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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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in LUKS GROUP (VIETNAM HOLDINGS) COMPANY LIMITED, you should at once hand this circular to the purchaser or transferee or to the bank, a stockbroker or other registered dealer in securities or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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LUKS GROUP (VIETNAM HOLDINGS) CO. LTD.
陸氏集團（越南控股）有限公司

(incorporated in Bermuda with limited liability)

(Stock code: 366)

DISCLOSEABLE TRANSACTION

**AGREEMENT FOR PROPOSED ESTABLISHMENT OF
A JOINT VENTURE COMPANY IN VIETNAM**

20 September 2007

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DEFINITIONS

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

“Actual Area Compensated”	the actual land area within the boundary of the Land where the Land Users have received compensation from Indochine and agreed to surrender their land to Indochine for the Project, the actual area compensated depends on the progress of the compensation works
“Agreement”	the two agreements, namely the joint venture agreement and the principle agreement which have been entered into between Luks Land and Indochine on 29 August 2007 for the proposed establishment of a JVC for the Project in Vietnam subject to the terms and conditions more particularly set out therein
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Luks Group (Vietnam Holdings) Company Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Compensation Rate”	fixed at 1.6 million VND per square metre for the Land
“connected person(s)”	the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration is approximately US\$15,747,332 (equivalent to HK\$122,829,190) for acquiring from Indochine the Project with compensation to be paid to the Land Users by the proposed JVC, the consideration was arrived at with reference to the compensation which will be made to the Land Users by the JVC based on Compensation Rate
“Contribution”	The contribution to be made by Luks Land for the sum of approximately US\$14,959,965 (equivalent to HK\$116,687,730) representing 95% of the Consideration
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKSAR”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Indochine”	Indochine Joint Stock Company, a company incorporated in Vietnam with its head office at 282, Nam Ky Khoi Nghia, Ward 8, District 3, Ho Chi Minh City, Vietnam
“Independent Third Parties”	third parties independent of the Group and connected persons of the Group
“JVC”	the joint venture company to be incorporated in Vietnam pursuant to the Agreement which shall be owned by Luks Land and Indochine as to 95% and 5% respectively upon its establishment for the purpose of the Project subject to the approvals from relevant authorities in Vietnam having been obtained
“Land”	a piece of land site comprising of Land A, Land B and Land C with a total area of 159,737 square metres located at Truong Thanh Ward, District 9, Ho Chi Minh City, Vietnam
“Land A”	a piece of land with an area of 38,983 square metres forming part of the Land
“Land B”	a piece of land with an area of 68,796 square metres forming part of the Land
“Land C”	a piece of land with an area of 51,958 square metres which comprises of 19,851 square metres of watercourse area and 32,107 square metres of land area, forming part of the Land
“Land Users”	the existing land users who are using the Land including but not limited to the owners of the respective land use right certificates of the Land
“Latest Practicable Date”	13 September 2007 being the latest practicable date prior to the printing of this circular for the purpose of ascertaining and collation of relevant information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers
“Loan”	a loan of US\$3 million (equivalent to HK\$23.4 million) to be advanced to Indochine by Luks Land for the sole purpose of making compensation to the Land Users relating to the Land pursuant to the Loan Agreement

DEFINITIONS

“Loan Agreement”	a loan agreement dated 29 August 2007 between Luks Land and Indochine pursuant to which Luks Land agreed to advance the Loan to Indochine for a term of 12 months from the date of draw down or as extended by agreement for the sole purpose of making compensation to the Land Users relating to the Land subject to the terms and conditions as set out therein
“Luks Land”	Luks Land International Limited, a limited company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company, with its registered office at Offshore Incorporations Limited, P.O. 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands
“NHA HANH PHUC”	NHA HANH PHUC Joint Stock Company, a company incorporated in Vietnam with its head office at Room 1709C, 37 Ton Duc Thang, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
“Project”	the investment project for construction and operation of residential and commercial areas on the Land for sale and lease upon completion of compensation to the Land Users and all necessary approvals having been obtained from the relevant authorities in Vietnam
“Security Agreement”	an agreement dated 29 August 2007 between Do Truong Son, a shareholder, holding 20% of the total charter capital of Indochine as the pledgor, NHA HANH PHUC as security agent for Luks Land, Luks Land as the secured party and Indochine as the borrower, pursuant to which Do Truong Son shall pledge all his right, title and interest in the 20% shareholding in Indochine to guarantee and secure performance by Indochine of all the terms and conditions in the Agreement and the Loan Agreement subject to the terms and conditions therein
“SFO”	The securities and Futures Ordinance (Chapter 571 of the laws of HKSAR)
“Shares”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“US\$”	United States dollars, the lawful currency of the United States
“Vietnam”	the Socialist Republic of Vietnam
“VND”	Vietnam Dong, the lawful currency of the Vietnam
“%”	per cent

