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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

A letter from the Board is set out on pages 5 to 10 of this circular.

* *For identification purpose only*

25 July 2005

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DEFINITIONS

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

“Agreement”	the conditional agreement dated 24 June 2005 entered into between the Vendor, the Purchasers and Shanghai Henfield pursuant to which the Vendor has agreed to sell and the Purchasers have agreed to purchase the Sale Interest and to assist Shanghai Henfield 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)
“Buyecheng Acquisition”	the acquisition of 1% interest in Shanghai Henfield by the Vendor from Shanghai Buyecheng
“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”	30 April 2006 or such later date as the parties to the Agreement may agree in writing
“Consideration”	the aggregate amount payable by the Purchasers to the Vendor and to Shanghai Henfield pursuant to the Agreement, as more particularly set out under the section headed “The Consideration” of the “Letter from the Board” in this circular
“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”	Agricultural Bank of China, Shanghai Pudong Branch

DEFINITIONS

“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate thereof
“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
“Group”	the Company and its subsidiaries
“Henderson Land”	Henderson Land Development Company Limited, a company incorporated in Hong Kong with limited liability the shares of which are listed on the main board of the Stock Exchange, and the controlling Shareholder interested in approximately 65.32% of the issued share capital of the Company
“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 RMB52,297,948.60 (approximately HK\$49,059,989) which is equivalent to 10% of the Consideration
“Land”	the land known as 上海市閘北區天目西路 406-2, 406-3, 406-4 號地塊 (Lot nos. 406-2, 406-3 & 406-4, Tianmu Road West, Zhabei District, Shanghai)
“Latest Practicable Date”	20 July 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 Shanghai Henfield to the Group in the aggregate amount of HK\$220,966,243 as at the date of the Agreement
“Loan Repayment”	the repayment of the Loans by Shanghai Henfield to the Group
“Loan Repayment Amount”	the amount of RMB235,575,444 (approximately HK\$220,990,098) to be paid by the Purchasers to Shanghai Henfield pursuant to the Agreement to assist Shanghai Henfield with the Loan Repayment

DEFINITIONS

“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
“Previous Transaction”	the transactions contemplated under an agreement dated 4 April 2005 as more particularly described in the Company’s circular dated 28 April 2005 regarding, inter alia, the sale of a subsidiary of the Company to Shanghai Longyu, Zhongjian Bajun, Fengjin Investment and 中國建築第八工程局 (China Construction Eighth Engineering Division)
“Privatisation Proposal”	the proposal for the privatisation of the Company by Henderson Land by way of a scheme of arrangement as set out in the joint announcement of Henderson Land and the Company dated 19 May 2005 and the scheme document dated 20 June 2005
“Purchasers”	Shanghai Longyu, Zhongjian Bajun and Fengjin Investment
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Sale Interest”	100% interest in Shanghai Henfield (which comprises the 99% interest owned by the Vendor and the 1% interest which the Vendor acquired from Shanghai Buyecheng) together with the rights and obligations attaching thereto
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shanghai Buyecheng”	上海不夜城聯合發展(集團)有限公司 (Shanghai Buyecheng United Development (Group) Company Limited), a State-owned enterprise established with limited liability under the laws of the PRC
“Shanghai Henfield”	上海興輝置業有限公司 (Shanghai Henfield Properties Co., Ltd.), a sino-foreign equity joint venture established in the PRC
“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

DEFINITIONS

“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Henfield Properties Limited, a company incorporated in Hong Kong with limited liability and a 60% owned subsidiary of the Company with the remaining 40% interests being owned by a company wholly owned by Mr Lee Ka Kit, the chairman 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 RMB1.066 = 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.

LETTER FROM THE BOARD



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

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

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

25 July 2005

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION DISPOSAL OF A SUBSIDIARY

1. INTRODUCTION

The Company announced on 30 June 2005 that the Vendor, the Purchasers and Shanghai Henfield 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 Shanghai Henfield with the Loan Repayment. The entering into of the Agreement constitutes a discloseable transaction for the Company under the Listing Rules. As the Purchasers are

* For identification purpose only

LETTER FROM THE BOARD

also the purchasers under the Previous Transaction, the Disposal and the Previous Transaction are required to be aggregated under the Listing Rules and the Disposal together with the Previous Transaction on an aggregate basis also constitutes a discloseable transaction of the Company under the Listing Rules. The purpose of this circular is to provide you with further information on the Agreement and the Disposal.

2. THE AGREEMENT DATED 24 JUNE 2005

A. The parties

- (i) Vendor: Henfield Properties Limited, a 60% owned subsidiary of the Company.
- (ii) Purchasers: Shanghai Longyu, Zhongjian Baju and Fengjin Investment. 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) Shanghai Henfield, a sino-foreign equity joint venture established in the PRC owned as to 99% by the Vendor and 1% by Shanghai Buyecheng. On 25 May 2005, the Vendor paid to Shanghai Buyecheng the sum of RMB5,550,000 (approximately HK\$5,206,379) to acquire its 1% interest in Shanghai Henfield. The approval and registration formalities in the PRC regarding the Buyecheng Acquisition are currently in progress.

