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## THE CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Henderson China Holdings Limited**, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**恒基中國集團有限公司\***  
**HENDERSON CHINA HOLDINGS LIMITED**

Incorporated in Bermuda with limited liability

**(Stock Code: 0246)**

### **DISCLOSEABLE TRANSACTION DISPOSAL OF A SUBSIDIARY**

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A letter from the Board is set out on pages 4 to 9 of this circular.

*\* For identification purposes only*

28 April 2005

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## DEFINITIONS

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

“Agreement”	the conditional agreement dated 4 April 2005 entered into by the Vendor, the Purchasers and Gain Year pursuant to which the Vendor has agreed to sell the Sale Interest and the Purchasers have agreed to purchase the Sale Interest and to assist Gain Year with the Loan Repayment
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“business day”	a day on which commercial banks in the PRC and Hong Kong are generally open for business (excluding Saturdays, Sundays and public holidays of both places)
“Company”	Henderson China Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Disposal and the Loan Repayment
“Completion Date”	the second business day from the date of fulfillment of all the Conditions, or such other date as the parties to the Agreement may agree in writing
“Conditions”	the conditions precedent to Completion, as more particularly set out under the section headed “Conditions” of the “Letter from the Board” in this circular
“Conditions Fulfillment Date”	31 March 2006 or such later date as the parties to the Agreement may agree in writing
“Consideration”	the consideration payable by the Purchasers to the Vendor pursuant to the Agreement, as more particularly set out under the section headed “The Consideration” of the “Letter from the Board” in this circular
“China Construction Eighth Division”	中國建築第八工程局 (China Construction Eighth Engineering Division), a state-owned enterprise established under the laws of the PRC
“Directors”	the directors of the Company
“Disposal”	the disposal of the Sale Interest by the Vendor pursuant to the terms and conditions of the Agreement
“Escrow Agent”	China Construction Bank Zhang Jiang Branch

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## DEFINITIONS

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“Escrow Amount”	the sum of RMB188,181,081 (approximately HK\$177,529,322) to be deposited into an escrow account maintained by the Escrow Agent
“Fengjin Investment”	上海豐金投資有限公司 (Shanghai Fengjin Investment Company Limited), a company incorporated with limited liability under the laws of the PRC
“Gain Year”	裕年發展置業(上海)有限公司 (Gain Year Development Real Estate (Shanghai) Co., Ltd.), a wholly foreign owned enterprise which is a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Initial Payment”	the sum of RMB20,909,009 (approximately HK\$19,725,480) which is equivalent to 10% of the Consideration
“Land”	the piece of land located at 上海市天目西路公共中心 146(A) - 3 (146(A)-3, Gong Gong Zhong Xin, Tian Mu West Road, Shanghai City) which is owned by Gain Year
“Latest Practicable Date”	22 April 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Loans”	the loans due and owing by Gain Year to the Group in the aggregate amount of US\$10,393,565.89 (approximately HK\$81,069,814) as at the date of the Agreement
“Loan Repayment”	the repayment of the Loans by Gain Year to the Group
“Loan Repayment Amount”	the amount of RMB86,100,000 (approximately HK\$81,226,415) to be paid by the Purchasers to Gain Year pursuant to the Agreement to assist Gain Year with the Loan Repayment
“PRC”	The People’s Republic of China which for the purpose of this circular excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Purchasers”	Shanghai Longyu, Zhongjian Baju, Fengjin Investment and China Construction Eighth Division

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## DEFINITIONS

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“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interest”	the entire shareholding interest in Gain Year owned by the Vendor, together with the rights and obligations attaching thereto
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shanghai Longyu”	上海隆宇企業發展有限公司 (Shanghai Long Yu Qi Ye Development Company Limited), a company incorporated with limited liability under the laws of the PRC
“Shares”	shares of HK\$1.00 each in the capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Gain Year Development Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Zhongjian Baju”	中建八局基礎設施建設有限公司 (Zhong Jian Ba Ju Infrastructure Construction Company Limited), a company incorporated with limited liability under the laws of the PRC
“%”	per cent.