In this circular, except as otherwise indicated, US\$ has been translated into HK\$ and VND respectively at the rate of US\$1.00=HK\$7.8 and US\$1.00=VND16,230 for reference purpose.

LETTER FROM THE BOARD



LUKS GROUP (VIETNAM HOLDINGS) CO. LTD. **陸氏集團（越南控股）有限公司**

(incorporated in Bermuda with limited liability)

(Stock code: 366)

Executive Directors:

Mr. Luk King Tin (*Chairman*)
Ms. Cheng Cheung
Mr. Luk Yan
Mr. Fan Chiu Tat, Martin
Mr. Luk Fung

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Independent non-executive Directors:

Mr. Liang Fang
Mr. Liu Li Yuan
Mr. Tam Kan Wing

*Principal place of business
in Hong Kong:*

5th Floor
Cheong Wah Factory Building
39-41 Sheung Heung Road
Tokwawan, Kowloon
Hong Kong

20 September 2007

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

AGREEMENT FOR PROPOSED ESTABLISHMENT OF A JOINT VENTURE COMPANY IN VIETNAM

INTRODUCTION

On 31 August 2007, the Company announced that Luks Land a wholly-owned subsidiary of the Company entered into Agreement with Indochine on 29 August 2007 in connection with a proposal to establish a JVC in Vietnam to acquire from Indochine the Project with a total Consideration of approximately US\$15,747,332 (equivalent to HK\$122,829,190). 95% of the Consideration representing the Contribution will be injected by Luks Land to the JVC which will be paid to Indochine by the JVC in form of compensation to Land Users by stages upon satisfying of certain conditions. Indochine shall be responsible to compensate to the Land Users and complete the site leveling of the Land for the JVC. The Contribution by Luks Land representing 95% of the Consideration is approximately US\$14,959,965 (equivalent to HK\$116,687,730). The proposed total investment capital of the JVC

LETTER FROM THE BOARD

shall be US\$30 million (equivalent to HK\$234 million), including the charter capital of US\$5 million (equivalent to HK\$39 million). Luks Land shall contribute US\$4.75 million (equivalent to HK\$37.05 million) representing 95% of the charter capital of the proposed JVC whereas Indochine shall contribute US\$250,000 (approximately HK\$1.95 million) representing 5% of the charter capital of the proposed JVC subject to the terms and conditions set out in the Agreement.

The amount injected to the JVC by Luks Land and Indochine in excess of the charter capital will be treated as shareholders' loans to the JVC. It is agreed by Luks Land and Indochine that both parties shall make their respective contribution in stages within 2 years from the date when the Investment Certificate has been issued to the JVC or as agreed by the parties by cash and assets permitted by the Vietnamese Law.

Pursuant to the Agreement, Luks Land shall be required to advance a Loan of US\$3 million (equivalent to HK\$23.4 million) to Indochine solely for compensation to be made to the relevant Land Users in connection with the Land before the setting up of the JVC and the Loan will be converted into part of the Contribution of Luks Land into the JVC at a later stage upon fulfilling of certain conditions.

The principal business of the JVC is for the development of the Project for sale and lease and the JVC will become a 95% indirectly owned subsidiary of the Company after the JVC having been established. The land use right of the Land and the right to develop the Project will be eventually transferred to the JVC upon the licence for the formation of the JVC and all necessary written approvals having been granted by the relevant authorities of Vietnam.

The Agreement constitutes a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

The main purpose of this circular is to provide you with details of the Agreement.

1. THE AGREEMENT

Date: 29 August 2007

Parties: (1) Luks Land, a wholly-owned subsidiary of the Company; and
(2) Indochine

To the best knowledge, information and belief of the Directors after making all reasonable enquiries, Indochine and its ultimate beneficial owner are Independent Third Parties. The Company has not entered into any transaction with Indochine or its ultimate beneficial owner or its associates within 12 months.

