
		Unaudited	
Average Occupancy Rate (%)	58.0	55.0	73.5

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## LETTER FROM THE BOARD

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<sup>(1)</sup> *The profit before and after taxation, excluding exchange difference arising from intercompany shareholder's loan, for the year ended 31st December, 2000, includes certain pre-operating expenses of RMB33.8 million incurred by Longbai Hotel and were subsequently waived by its holding company. The write back of pre-operating expense was included under the other operating income in the PRC audited accounts for the year ended 31st December, 2000.*

### 3. THE CONSIDERATION

The consideration of RMB400.0 million (equivalent to approximately HK\$381.0 million) (subject to adjustments) was negotiated on an arm's length basis and on normal commercial terms with reference to an independent property valuation of Longbai Hotel of RMB500.0 million (approximately HK\$476.19 million) prepared by Vigers as at 11th September, 2002 and such property valuation was based on "profit method".

As soon as possible after Completion, King Success will instruct a reputable international certified public accountant to prepare the audited completion accounts to certify the net asset value of the Hip Yick Group (taking into account the Valuation Report) on a date as at the last date of the calendar month preceding the Completion Date by no later than 2 months after Completion. If the audited net asset value as at the last date of the calendar month preceding the Completion Date is less than RMB400.0 million (equivalent to approximately HK\$381.0 million), the Consideration shall be deducted by an amount which is equal to the shortfall. The Consideration (subject to the adjustment referred to above) will be satisfied from internal resources, payable to Ms. Yu, within 30 business days after the issue of the auditor's certificate in respect of the net asset value of the Hip Yick Group or within 5 business days after King Success's receipt of evidence that all loans and other indebtedness due and owing to banks by the Hip Yick Group due to be repaid as at 15th March, 2003 and have been repaid in full, whichever is the later.

In addition, pursuant to the Conditional Sale and Purchase Agreement, Ms. Yu has personally agreed to furnish a profit guarantee to King Success that the net profit after tax of Longbai Co Ltd for the financial year ending 31st December, 2003 shall not be less than RMB20.0 million (equivalent to approximately HK\$19.0 million). King Success will retain HK\$10.0 million out of the Consideration and shall pay the amount less the shortfall in profit, if any, to Ms. Yu within 30 business days after the issue of the audited accounts of Longbai Co Ltd for the year ending 31st December, 2003.

### 4. REASONS AND BENEFITS FOR THE PROPOSED TRANSACTION

The Directors consider that there is tremendous growth potential in the return from hotel operation in the PRC, in particular Shanghai. Following the PRC's entry into the World Trade Organisation, the opening of Shanghai Universal Studio in 2006 and the successful bid for China's World Expo in Shanghai, the Directors expect that number of exhibitions, conventions, forums and international events to be held in Shanghai and number of business travellers and tourists will be substantially increased which will lead to a huge demand for high quality hotel accommodations and services.

The Directors believe that the Proposed Transaction, together with the personal profit guarantee provided by Ms. Yu, represents a good opportunity for the Company to diversify itself in hotel investment and operation and to strengthen its position as one of the leading property investors and developers in Shanghai. In addition, the Directors believe that the Proposed Transaction is in line with the Group's



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## LETTER FROM THE BOARD

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business strategy and will bring a recurring income to strengthen the profitability and cash flow of the Group.

### 5. CONDITIONS PRECEDENT OF THE PROPOSED TRANSACTION

The obligation of the parties to effect Completion is conditional upon satisfaction of the following conditions within 60 days after the signing of the Conditional Sale and Purchase Agreement or such later date as may be agreed in writing between the parties:

- (i) the legal and financial due diligence review on the Hip Yick Group being completed by King Success to its absolute satisfaction;
- (ii) the obtaining of all approvals and consents required by King Success;
- (iii) the receipt by King Success of a legal opinion issued by a firm of PRC lawyers in such form and substance satisfactory to King Success, amongst other things, confirming Longbai Co Ltd's title to Longbai Hotel under applicable PRC laws and regulations;
- (iv) the obtaining of a certificate of good standing and certificate of incumbency issued by the registered agent of Hip Yick in form and substance satisfactory to King Success;
- (v) the conversion of all the inter-group balances within Hip Yick Group from JPY to US\$ at the then prevailing market rate as quoted by the People's Bank of China or the Bank of China being made and recorded; and
- (vi) a "net profit" being recorded in the audited consolidated profit and loss accounts (or such other document or statement to be issued by an international certified public accountant in the form and substance as King Success may require) of the Hip Yick Group for the financial period from 1st January, 2002 and ended on 31st December, 2002.

If all of the above conditions are not fulfilled within 60 days after the signing of the Conditional Sale and Purchase Agreement or such later date as may be agreed in writing between the parties, the Conditional Sale and Purchase Agreement shall automatically terminate and all the obligations and liabilities of the parties to the Conditional Sale and Purchase Agreement will lapse.