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 Shanghai Henfield with the Loan Repayment.

After Completion, the respective shareholding interests of the Purchasers in Shanghai Henfield will be as follows:-

Purchasers	Shareholding interest (%)
Shanghai Longyu	85
Zhongjian Baju	5
Fengjin Investment	10

Information on Shanghai Henfield

Shanghai Henfield is a sino-foreign equity joint venture established in the PRC in December 1993 with a registered capital of US\$27,000,000 (approximately HK\$210,600,000) and has been owned as to 99% by the Vendor since its incorporation. The remaining 1% is currently owned by

LETTER FROM THE BOARD

Shanghai Buyecheng. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of Shanghai Buyecheng and its ultimate beneficial owner is independent of the Company and its connected persons as defined in the Listing Rules.

On 25 May 2005, the Vendor paid to Shanghai Buyecheng the sum of RMB5,550,000 (approximately HK\$5,206,379) to acquire its 1% interest in Shanghai Henfield. As Shanghai Buyecheng is a State-owned enterprise, the determination of the consideration relating to disposal of State-owned assets are required to be subject to valuation performed in accordance with the relevant PRC regulations, including 《國有資產評估管理辦法》, 《國有資產評估管理辦法施行細則》, 《資產評估操作規範意見》 and 《資產評估報告基本內容與格式的暫行規定》. Hence, the consideration for the Buyecheng Acquisition was required to be determined with reference to the valuation of an independent valuer in the PRC in accordance with the aforesaid PRC regulations. The consideration for the Buyecheng Acquisition was funded from internal resources of the Vendor. The approval and registration formalities in the PRC regarding such acquisition are currently in progress. Upon completion of the Buyecheng Acquisition, Shanghai Henfield will become a wholly owned subsidiary of the Vendor and the Company will have a 60% attributable interest in Shanghai Henfield.

The principal activity of Shanghai Henfield is the holding of the Land. The Land has a site area of 16,064 square metres and is for commercial, office and residential uses. The Land was acquired by the Group pursuant to the Contract for Grant of Land Use Rights dated 25 May 1993 at a land premium of US\$7,321,637 (approximately HK\$57,108,769). The book value of the Land including resettlement compensation and development costs capitalised as at 31 December 2004 was RMB393,749,156 (approximately HK\$369,370,690). The value of the Land as at 30 April 2005 was HK\$492,500,000 according to the property valuation of DTZ Debenham Tie Leung Limited as set out in the scheme document relating to the Privatisation Proposal. The Land is currently leased to an independent third party at an annual rental of RMB3,000,000 (approximately HK\$2,814,259).

After Completion, the Vendor will no longer have any interests in Shanghai Henfield and Shanghai Henfield will cease to be a subsidiary of the Company.

Financial information on Shanghai Henfield

As at 31 December 2004, the audited net asset value of Shanghai Henfield was RMB158,560,619 (approximately HK\$148,743,545). All costs and expenses (including resettlement compensation and development costs but net of any other incomes) incurred for the development of the Land had been capitalised, there was no profit nor loss attributable to Shanghai Henfield 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 HK\$220,966,243 was due and owing by Shanghai Henfield to the Group.

LETTER FROM THE BOARD

C. The Consideration

The aggregate amount payable by the Purchasers under the Agreement shall be RMB522,979,486 (approximately HK\$490,599,893), of which (i) an amount of RMB235,575,444 (approximately HK\$220,990,098) shall be paid by the Purchasers to Shanghai Henfield to assist Shanghai Henfield with the Loan Repayment for full and final settlement of the Loans (which amount as at the Latest Practicable Date was HK\$220,943,920), and (ii) the amount of RMB287,404,042 (approximately HK\$269,609,795) 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>Purchasers</u>	<u>Amount to be paid</u>
Shanghai Longyu	RMB444,532,563.10 (approximately HK\$417,009,909)
Zhongjian Baju	RMB26,148,974.30 (approximately HK\$24,529,995)
Fengjin Investment	RMB52,297,948.60 (approximately HK\$49,059,989)

The Consideration is payable by the Purchasers as follows:-

- (i) the amount of RMB52,297,948.60 (approximately HK\$49,059,989), being the Initial Payment and as part of the Loan Repayment Amount, shall be paid by the Purchasers in cash to Shanghai Henfield within 7 days from signing of the Agreement and the Purchasers have paid the said amount to the Vendor already;
- (ii) the amount of RMB183,277,495.40 (approximately HK\$171,930,108), being the balance of the Loan Repayment Amount, shall be paid by the Purchasers in cash to Shanghai Henfield within 45 business days from signing of the Agreement and Shanghai Henfield will apply such amount together with the Initial Payment to make the Loan Repayment; and
- (iii) the balance of the Consideration in the amount of RMB287,404,042 (approximately HK\$269,609,796) being the Escrow Amount representing the consideration for the Sale Interest shall be paid by the Purchasers in cash within 105 business days from signing of the Agreement, which amount shall be deposited into an escrow account maintained by the Escrow Agent.