Subject matter: the proposed establishment of a JVC in Vietnam for the Project.

LETTER FROM THE BOARD

**Total Consideration
and Contribution:**

The total Consideration for acquiring from Indochine the Project with the compensation to be paid to the Land Users by the proposed JVC, is approximately US\$15,747,332 (equivalent to HK\$122,829,190) which was arrived at with reference to the compensation which will be made to the Land Users of the Land based on Compensation Rate. Luks Land and Indochine will own 95% and 5% of the JVC respectively. Indochine will be responsible to compensate to the Land Users and complete the site leveling of the Land for the JVC. The Contribution of Luks Land representing 95% of the Consideration is approximately US\$14,959,965 (equivalent to HK\$116,687,730). The Contribution will be injected by Luks Land to the JVC which will pay to Indochine in form of compensation to Land Users by stages upon satisfying of certain conditions as stated below.

The Contribution will be paid according to the following schedule:

- A. Luks Land shall be required to advance a Loan of US\$3 million (equivalent to HK\$23.4 million) to Indochine under the Loan Agreement solely for compensation to be made to the Land Users in connection with the Land within 10 working days upon all of the following conditions having been fulfilled by Indochine:

upon signing of the Loan Agreement, Indochine shall procure to deliver to Luks Land:

1. duly executed Security Agreement and approval from the shareholders of Indochine relating to the due execution of the same;
2. all land use right certificates and documents evidencing the completion of compensation to the Land Users of Land B;
3. documents evidencing the termination of contracts for investment co-operation with the Land Users of Land A and all land use right certificates and documents evidencing the completion of compensation to the Land Users of Land A.

Indochine undertakes and warrants that it will apply the Loan proceed solely as compensation payable to the Land Users in connection with the Land. Pursuant to the Loan Agreement, the Loan is interest free after commercial negotiation and if Indochine is in breach of the said undertaking and warranty, Luks Land is entitled to require Indochine to repay the Loan in full forthwith together with interest thereon at the rate of no more than 7% per annum to be determined by Luks Land.

LETTER FROM THE BOARD

The Loan will be set off as part of the Contribution of Luks Land to the JVC when Indochine fulfills all the conditions under clause D below.

B. Luks Land shall make available to the bank account of the JVC a sum of US\$4 million (equivalent to HK\$31.2 million) which will be paid to Indochine by JVC within 10 working days upon all of the following conditions having been fulfilled:

1. Licence for Incorporation of the JVC has been issued;
2. all land use right certificates and documents evidencing the completion of compensation to the Land Users of Land C;
3. agreement to assign its interest and right in the Land to the JVC for nil consideration duly signed by Indochine to enable the JVC to apply for a right to use the Land to implement the Project on the Land;
4. written documents showing that Indochine has submitted application to the People's Committee of Ho Chi Minh City for the grant of the right to use the Land to the JVC.

C. Luks Land shall make available to the bank account of the JVC an amount equivalent to $(80\% \times \text{Compensation Rate} \times \text{Actual Area Compensated}) - \text{the Loan} + \text{payment made under clause B hereof}$ which will be paid to Indochine by the JVC within 10 working days from the date of the grant from People's Committee of Ho Chi Minh City the land use right certificates of the Land to the JVC for the Land to implement the Project.

D. Luks Land shall make available to the bank account of the JVC an amount equivalent to $(95\% \times \text{Compensation Rate} \times \text{Actual Area Compensated}) - \text{the Loan} + \text{the payment made according to clauses B and C hereof}$ which will be paid to Indochine by the JVC within 10 working days upon the fulfilment of all of the following conditions:

1. approval from relevant authority on the master plan of the Project being granted to the JVC;
2. construction permit and all other necessary approvals for starting construction of the Project being granted to the JVC; and

LETTER FROM THE BOARD

3. completion of the removal of all the existing residents and structures on the Land, the leveling of and the completion of infrastructure works of the Land so that piling can be started immediately without further works required.

Pursuant to the Agreement, in the initial stage, in addition to the compensation, the parties also agree to contribute additional costs for the development of the Project, however it is premature to ascertain the actual costs involved at this stage.