### 6. GENERAL

The directors of the Company confirm that the vendor of the Proposed Transaction, Ms. Yu, is independent of, and not connected with the Company or the directors, chief executive or substantial shareholders of the Company or its subsidiaries or their respective associates (as defined in the Listing Rules) and accordingly, the Proposed Transaction constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the disclosure requirements as contained in Chapter 14 of the Listing Rules.

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## LETTER FROM THE BOARD

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### 7. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular: the Valuation Report and the general information.

Yours faithfully,  
By Order of the Board  
**Shanghai Land Holdings Limited**  
**Chau Ching Ngai**  
*Chairman*

Vigers Hong Kong Ltd.  
International Property Consultants  
Suites 1607-1612, 16/F  
Miramar Tower  
132 Nathan Road  
Tsimshatsui  
Kowloon  
Hong Kong



4th February, 2003

The Directors  
Shanghai Land Holdings Limited  
67th Floor, The Center  
99 Queen's Road Central  
Hong Kong

*Dear Sirs,*

**Hotel Yihe Longbai Shanghai, No. 2451 Hong Qiao Road, Hongqiao District, Shanghai, The People's Republic of China**

In accordance with your instructions for us to value the above property interest to be acquired by Shanghai Land Holdings Limited (the "Company") and its subsidiaries (together referred to as the "Group") in the People's Republic of China ("the PRC"), we confirm that we have carried out an inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the open market value of such property interest as at 15th January, 2003.

Our valuation is our opinion of the open market value which we would define as intended to mean – "the best price at which the sale of an interest in property would have been completed unconditionally for cash consideration on the date of valuation assuming:-

- (a) a willing seller;
- (b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms and for the completion of the sale;
- (c) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;
- (d) that no account is taken of any additional bid by a special purchaser with a special interest; and
- (e) that both parties to the transaction had acted knowledgeably, prudently and without compulsion."

Our valuation has been made on the assumption that the owner sells the property interests on the open market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the value of the property interest.

The subject hotel is valued as a fully operational entity for existing use as a four-star hotel having regard to its trading potential, assuming that the operational license or approval from the government will be continued throughout the unexpired term of its government lease and the hotel is operating at its full strength.

Our approach to the valuation of the hotel is through what is known as “profit method”. In undertaking our valuation, we have estimated the future trading potential and level of turnover likely to be achieved with reference to the hotel occupancy rate and the future supply of hotel etc. in forming our opinion in the valuation. Deductions are then made from the estimated turnover and the resultant figure will be an estimated net annual income to the hotel owner. The income is then capitalised by an appropriate rate to provide the capital value of the hotel element.

We have been provided with extracts from the title documents relating to such property interest. We have not, however, searched the original documents to verify ownership or to verify existence of any lease amendment which do not appear on the copies handed to us. All documents and leases have been used for reference only. All dimensions measurements and areas are approximations.

In undertaking our valuation of the property, we have relied on the legal opinion provided by the Group’s PRC legal adviser (“the PRC Legal Opinion”) regarding the title to the Group’s proposed interest in the property.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out a structural survey nor have we inspected woodwork or other parts of the structures which are covered, unexposed or inaccessible and we are therefore unable to report that any such parts of the property interest is free from defect.

We are relied to a considerable extent on information provided by you and have accepted advise given to us by you on such matters as planning approvals or statutory notices, easements, tenure, occupation, lettings, site and floor areas and in the identification of those property interest in which the Group has a valid interest.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interest is free from encumbrances restrictions and outgoings of an onerous nature which could affect its value.

Unless otherwise stated, all money amounts stated are in renminbi. The exchange rate used in valuing the property interests in the PRC as at 15th January, 2003 was HK\$1=RMB1.06. There has been no significant fluctuation in exchange rate between that date and the date of this letter.

We enclose herewith the valuation certificate.

Yours faithfully,  
For and on behalf of  
**VIGERS HONG KONG LTD.**  
**Raymond Ho Kai Kwong**  
Registered Professional Surveyor  
MRICS, AHKIS  
*Director*

*Note:* Raymond K.K. Ho, Chartered Surveyor, MRICS, AHKIS has extensive experience in undertaking valuations of properties in Hong Kong and Macau and has over nine years’ experience in the valuation of properties in the PRC.

## VALUATION CERTIFICATE

Property	Description and Tenure	Particulars of occupancy	Capital value in existing state as at 15th January, 2003
Hotel Yihe Longbai Shanghai, No. 2451 Hong Qiao Road, Hong Qiao District, Shanghai, The People's Republic of China	<p>The subject property comprises a hotel development erected on a site with an area of approximately 21,992 sq.m.</p> <p>The property comprises 6 buildings, in which one building (known as "main building") is used as hotel whilst the other five buildings are providing ancillary facilities. The entire development has a total gross floor area of approximately 31,365 sq.m..</p> <p>The main building comprises a 11-storey 4-star hotel with a total number of 385 guest rooms. It has a total gross floor area of approximately 31,214 sq.m.</p> <p>The land use right term of the property commence from 27th July, 2001 to 27th August, 2035.</p>	The property currently is owned and currently operated by Hotel Yihe Longbai Shanghai Company Limited. At present, no management agreement has been signed for hotel management.	RMB500,000,000