*In this circular, RMB has been converted to HK\$ at the rate of RMB1.06 = HK\$1 and US\$ has been converted to HK\$ at the rate of HK\$7.8 = US\$1 for illustration purpose only. No representation is made that any amounts in RMB, HK\$ or US\$ have been, could have been or could be converted at the above rate or at any other rates or at all.*

*English names of the PRC established companies/entities in this circular are only translations of their official Chinese names. In case of inconsistency, the Chinese names prevail.*



恒基中國集團有限公司\*  
HENDERSON CHINA HOLDINGS LIMITED

Incorporated in Bermuda with limited liability

***Executive Directors:***

Mr. Lee Ka Kit (*Chairman and President*)  
Dr. Lee Shau Kee  
Mr. Colin Lam Ko Yin  
Mr. Lee King Yue  
Mr. Leung Sing  
Mr. Lee Ka Shing  
Mr. Patrick Kwok Ping Ho  
Mr. Ho Wing Fun  
Mr. Cheung Fong Ming

***Non-executive Directors:***

Mr. Wong Ying Wai  
Mr. Kan Fook Yee  
Mr. Philip Yuen Pak Yiu

***Independent Non-executive Directors:***

Mr. Liang Shangli  
Mr. Gordon Kwong Che Keung  
Mr. Leung Yuk Kwong

***Registered Office:***

Clarendon House,  
Church Street,  
Hamilton HM 11,  
Bermuda

***Hong Kong Head Office and***

***Principal Place of Business:***

72-76/F, Two International Finance Centre,  
8 Finance Street, Central,  
Hong Kong

28 April 2005

*To the Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION  
DISPOSAL OF A SUBSIDIARY**

**1. INTRODUCTION**

The Company announced on 6 April 2005 that the Vendor, the Purchasers and Gain Year entered into the Agreement relating to the Disposal and the Loan Repayment pursuant to which the Vendor has agreed to sell the Sale Interest and the Purchasers have agreed to purchase the Sale Interest and to assist Gain Year with the Loan Repayment. The entering into of the Agreement constitutes a discloseable transaction for the Company under the Listing Rules. The purpose of this circular is to provide you with further information on the Agreement.

\* For identification purposes only

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## LETTER FROM THE BOARD

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### 2. THE AGREEMENT DATED 4 APRIL 2005

#### A. The parties

- (i) Vendor: Gain Year Development Limited, a wholly-owned subsidiary of the Company.
- (ii) Purchasers: (a) Shanghai Longyu, (b) Zhongjian Baju, (c) Fengjin Investment and (d) China Construction Eighth Division. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, each of the Purchasers and its respective ultimate beneficial owners is independent of the Company and its connected persons as defined under the Listing Rules.
- (iii) Gain Year: a wholly foreign owned enterprise which is a wholly-owned subsidiary of the Company.

#### B. Assets to be disposed of

Pursuant to the Agreement, the Vendor has conditionally agreed to sell the Sale Interest, and the Purchasers have conditionally agreed to acquire the Sale Interest and to assist Gain Year with the Loan Repayment.

After Completion, the respective shareholding interests of the Purchasers in Gain Year will be as follows:

<b>Purchasers</b>	<b>Shareholding interest</b> (%)
Shanghai Longyu	55
Zhongjian Baju	20
Fengjin Investment	15
China Construction Eighth Division	10

#### *Information on Gain Year*

Gain Year is a wholly foreign owned enterprise incorporated in the PRC with a registered capital of US\$12,000,000 (approximately HK\$93,600,000) and is a wholly-owned subsidiary of the Company. The principal activity of Gain Year is the holding of the Land.

The Land was acquired by the Group in 1992 at an acquisition cost of US\$2,482,945 (approximately HK\$19,366,971). The book value of the Land including resettlement compensation and development costs capitalised as at 31 December 2004 was RMB185,343,897 (approximately HK\$174,852,733). The Land is currently leased to an independent third party at an annual rental of RMB1,000,000 (approximately HK\$943,396).

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## LETTER FROM THE BOARD

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### *Financial information on Gain Year*

As at 31 December 2004, the net asset value based on the management accounts of Gain Year was RMB99,318,000 (approximately HK\$93,696,226). As all the costs and expenses (net of any other income) incurred for the development of the Land have been capitalised, there was no profit or loss attributable to Gain Year for each of the two financial years ended 31 December 2003 and 31 December 2004.

As at the date of the Agreement, the Loans in the aggregate amount of US\$10,393,565.89 (approximately HK\$81,069,814) was due and owing by Gain Year to the Group.