No independent valuation was made to the Land. The basis for Compensation Rate is made with reference to the land cost of similar district and according to the total gross floor area of 167,723 square metres (159,737 square metres x 1.05 plot ratio) as guaranteed by Indochine, the land cost for the gross floor area is approximately US\$93.89 per square metre.

The Contribution will be paid by cash from the Company's internal resources. The investment in the JVC by Luks Land other than the Contribution will be funded by the Company's internal resources if the borrowings by the JVC for the funding pursuant to the Agreement cannot be made available.

The proposed Contribution was arrived after arm's length negotiation between the Company and Indochine. The management has conducted due diligence on arriving at the Consideration by making reference to the market price of the land cost in similar district in Vietnam.

Considering the terms of the transaction as a whole, the Directors (including the independent non-executive Directors) consider the Consideration, the Contribution made by the Company for the proposed JVC, the terms and conditions of the Agreement and the Loan to be fair and reasonable and in the interests of the Company and the Shareholders.

The total investment capital for the proposed JVC is US\$30 million (equivalent to HK\$234 million), which includes the total charter capital of US\$5 million (equivalent to HK\$39 million). Luks Land and Indochine will own 95% and 5% respectively of the proposed JVC and each will contribute US\$4.75 million (equivalent to HK\$37.05 million) and US\$250,000 (equivalent to HK\$1.95 million) respectively for the charter capital of the JVC. It is agreed by Luks Land and Indochine that both parties shall make their respective contribution in stages within 2 years from the date when the Investment Certificate

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has been issued to the JVC or as agreed by the parties by cash and assets permitted by the Vietnamese Law. The amount injected to the JVC by Luks Land and Indochine in excess of the charter capital will be treated as shareholders' loans to the JVC. The setting up of the proposed JVC and its terms, including its investment capital and charter capital is subject to the approvals by relevant authorities in Vietnam.

Pursuant to the Agreement, Indochine shall contribute approximately US\$787,366 (equivalent to HK\$6,141,455) representing 5% of the Consideration, into the JVC in the form of compensation to be paid to the Land Users. Among which, US\$250,000 (equivalent to HK\$1.95 million) shall be paid in cash representing 5% of the charter capital and US\$537,366 (equivalent to HK\$4,191,454) shall be a loan to the JVC by cash or assets permitted by the Vietnamese laws.

As at the Latest Practicable Date, the Company has not made any of the above payments.

2. Conditions precedent to the Agreement

The Agreement is conditional, inter alia, upon:

- (i) written evidence from relevant authorities in Vietnam showing that Indochine having completed the compensation works to all the Land Users of the Land for the Project;
- (ii) Formal documents issued by relevant government authorities in Vietnam for approving the establishment of the JVC having been obtained;
- (iii) All necessary approvals from the relevant government authorities in Vietnam including but not limited to the People's Committee of Ho Chi Minh City granting the right to the JVC for the use of the Land and the development of the Project; and
- (iv) All written approvals for the Land to be developed into residential and commercial areas for the Project for sale and lease by the local government authorities (including but not limited to People's Committee of Ho Chi Minh City and other relevant authorities) in Vietnam.

Indochine has obtained approval from People's Committee of District 9 of Ho Chi Minh City, Vietnam to implement the Project relating to the Land and has obtained approval for the planning for construction from the Department of Planning and Architecture relating to the Land.

Luks Land has conducted due diligence through its appointed Vietnamese lawyers who confirmed that Indochine has obtained approval documents for the planning and for the construction of the Project.

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Prior to the Agreement, Indochine has signed certain contracts for investment co-operation with the Land Users of Land A for the surrendering of Land A in exchange for equivalent land area after completion of the Project. Upon signing of the Agreement, Indochine will arrange for the signing of termination agreement terminating the said contracts for investment co-operation and compensation be made to the relevant Land Users of Land A.

Pursuant to the Agreement, Indochine warrants that it has obtained documents from the relevant department to prove that it has completed the compensation relating to Land B.

Pursuant to the Agreement, Indochine shall procure the completion of compensation to be made to the Land Users of Land C and that Indochine shall complete the compensation for the entire Land within 3 months from the date of the draw down of the Loan from Luks Land pursuant to the Loan Agreement.

Applications will be made to relevant government department for the JVC to use the Land for development of the Project upon the approval for formation of JVC having been granted.