On the Completion Date, the Escrow Agent shall unconditionally transfer the consideration for the Sale Interest referred to in (iii) above together with accrued interest (if any) to the bank account designated by the Vendor. The Vendor, the Purchasers and Shanghai Henfield had also on 24 June 2005 entered into an agreement with the Escrow Agent with regard to the escrow arrangement mentioned above.

LETTER FROM THE BOARD

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchasers by reference to (i) the audited net asset value of Shanghai Henfield of RMB158,560,619 (approximately HK\$148,743,545) as at 31 December 2004 and (ii) the market value of the Land of HK\$492,500,000 as at 30 April 2005 contained in the property valuations of DTZ Debenham Tie Leung Limited as set out in the scheme document relating to the Privatisation Proposal. The Consideration represents an excess of RMB364,418,867 (approximately HK\$341,856,348) over the audited net asset value of Shanghai Henfield as at 31 December 2004.

D. Conditions

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

- (i) the relevant PRC government approval authority having issued the approval certificate in respect of the Buyecheng Acquisition and the registration formalities in respect of the Buyecheng Acquisition having been completed;
- (ii) the board of directors of Shanghai Henfield having approved the Agreement and the transfer of the Sale Interest contemplated thereunder; and
- (iii) the relevant PRC government approval authority having issued the approval documents in respect of the Agreement and the transfer of the Sale Interest contemplated thereunder.

If 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 Shanghai Henfield 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 consideration for the Sale Interest in the sum of RMB287,404,042 (approximately HK\$269,609,795) together with accrued interests (if any) to the Purchasers and the parties shall continue to observe the confidentiality provisions set out in the Agreement.

Subject to and conditional upon fulfillment of all the Conditions, Completion shall take place on the Completion Date. A further announcement will be made in the event the Completion fails to take place.

3. REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors consider that the disposal of the Land would generate more capital resources to the Group thereby enabling the Group to capitalize on any future opportunities for enhancing the portfolio mix and quality of the land bank of the Group, with a view to strengthening the Group's competitiveness in the PRC property market. 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.

LETTER FROM THE BOARD

4. FINANCIAL EFFECTS OF THE DISPOSAL

Based on the net asset value of RMB159,864,667 (approximately HK\$149,966,855) as per the latest management accounts of Shanghai Henfield as at 30 April 2005, the Disposal will result in a net profit of approximately HK\$65,355,000 to the Group by virtue of its 60% interest in the Vendor and accordingly an increase in the net assets of the Group. After Completion, the Group's investment in the Land will be realised in cash, 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 for use in 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; and Fengjin Investment is principally engaged in the businesses of sales and trading of construction materials and metals, and consultancy services.

7. TAKEOVERS CODE AND THE PRIVATISATION PROPOSAL

In view of the Privatisation Proposal, the Board in compliance with Rule 4 of the Takeovers Code is prohibited from, inter alia, selling, disposing or acquiring any assets of a material amount or agreeing to do so without the approval of the Shareholders in general meeting unless the Company has obtained consent from Henderson Land and a waiver is granted by the Executive. The Company had accordingly obtained a consent from Henderson Land with respect to, inter alia, the Disposal and a waiver from the Executive from compliance with the shareholders' meeting requirements under Rule 4 of the Takeovers Code with respect to, inter alia, the Disposal.

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, 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 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 Chau 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	Lee Chau 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 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 units 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) 7,962,100 shares were owned by Sandra Investment Limited which was a wholly-owned subsidiary of HD; (iii) 145,090,000 shares were owned by Cameron Enterprise Inc.; 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 Cameron Enterprise Inc., 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; (iv) 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 37.15% held by Henderson Investment Limited (“HI”). HI was 73.48% held by Henderson Land which in turn was 61.87% held by HD; and (v) 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 Henderson Land by virtue of the SFO. As Directors and discretionary beneficiaries of two discretionary trusts holding units 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 Henderson Land; and (ii) 5,615,148 shares were owned by Fu Sang. Dr. Lee Shau Kee was taken to be interested in Henderson Land 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 units 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 Henderson Land; and (iv) 28,075 shares were owned by Fu Sang. Dr. Lee Shau Kee was taken to be interested in China Gas, HI, Henderson Land 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 units 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 Henderson Land; (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 Henderson Land; 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*	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:

Name of member of the Group	Name of the shareholder	% interest
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 of the Company 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 is a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.