### **C. The Consideration**

The aggregate amount payable by the Purchasers under the Agreement shall be RMB209,090,090 (approximately HK\$197,254,802), of which (i) an amount of RMB86,100,000 (approximately HK\$81,226,415) shall be paid by the Purchasers to Gain Year to assist Gain Year with the Loan Repayment for full and final settlement of the Loans, and (ii) the amount of RMB122,990,090 (approximately HK\$116,028,387) shall be paid to the Vendor as consideration for the Sale Interest. Each of the Purchasers will pay the following amounts under the Agreement:

<u>Purchaser</u>	<u>Amount to be paid</u>
Shanghai Longyu	RMB114,999,549.50 (approximately HK\$108,490,141)
Zhongjian Baju	RMB41,818,018 (approximately HK\$39,450,960)
Fengjin Investment	RMB31,363,513.50 (approximately HK\$29,588,220)
China Construction Eighth Division	RMB20,909,009 (approximately HK\$19,725,480)

The Consideration is payable by the Purchasers as follows:

- (i) the amount of RMB20,909,009 (approximately HK\$19,725,480) being the Initial Payment and as part of the Loan Repayment Amount, has been paid by the Purchasers in cash to Gain Year upon the signing of the Agreement;
- (ii) the balance of the Consideration in the amount of RMB188,181,081 (approximately HK\$177,529,322) being the Escrow Amount of which:
  - (a) RMB122,990,090 (approximately HK\$116,028,387) being the consideration for the Sale Interest; and



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## LETTER FROM THE BOARD

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(b) RMB65,190,991 (approximately HK\$61,500,935) being the balance of the Loan Repayment Amount

is payable by the Purchasers in cash to the Vendor within 15 business days from signing of the Agreement, such amount is to be deposited into an escrow account maintained by the Escrow Agent.

As at the Latest Practicable Date, the Initial Payment has been paid by the Purchasers to Gain Year; and the balance of the Consideration in the amount of RMB188,181,081 (approximately HK\$177,529,322) has been deposited by the Purchasers into the escrow account maintained by the Escrow Agent.

The Escrow Agent shall unconditionally transfer the balance of the Loan Repayment Amount as referred to in (ii)(b) above to the designated bank account of Gain Year within 2 days from submission of the approval documents to the regulatory authorities in the PRC and Gain Year will apply such amount together with the Initial Payment to make the Loan Repayment. Upon production of all the documents evidencing satisfaction of all the Conditions, the Escrow Agent shall unconditionally transfer the consideration for the Sale Interest as referred to in (ii)(a) above together with accrued interest (if any) to a law firm designated by the Vendor. The Vendor, the Purchasers and Gain Year have also on 4 April 2005 entered into an agreement with the Escrow Agent with regard to the escrow arrangements mentioned above.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchasers by reference to (i) the net asset value of Gain Year; and (ii) the market value of the Land with reference to the selling prices of the neighbouring properties. The Consideration represents an excess of RMB109,772,090 (approximately HK\$103,558,575) over the net asset value of Gain Year based on the management accounts of Gain Year as at 31 December 2004.

### **D. Conditions**

Completion shall take place upon satisfaction of the following conditions precedent:

- (i) the board of directors of Gain Year having approved the Agreement and the transfer of the Sale Interest contemplated thereunder; and
- (ii) the relevant approval authorities in the PRC having issued the approval documents in respect of the Agreement and the transfer of the Sale Interest contemplated thereunder.

As at the Latest Practicable Date, Condition (i) set out above had been fulfilled. If all of the Conditions cannot be fulfilled on or before the Conditions Fulfillment Date, the Agreement shall automatically terminate and no party to the Agreement shall have any claim against or liability or obligation to the other parties thereto save in respect of any antecedent breaches of the Agreement and that Gain Year shall refund the Loan Repayment Amount without interest to the Purchasers within 15 business days from the date of termination of the Agreement and the parties to the Agreement shall give written directions to the Escrow Agent to refund the Escrow Amount together with accrued interests (if any) to the Purchasers.

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## LETTER FROM THE BOARD

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Subject to and conditional upon fulfillment of all the Conditions, Completion shall take place on the Completion Date. After Completion, the Vendor will no longer have any interests in Gain Year and Gain Year will cease to be a subsidiary of the Company.