If any of the aforesaid conditions set out in clause B above are not fulfilled within 6 months from the date of the Agreement other than due to the default of Indochine, Luks Land shall be entitled to cancel the Agreement upon which Indochine shall repay the Loan in full to Luks Land within 14 working days upon notice by Luks Land. If the default is due to Indochine, Luks Land shall be entitled to full refund of the Loan and the payment which has already been made to Indochine, and in addition, Indochine will pay to Luks Land, liquidated damages equivalent to US\$4 million (equivalent to HK\$31.2 million) plus tax.

If any of the aforesaid conditions set out in clauses C and D above are not fulfilled within 6 months according to the Agreement other than due to the default of Indochine, Luks Land shall be entitled to cancel the Agreement upon which Indochine shall repay the Loan in full and payments which have been made by Luks Land or through the JVC within 14 working days upon notice by Luks Land. If the default is due to Indochine, Luks Land shall be entitled to full refund of Loan and payment which has already been made to Indochine, in addition, Indochine will pay to Luks Land, liquidated damages equivalent to US\$4 million (equivalent to HK\$31.2 million) plus tax.

If Luks Land fails to perform its obligations as set out in clauses A, B, C and D above upon respective conditions of each payments having been fully satisfied by Indochine within 30 days and without reasonable cause, Indochine is entitled to cancel the Agreement and all payments made to Indochine shall not be returned to Luks Land.

As at the Latest Practicable Date, none of the aforesaid conditions have been fulfilled yet.

LETTER FROM THE BOARD

3. Information on Indochine

Indochine is a limited company duly constituted and validity existing under the laws of Vietnam and is principally engaged in investments of land in Vietnam.

4. Information on Luks Land

Luks Land is a limited company incorporated in the British Virgin Islands and principally engaged in the investments business.

5. Information on the Land, the Project and the JVC

The Land is located at Truong Thanh Ward, District 9, Ho Chi Minh City, Vietnam with an area of 159,737 square metres.

Indochine has obtained approval from People's Committee of District 9 of Ho Chi Minh City, Vietnam to implement the Project relating to the Land and has obtained approval for the planning for construction from the Department of Planning and Architecture relating to the Land. Upon signing of the Agreement, Indochine will arrange for compensation to be made to Land Users in respect of the Land for the Project. After compensation works of the Land have been completed, Indochine will apply to the government to set up a JVC with 95% and 5% shareholding for Luks Land and Indochine respectively to develop the Project. JVC will become a 95% indirectly owned subsidiary of the Company after the JVC having been established. The principal business of the JVC is for the development of the Project for sale and lease. Eventually, upon all necessary written approvals having been obtained from all the relevant authorities, the Project and the Land will be transferred to the JVC.

The preliminary plan of the Project is for the construction of residential and commercial areas of no less than 159,737 square metres of a plot ratio of no less than 1.05 times. The detailed plan will be submitted to the relevant government departments after the Agreement having been signed and is subject to the government approval.

The Project shall be carried out in accordance with the following schedule from the date of the issuance of the Investment Certificate having been granted to the JVC:

Within 6 months: completion of compensation, clearance and technical infrastructure of the Land.

Within 12 to 24 months: completion of the entire construction works on the Land.

The Company has in the past formed joint venture companies with various entities in Vietnam through its own subsidiary and has sufficient management expertise to manage the JVC and it will send personnel to Vietnam for the management.

LETTER FROM THE BOARD

6. Reasons for Entering into the Agreement

The Group is principally engaged in the manufacture and sale of cement products and property investment.

In line with the growth pace of the Vietnamese economy and the Group's strategy in investing in property and infrastructure related business in Vietnam, the Directors believe that it is a suitable timing to increase its investment in residential and commercial property development for sale or lease purpose in Ho Chi Minh City, Vietnam. The management has studied the residential market, including the selling price of apartments around the region of the Land and the cost of constructions and based on those researches and has projected that the Project shall be able to generate good return to the Group.