*Notes:*

1. According to the recent titles search and pursuant to Real Property Ownership Certificate (document no.: 滬房地市字(2001)第010128號), the title of the property is vested in Hotel Yihe Longbai Shanghai Company Limited.
2. Pursuant to a Business Licence (document no. 企獨滬總字第015072號(市局)) issued by Shanghai City Industrial and Commerce Bureau to Hotel Yihe Longbai Shanghai Company Limited on 2nd September, 2002, the permitted scope of business includes provision of guest rooms, various restaurants, coffee shop, gymnasium room, sauna, beauty parlor, karaoke, ballroom, shopping arcade, swimming pool, tennis court and golf range and sale of wine and cigarette.
3. The PRC legal opinion states that Hotel Yihe Longbai Shanghai Company Limited has the right to transfer, lease and mortgage the property without any extra land premium payable to the relevant government authorities.
4. We cannot obtain any legal document to verify the building age of the subject property, we can only rely on the information provided by the instructing party that the subject property was completed in the mid of 1980s' to undertake our valuation. We reserve our right to amend our valuation if the actual completion date of the subject property is different from the aforesaid completion date.

## 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 information contained in this circular is supplied by the Company. The Directors jointly and severally 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, their opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

## 2. SHARE CAPITAL

Set out below are details of the authorised and issued share capital of the Company as at the Latest Practicable Date.

*Authorised share capital* *HK\$*

<u>40,000,000,000</u> ordinary shares of HK\$0.50 each	<u>20,000,000,000.00</u>
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*Issued and fully paid shares*

<u>3,051,438,765</u> ordinary shares of HK\$0.50 each	<u>1,525,719,382.50</u>
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## 3. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests of the Directors in the share capital of the Company or any associated corporation (within the meaning of the SDI Ordinance) notifiable to the Company and the Stock Exchange under section 28 of the SDI Ordinance and including interests in which a Director has taken under Section 31 or Part I of the Schedule to the SDI Ordinance or required to be entered into the register under Section 29 of the SDI Ordinance or required pursuant to the Model Code for Securities Transaction by Directors of Listed Companies under the Listing Rules are as follow:

### (a) Directors' interests in the Company

Directors	Number of ordinary Shares	
	Personal interests	Corporate interests
Chau Ching Ngai ( <i>Note</i> )	–	2,288,521,317
Tan Lim Heng	14,840,000	–

*Note:* These Shares are owned by New Nongkai Global Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Chau Ching Ngai.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors has for the purposes of Section 28 of the SDI Ordinance, nor are they taken to or deemed to have under Section 31 of, or Part I of the Schedule to, the SDI Ordinance, any interests in the equity or debt securities of the Company or any associated corporation within the meaning of the SDI Ordinance or any interests which are required pursuant to Section 29 of the SDI Ordinance, to be entered in the register referred to therein or which are required, pursuant to the Model Code for Securities Transaction by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, Vigers had no shareholding in any member of the Group nor any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

#### 4. 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 persons 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 member of the Group.

Name of Shareholder	Number of ordinary Shares	Percentage of the total issued share capital of the Company
New Nongkai Global Investments Limited	2,288,521,317	75%
Chau Ching Ngai*	2,288,521,317	75%

\* *As at the Latest Practicable Date, Mr. Chau Ching Ngai was deemed under Sections 8(2), (3) and (4) of the SDI Ordinance to be interested in the 2,288,521,317 Shares held by New Nongkai Global Investments Limited in which he can exercise one-third or more of its voting rights by virtue of his beneficial holding of the entire issued share capital of New Nongkai Global Investments Limited.*

#### 5. MATERIAL CHANGE

Save as disclosed in this circular and the annual report for the year ended 30th June, 2002, the Directors are not aware of any material adverse change in the financial or trading position or contingent liabilities of the Group since 30th June, 2002, being the date to which the latest published audited financial statements of the Group were made up.

#### 6. LITIGATION

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.

**7. QUALIFICATION OF EXPERTS**

The following are the qualifications of the professional advisers whose opinions or advice are contained in this circular:

<b>Name</b>	<b>Qualification</b>
Vigers	International property valuer

**8. CONSENT**

Vigers has given and have not withdrawn their respective written consents to the issue of this circular with the inclusion of their letter and/or report and/or reference to their name, as the case may be, in the form and context in which they appear.

**9. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered into any service contract within the Company or any of its subsidiaries (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

**10. MISCELLANEOUS**

- (a) The secretary of the Company is Ms. Tse Wai Kuen, who is an associate member of the Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Company Secretaries.
- (b) The registered office and head office of the Company and its principal place of business in Hong Kong is at 67th Floor, The Center, 99 Queen's Road Central, Hong Kong.
- (c) The share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text.