### **3. REASONS FOR AND BENEFITS OF THE DISPOSAL**

In view of the fact that the values of properties situated in prime locations in major cities of the PRC have good potential for appreciation, the Group aims at acquiring property development sites with high quality. The Directors consider that the Land is of a relatively small-scale, and the Disposal generates further capital resources for the Group to invest in sizable development sites with high quality in order to strengthen the competitiveness of the Group in the PRC property market. At present, the Group is exploring potential sites for investment and development.

The Directors consider that the terms of the Disposal are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

### **4. FINANCIAL EFFECTS OF THE DISPOSAL**

The Disposal will result in a gain of approximately HK\$21,680,000 to the Group, based on the net book value as per the latest management accounts of Gain Year. After Completion, the Group's investment in the Land will be realized in cash with an excess amount of approximately HK\$21,680,000, resulting in a positive effect on the Group's working capital position.

### **5. USE OF PROCEEDS**

The net proceeds from the Disposal will be used by the Group as its general working capital, including using the same for future property developments and investments.

### **6. BUSINESS OF THE GROUP AND THE PURCHASERS**

The Vendor is principally engaged in the business of investment holding. The Company is an investment holding company and its subsidiaries are principally engaged in the businesses of property development and investment, project management, property management, finance and investment holding in the PRC. So far as the Directors are aware, Shanghai Longyu is principally engaged in the businesses of development and management of real properties; Zhongjian Baju is principally engaged in the businesses of construction of highways, public facilities and environmental protection facilities, investment, design, construction and consultation of infrastructure and city transportation projects; Fengjin Investment is principally engaged in the businesses of sales and trading of construction materials and metals, and consultancy services; and China Construction Eighth Division is principally engaged in the businesses of design and implementation of civil engineering projects, construction projects and decoration projects.

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## LETTER FROM THE BOARD

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### 7. DISCLOSEABLE TRANSACTION

As the relevant percentage ratio calculated pursuant to Rule 14.07(4) of the Listing Rules exceeds 5% but is less than 25%, the transaction contemplated under the Agreement constitutes a discloseable transaction of the Company under the Listing Rules.

### 8. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,  
By order of the Board  
**LEE Ka Kit**  
*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 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 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. DISCLOSURE OF INTERESTS

- (a) As at the Latest Practicable Date, the interests and short positions of each Director and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as contained in the Listing Rules, to be notified to the Company and Stock Exchange, were as follows:

### Long positions in Shares

Company Name	Director	Note	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	%
The Company	Lee Shau Kee	1			325,133,977		325,133,977	65.32
	Lee Ka Kit	1				325,133,977	325,133,977	65.32
	Lee Ka Shing	1				325,133,977	325,133,977	65.32

### Long positions in shares of associated corporations of the Company

Company Name	Director	Note	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	%
Henderson Land Development Company Limited	Lee Shau Kee	2			1,122,938,300		1,122,938,300	61.88
	Lee Ka Kit	2				1,122,938,300	1,122,938,300	61.88
	Lee Ka Shing	2				1,122,938,300	1,122,938,300	61.88
	Kan Fook Yee	3		24,000			24,000	0.00
	Lee King Yue	4		26,400	16,500	19,800	62,700	0.00
	Leung Sing	5		85,600			85,600	0.00
	Ho Wing Fun	6		100			100	0.00

Company Name	Director	Note	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	%
Henderson Investment Limited	Lee Chau Kee	7	34,779,936		2,075,859,007		2,110,638,943	74.92
	Lee Ka Kit	7				2,075,859,007	2,075,859,007	73.68
	Lee Ka Shing	7				2,075,859,007	2,075,859,007	73.68
	Lee King Yue	8	959,028	42,711			1,001,739	0.04
	Leung Sing	9	150,000				150,000	0.01
	Ho Wing Fun	10	1,100				1,100	0.00
	Leung Yuk Kwong	11	310				310	0.00
Henderson Cyber Limited	Lee Chau Kee	12	173,898		4,244,996,094		4,245,169,992	84.90
	Lee Ka Kit	12				4,244,996,094	4,244,996,094	84.90
	Lee Ka Shing	12				4,244,996,094	4,244,996,094	84.90
	Lam Ko Yin, Colin	13	55				55	0.00
	Lee King Yue	14	4,795	588			5,383	0.00
	Leung Sing	15	750				750	0.00
	Ho Wing Fun	16	5				5	0.00
Henderson Development Limited	Lee Chau Kee	17			8,190 (ordinary A shares)		8,190 (ordinary A shares)	100.00
	Lee Chau Kee	18			3,510 (Non-voting B shares)		3,510 (Non-voting B shares)	100.00
	Lee Chau Kee	19	35,000,000 (Non-voting deferred shares)		15,000,000 (Non-voting deferred shares)		50,000,000 (Non-voting deferred shares)	100.00
	Lee Ka Kit	17				8,190 (ordinary A shares)	8,190 (ordinary A shares)	100.00
	Lee Ka Kit	18				3,510 (Non-voting B shares)	3,510 (Non-voting B shares)	100.00
	Lee Ka Kit	19				15,000,000 (Non-voting deferred shares)	15,000,000 (Non-voting deferred shares)	30.00
	Lee Ka Shing	17				8,190 (ordinary A shares)	8,190 (ordinary A shares)	100.00
	Lee Ka Shing	18				3,510 (Non-voting B shares)	3,510 (Non-voting B shares)	100.00
	Lee Ka Shing	19				15,000,000 (Non-voting deferred shares)	15,000,000 (Non-voting deferred shares)	30.00