There will be no effects on the Group's overall positions on earnings, assets and liabilities until the JVC is formally established. Before the setting up of the JVC, the Group will only be required to lend US\$3 million to Indochine. The lending will be financed by internal resources and thus the effect will be that cash of the Group will decrease by about US\$3 million whereas other receivable will increase for the same amount. The establishment of the JVC will not have impact on the Group's earnings until the Project has been implemented and the residential areas of the Project are to be sold. The Contribution of Luks Land will result in an increase in investment in subsidiaries and on the other hand, a decrease in cash of the Group to an extent of the amount of the Contribution totaling approximately US\$14,959,965 (equivalent to HK\$116,687,730). If the construction of the Project starts, the Group's liabilities and assets will both increase as the Group may finance part of the construction cost with borrowing which will lead to an increase in liabilities and assets, mainly for item of construction in progress.

The Board considers that the transaction is on normal commercial terms and the terms and conditions of the Agreement to be fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

7. Implication under the Listing Rules

The Agreement constitutes a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

8. Additional Information

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

By order of the Board
LUKS GROUP (VIETNAM HOLDINGS) CO. LTD
Luk King Tin
Chairman

GENERAL INFORMATION

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 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 not contained in this circular, the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS BY THE DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company and their respective associates have the following interests and short positions in the Shares, debentures or underlying Shares of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code.

(i) Long positions in the Shares:

Name of Director	Notes	Number of shares held, capacity and nature of interest			Total	Percentage of the Company's issued share capital
		Directly beneficially owned	Through spouse or minor children	Through controlled corporation		
Luk King Tin	(a)	189,552,399	—	62,684,958	252,237,357	44.00%
Cheng Cheung	(b)	18,028,800	—	36,912,027	54,940,827	9.58%
Luk Yan	(c)	3,070,800	174,000	—	3,244,800	0.57%
Luk Fung		3,129,600	—	—	3,129,600	0.55%
Fan Chiu Tat, Martin		1,500,000	—	—	1,500,000	0.26%
		<u>215,281,599</u>	<u>174,000</u>	<u>99,596,985</u>	<u>315,052,584</u>	<u>54.96%</u>

GENERAL INFORMATION

(ii) Interests in shares of an associated corporation

Long positions in shares of an associated corporation:

Name of Director	Note	Name of associated corporation	Relationship with the Company	Number of shares held	Capacity and nature of interest	Percentage of the associated corporation's issued share capital
Luk King Tin and Luk Fung	(d)	Vigconic International (Holdings) Limited ("Vigconic")	Company's subsidiary	2,299,908	Through controlled corporation	25%

Notes:

- (a) Mr. Luk King Tin is a director of and had a beneficial interest in KT (Holdings) Limited, which held 62,684,958 Shares at the Latest Practicable Date.
- (b) Madam Cheng Cheung is a director of and had a beneficial interest in CC (Holdings) Limited, which held 36,912,027 Shares at the Latest Practicable Date.
- (c) In addition to the above personal interest, Mr. Luk Yan had a family interest, which held 174,000 Shares at the Latest Practicable Date.
- (d) Mr. Luk King Tin and Mr. Luk Fung had a beneficial interest in Vigconic Biotechnology Company Limited, which held 2,299,908 shares of US\$1 each of Vigconic at the Latest Practicable Date.

In addition to the above, certain Directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executive nor their respective 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) as recorded in the register kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code.

GENERAL INFORMATION

3. SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders' and other persons' interests and short positions in Shares and underlying Shares

As at the Latest Practicable Date, in accordance with the register of substantial shareholders kept by the Company under Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the Listing Rules, the following persons were interested (including short positions) in the shares or underlying shares of the Company:

Long positions:

Name	Capacity and nature of interest	Number of Shares held	Percentage of issued share capital
KT (Holdings) Limited	Directly beneficially owned	62,684,958	10.93
CC (Holdings) Limited	Directly beneficially owned	36,912,027	6.44

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company knew of any person (not being a Director or chief executive of the Company) who had an interest or short position in the Shares or 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, or who 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 held any option in respect of such capital.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which would not expire or would not be determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective associates has any interests in any company or business which compete or may compete with the businesses of the Group.

GENERAL INFORMATION

6. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and there was 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. GENERAL

- (a) The company secretary and the qualified accountant of the Company is Mr. Fan Chiu Tat, Martin, B.Soc.Sc., FCCA, CPA.
- (b) The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (c) The registrar and transfer office of the Company are Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The principal place of business of the Company is located at 5th Floor, Cheong Wah Factory Building, 39-41 Sheung Heung Road, Tokwawan, Kowloon, Hong Kong.