Company Name	Director	Note	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	%
Feswin Investment Limited	Lee Ka Kit	20			5,000	5,000	10,000	100.00
Henfield Properties Limited	Lee Ka Kit	21			4,000	6,000	10,000	100.00
Heyield Estate Limited	Lee Shau Kee	22			100		100	100.00
	Lee Ka Kit	22				100	100	100.00
	Lee Ka Shing	22				100	100	100.00
Maxfine Development Limited	Lee Ka Kit	23			3,050*	3,050*	3,050	33.33
Perlin Development Limited	Lee Ka Kit	24			5	5	10	100.00
Pettystar Investment Limited	Lee Shau Kee	25			3,240		3,240	80.00
	Lee Ka Kit	25				3,240	3,240	80.00
	Lee Ka Shing	25				3,240	3,240	80.00
Quickcentre Properties Limited	Lee Ka Kit	26			1	1	2	100.00
Shellson International Limited	Lee Ka Kit	27			25	75	100	100.00

\* relate to the same shares

Notes:

- Of these Shares, 175,000,000 Shares, 75,233,977 Shares and 74,900,000 Shares were respectively owned by Primeford Investment Limited, Timsland Limited and Quantum Overseas Limited, all of which were wholly-owned subsidiaries of Brightland Enterprises Limited which was 100% held by Henderson Land Development Company Limited ("HL") which in turn was 61.87% held by Henderson Development Limited ("HD"). Hopkins (Cayman) Limited ("Hopkins") as trustee of a unit trust (the "Unit Trust") owned all the issued ordinary shares of HD and Fu Sang Company Limited ("Fu Sang"). Rimmer (Cayman) Limited ("Rimmer") and Riddick (Cayman) Limited ("Riddick"), as trustees of respective discretionary trusts, held units in the Unit Trust. The entire issued share capital of Hopkins, Rimmer and Riddick were owned by Dr. Lee Shau Kee. Dr. Lee Shau Kee was taken to be interested in these Shares by virtue of the SFO. As Directors and discretionary beneficiaries of two discretionary trusts holding trusts in the Unit Trust, Mr. Lee Ka Kit and Mr. Lee Ka Shing were taken to be interested in these Shares by virtue of the SFO.

2. Of these shares, (i) 570,743,800 shares were owned by HD; (ii) 7,092,000 shares and 870,100 shares were respectively owned by Sandra Investment Limited and Mightygarden Limited, both of which were wholly-owned subsidiaries of HD; (iii) 145,090,000 shares were owned by Cameron Enterprise Inc. which was a wholly-owned subsidiary of Glorious Asia S.A. which in turn was 100% held by HD; (iv) 222,045,300 shares were owned by Believegood Limited which was wholly-owned by South Base Limited; 61,302,000 shares were owned by Prosglass Investment Limited which was wholly-owned by Jayasia Investments Limited; 55,000,000 shares were owned by Fancy Eye Limited which was wholly-owned by Mei Yu Ltd.; 55,000,000 shares were owned by Spreadral Limited which was wholly-owned by World Crest Ltd.; and South Base Limited, Jayasia Investments Limited, Mei Yu Ltd. and World Crest Ltd. were wholly-owned subsidiaries of Yamina Investment Limited which in turn was 100% held by HD; (v) 5,602,600 shares were owned by Superfun Enterprises Limited, a wholly-owned subsidiary of The Hong Kong and China Gas Company Limited (“China Gas”) which was 37.05% held by Henderson Investment Limited (“HI”). HI was 73.48% held by HL which in turn was 61.87% held by HD; and (vi) 192,500 shares were owned by Fu Sang. Dr. Lee Shau Kee was taken to be interested in HD and Fu Sang as set out in Note 1, China Gas and HL by virtue of the SFO. As Directors and discretionary beneficiaries of two discretionary trusts holding trusts in the Unit Trust, Mr. Lee Ka Kit and Mr. Lee Ka Shing were taken to be interested in these shares by virtue of the SFO.
3. These shares were owned by the wife of Mr. Kan Fook Yee.
4. Of these shares, Mr. Lee King Yue was the beneficial owner of 26,400 shares, and for the remaining 36,300 shares, (i) 16,500 shares were owned by his wife; and (ii) 19,800 shares were held by Ngan Hei Development Company Limited which was 50% each owned by Mr. Lee King Yue and his wife.
5. Mr. Leung Sing was the beneficial owner of these shares.
6. Mr. Ho Wing Fun was the beneficial owner of these shares.
7. Of these shares, Dr. Lee Shau Kee was the beneficial owner of 34,779,936 shares, and for the remaining 2,075,859,007 shares, (i) 802,854,200 shares, 602,168,418 shares, 363,328,900 shares, 217,250,000 shares and 84,642,341 shares were respectively owned by Banshing Investment Limited, Markshing Investment Limited, Covite Investment Limited, Gainwise Investment Limited and Darnman Investment Limited, all of which were wholly-owned subsidiaries of Kingslee S.A. which in turn was 100% held by HL; and (ii) 5,615,148 shares were owned by Fu Sang. Dr. Lee Shau Kee was taken to be interested in HL and Fu Sang as set out in Notes 1 and 2 and HI by virtue of the SFO. As Directors and discretionary beneficiaries of two discretionary trusts holding trusts in the Unit Trust, Mr. Lee Ka Kit and Mr. Lee Ka Shing were taken to be interested in these shares by virtue of the SFO.
8. Of these shares, Mr. Lee King Yue was the beneficial owner of 959,028 shares, and the remaining 42,711 shares were owned by his wife.
9. Mr. Leung Sing was the beneficial owner of these shares.
10. Mr. Ho Wing Fun was the beneficial owner of these shares.
11. Mr. Leung Yuk Kwong was the beneficial owner of these shares.
12. Of these shares, Dr. Lee Shau Kee was the beneficial owner of 173,898 shares, and for the remaining 4,244,996,094 shares, (i) 902,700,000 shares were owned by Technology Capitalization Limited, a wholly-owned subsidiary of Towngas Investment Company Limited which in turn was 100% held by China Gas; (ii) 3,333,213,616 shares were owned by Felix Technology Limited, a wholly-owned subsidiary of Best Selection Investments Limited which in turn was 100% held by HI; (iii) 4,014,271 shares, 1,816,644

shares, 1,714,027 shares, 1,086,250 shares and 423,211 shares were respectively owned by Banshing Investment Limited, Markshing Investment Limited, Covite Investment Limited, Gainwise Investment Limited and Darnman Investment Limited, all of which were wholly-owned subsidiaries of Kingslee S.A. which in turn was 100% held by HL; and (iv) 28,075 shares were owned by Fu Sang. Dr. Lee Shau Kee was taken to be interested in China Gas, HI, HL and Fu Sang as set out in the Notes 1, 2 and 7 and Henderson Cyber Limited by virtue of the SFO. As Directors and discretionary beneficiaries of two discretionary trusts holding trusts in the Unit Trust, Mr. Lee Ka Kit and Mr. Lee Ka Shing were taken to be interested in these shares by virtue of the SFO.

13. Mr. Lam Ko Yin, Colin was the beneficial owner of these shares.
14. Of these shares, Mr. Lee King Yue was the beneficial owner of 4,795 shares, and the remaining 588 shares were owned by his wife.
15. Mr. Leung Sing was the beneficial owner of these shares.
16. Mr. Ho Wing Fun was the beneficial owner of these shares.
17. These shares were held by Hopkins as trustee of the Unit Trust.
18. These shares were held by Hopkins as trustee of the Unit Trust.
19. Of these shares, Dr. Lee Shau Kee was the beneficial owner of 35,000,000 shares, and the remaining 15,000,000 shares were owned by Fu Sang.
20. Of these shares, (i) 5,000 shares were owned by Applecross Limited which was wholly-owned by Mr. Lee Ka Kit; and (ii) 5,000 shares were owned by Henderson (China) Investment Company Limited, a wholly-owned subsidiary of Andco Limited which was wholly-owned by Henderson China Holdings Limited (“HC”).
21. Of these shares, (i) 4,000 shares were owned by Applecross Limited which was wholly-owned by Mr. Lee Ka Kit; and (ii) 6,000 shares were owned by Henderson (China) Investment Company Limited, a wholly-owned subsidiary of Andco Limited which was wholly-owned by HC.
22. Of these shares, (i) 80 shares were owned by Tactwin Development Limited, a wholly-owned subsidiary of HL; (ii) 10 shares were owned by Henderson Finance Company Limited, a wholly-owned subsidiary of HD; and (iii) 5 shares each were owned by Perfect Bright Properties Inc. and Furnline Limited, both of which were wholly-owned subsidiaries of Jetwin International Limited. Triton (Cayman) Limited as trustee of a unit trust owned all the issued share capital of Jetwin International Limited. Triumph (Cayman) Limited and Victory (Cayman) Limited, as trustees of respective discretionary trusts, held units in the unit trust. The entire share capital of Triton (Cayman) Limited, Triumph (Cayman) Limited and Victory (Cayman) Limited were owned by Dr. Lee Shau Kee who was taken to be interested in such shares by virtue of the SFO. As discretionary beneficiaries of the discretionary trusts holding units in such unit trust, Mr. Lee Ka Kit and Mr. Lee Ka Shing were taken to be interested in such shares by virtue of the SFO.
23. These shares were owned by Quickcentre Properties Limited which was 50% each owned by Applecross Limited which was wholly-owned by Mr. Lee Ka Kit and Henderson (China) Investment Company Limited, a wholly-owned subsidiary of Andco Limited which was wholly-owned by HC.
24. Of these shares, (i) 5 shares were owned by Heleken Development Limited which was wholly-owned by Mr. Lee Ka Kit; and (ii) 5 shares were owned by Henderson (China) Investment Company Limited, a wholly-owned subsidiary of Andco Limited which was wholly-owned by HC.



25. Of these shares, (i) 3,038 shares were owned by HL; and (ii) 202 shares were owned by Allied Best Investment Limited which was 50% held by each of Perfect Bright Properties Inc. and Furnline Limited, both of which were wholly-owned subsidiaries of Jetwin International Limited.
26. Of these shares, (i) 1 share was owned by Applecross Limited which was wholly-owned by Mr. Lee Ka Kit; and (ii) 1 share was owned by Henderson (China) Investment Company Limited, a wholly-owned subsidiary of Andco Limited which was wholly-owned by HC.
27. Of these shares, (i) 25 shares were owned by Shine King International Limited which was wholly-owned by Mr. Lee Ka Kit; and (ii) 75 shares were owned by Henderson (China) Investment Company Limited, a wholly-owned subsidiary of Andco Limited which was wholly-owned by HC.
- (b) So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, the following persons (other than a Director or chief executive of the Company) or corporations had an interests or short positions in the Shares and 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:

#### Long positions

Name of company	Number of Shares	% interest
Rimmer (Cayman) Limited*	325,133,977	65.32
Riddick (Cayman) Limited*	325,133,977	65.32
Hopkins (Cayman) Limited*	325,133,977	65.32
Henderson Development Limited*	325,133,977	65.32
Henderson Land Development Company Limited*	325,133,977	65.32
Brightland Enterprises Limited*	325,133,977	65.32
Primeford Investment Limited*	175,000,000	35.16
Timsland Limited*	75,233,977	15.11
Quantum Overseas Limited*	74,900,000	15.05

\* Please refer to Note 1 above

(c) So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, the following persons (other than a Director, chief executive of the Company or a member of the Group) 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 and the amount of each of such person's interest in such securities, together with particulars of any options in respect of such capital, were as follows:

<b>Name of member of the Group</b>	<b>Name of the shareholder</b>	<b>% interest</b>
北京恒華物業管理有限公司 (Beijing Henghua Property Management Co., Ltd.)	北京新華實業總公司	25
東莞恒駿廣場開發有限公司 (Dongguan Heng Jun Plaza Development Ltd.)	東莞市旅遊總公司 廣東省東莞市百貨公司	18 12
廣州市廣安房產發展有限公司 (Guangzhou Guang An Property Development Ltd.)	廣州市廣源實業總公司	38
廣州廣恒房產發展有限公司 (Guangzhou Guang Hung Property Development Ltd.)	廣州市廣源實業總公司	28
廣州廣南房產發展有限公司 (Guangzhou Guang Nam Property Development Limited)	廣州市廣源實業總公司	31.6
廣州恒基三維房地產代理有限公司 (Guangzhou Henderson Premier Real Estate Agent Co., Ltd.)	廣東三維發展策劃有限公司	40
廣州市恒果房地產開發有限公司 (Guangzhou Hengguo Real Estate Development Co., Ltd.)	廣州果子食品廠	20
Henderson Sun Investment Company Limited	Jiang Kai Johan	30
Henfield Properties Limited	Applecross Limited*	40
上海恒成置業發展有限公司 (Shanghai Heng Cheng Real Estate Development Co., Ltd.)	上海靜安工業總公司	15
Shellson International Limited	Shine King International Limited*	25
深圳順昌裝飾工程有限公司 (Shenzhen Shunchang Decorate Engineering Co., Ltd.)	深圳市潤晶實業發展有限公司	20

\* Applecross Limited and Shine King International Limited are wholly-owned by Mr. Lee Ka Kit, a Director.

(d) Save as disclosed above, as at the Latest Practicable Date:

- (i) none of the Directors nor the chief executive of the Company or their associates 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 (i) were required to be notified to the Company and Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as contained in the Listing Rules, to be notified to the Company and Stock Exchange; and
- (ii) none of the Directors nor the chief executive of the Company was aware of any other person (other than a Director or chief executive of the Company) or corporation who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO, or who/which was, 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 any options in respect of such capital.

### 3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group (excluding contracts expiring or determinable by relevant member of the Group within one year without payment of compensation, other than statutory compensation).

### 4. LITIGATION

On 21 December 2004, Guangdong Jiaxing Real Estate Co., Ltd. ("Jiaxing Real Estate"), a wholly-owned subsidiary of the Company filed litigation against a PRC joint venture partner (the "JV Partner") regarding the failure of the JV Partner to assist in the completion of certain land use right procedures in relation to a project co-developed by Jiaxing Real Estate and the JV Partner. Having consulted the Group's PRC legal adviser, it is considered that Jiaxing Real Estate had a favourable position in the litigation. As at the Latest Practicable Date, the Company was of the opinion that such litigation would have no material impact on the operations of the Group.

Save as disclosed above, so far as the Directors are aware, as at the Latest Practicable Date, there were no material litigations or claims of material importance pending or threatened against any member of the Group.

## 5. COMPETING INTEREST

As at the Latest Practicable Date, the following Directors have interests in certain businesses that competed or are likely to compete, either directly or indirectly, with the business of the Group:

Mr. Lee Ka Kit, the Chairman of the Company, has interests and/or directorships in companies engaged in property development in the PRC. Dr. Lee Shau Kee and Mr. Lee Ka Shing, both of whom are Directors, have deemed interests in companies engaged in property development in the PRC. As those companies which might have competing businesses with the Group were involved in the development of properties of different types and/or in different locations, the Group has been operating independently of, and at arm's length from, the businesses of those companies.

Mr. Wong Ying Wai, a Director, is the vice chairman of both Shui On Holdings Limited and Shui On Land Limited, the businesses of both companies include property development and investment, property management and construction in the PRC. Mr. Wong is a non-executive Director and is not involved in the day-to-day management and operations of the Group.

## 6. GENERAL

- (a) The registered office of the Company is situated at Clarendon House, Church Street, Hamilton HM 11, Bermuda. The Hong Kong head office and principal place of business of the Company is situated at 72-76/F., Two International Finance Centre, 8 Finance Street, Central, Hong Kong.
- (b) The Company's branch share registrars in Hong Kong is Computershare Hong Kong Investor Services Limited situated at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) The secretary of the Company is Mr. Law Cho Wa, Richard who is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Institute of Chartered Secretaries and Administrators.
- (d) The qualified accountant of the Company is Ms. Chan Lin Kam, who holds the degree of Bachelor of Arts (Honours) in Accountancy from the City University of Hong Kong and a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.