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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, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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LUEN THAI HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 311)

DISCLOSEABLE TRANSACTION

DEFINITIONS

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

“Acquired Company”	Partner Joy Group Limited, a private company incorporated under the laws of the British Virgin Islands;
“Acquired Share”	a share of US\$1.00 each in the capital of the Acquired Company;
“associated company”	shall have the same meaning as ascribed to it in Part XV of the SFO;
“Company”	Luen Thai Holdings Limited, the shares of which are listed on the Stock Exchange;
“Completion”	completion of the Sale and Purchase Agreement in accordance with its terms;
“connected person”	shall have the meaning as ascribed to it under the Listing Rules;
“Consideration”	the consideration to be determined, and paid by the Purchaser, in accordance with the terms of the Sale and Purchase Agreement;
“Directors”	directors of the Company for the time being;
“Group”	the Company and its subsidiaries;
“Guarantor”	Luen Thai Overseas Limited, a company incorporated under the laws of Bahamas which is a wholly-owned subsidiary of the Company and the immediate holding company of the Purchaser;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	20 May 2005;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Novelwill”	Novelwill International Limited, a company incorporated in the British Virgin Islands;
“Purchaser”	Fortune Investment Overseas Limited, a company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of each of the Guarantor and the Company;

DEFINITIONS

“Sale and Purchase Agreement”	a sale and purchase agreement dated 3 May 2005 entered into between, inter alia, the Vendor and the Purchaser in relation to the Transaction;
“SFO”	the Securities and Future Ordinance, Cap. 571 of the Laws of Hong Kong;
“Share”	a share of US\$0.01 each in the capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Transaction”	the acquisition of a 71% interest in the issued capital of the Acquired Company;
“Trumpinvest”	Trumpinvest Holdings Limited, a company incorporated in the British Virgin Islands;
“Vendor”	New Trillion Consultants Limited, a company incorporated under the laws of the British Virgin Islands; and
“Warrantor”	Tien-Hu Enterprise Limited, a company incorporated under the laws of Hong Kong, which together with the Vendor are the warrantors under the Sale and Purchase Agreement.

LETTER FROM THE BOARD



LUEN THAI HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 311)

Executive Directors:

Mr. Tan Siu Lin (*Chairman*)
Mr. Tan Henry
Mr. Tan Willie
Mr. Tan Cho Lung, Raymond

Registered Office:

Century Yard, Cricket Square
Hutchins Drive, PO Box 2681GT
George Town, Grand Cayman
Cayman Islands
British West Indies

Independent non-executive Directors:

Mr. Chan Henry
Mr. Cheung Siu Kee
Mr. Seing Nea Yie

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

5/F. Nanyang Plaza
57 Hung To Road
Kwun Tong, Kowloon
Hong Kong

Hong Kong, 25 May 2005

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

INTRODUCTION

As stated in the announcement of the Company dated 4 May 2005, the Purchaser, a wholly-owned subsidiary of the Company, has entered into and completed the Sale and Purchase Agreement on 3 May 2005, pursuant to which the Purchaser has acquired a 71% interest in the issued and fully paid share capital of the Acquired Company from the Vendor, a third party independent of the Company and its connected persons (as defined in the Listing Rules), for a cash consideration to be determined pending the audited and consolidated financial statements of the Acquired Company for the two years ending on 31 December 2006 subject to a minimum of US\$7,959,100 (equivalent to approximately HK\$62,080,980) and a maximum of US\$20,000,000 (equivalent to approximately HK\$156,000,000).

The Transaction constitutes a discloseable transaction for the Company under the Listing Rules. The purpose of this circular is to provide you with details regarding the Transaction.

LETTER FROM THE BOARD

THE SALE AND PURCHASE AGREEMENT

Date: 3 May 2005

Parties: (1) The Vendor
(2) Warrantor
(3) The Purchaser
(4) Guarantor

Pursuant and subject to the Sale and Purchase Agreement which was dated and completed on 3 May 2005, the Vendor sold, and the Purchaser purchased, 710 Acquired Shares in the share capital of the Acquired Company, representing 71% of the entire issued and fully paid share capital of the Acquired Company.

Pursuant to the Sale and Purchase Agreement, the Guarantor (a wholly-owned subsidiary of the Company) has agreed to guarantee the performance of all obligations of the Purchaser, its wholly-owned subsidiary, arising under the Sale and Purchase Agreement.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Vendor, the Warrantor, Novelwill and Trumpinvest and their respective ultimate beneficial owners are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

Consideration:

The Consideration, negotiated on an arm's length basis between the parties, shall be determined with reference to:

- (a) the average of the consolidated net profit of the Acquired Company for the 2 years ending on 31 December 2006;
- (b) a price-earnings multiple of 5 (which is within an industry average of 5-7 times for private companies, having reflected a discount to an industry average of 9.7 times based on an independent research report dated 27 September 2004 covering 4 Hong Kong listed companies within the same industry); and
- (c) the agreed valuation of certain machineries as at 31 December 2004 which were held by the Acquired Company as at Completion, being US\$1,410,000 (equivalent to approximately HK\$10,998,000).

The Consideration is further subject to a minimum of US\$7,959,100 (equivalent to approximately HK\$62,080,980) and a maximum of US\$20,000,000 (equivalent to approximately HK\$156,000,000), being the range agreed between the parties after arm's length negotiations. On the basis of a price-earnings multiple that is within the prevailing industry average and the track record profitability and business prospects of the Acquired Company and its subsidiaries, the Directors are of the view that the Consideration and the basis for its calculation are fair and reasonable, and are in the interests of the Group and the Company's shareholders as a whole. Based on the working condition and continued utility

LETTER FROM THE BOARD

of the relevant machineries as well as their high replacement costs, the Directors are also of the view that the agreed valuation of the machineries is fair and reasonable, and are in the interests of the Group and the Company's shareholders as a whole.

Payment of the Consideration shall be funded by the internal resources of the Group and shall be made in three instalments, the first of which in the sum of US\$7,959,100 (equivalent to approximately HK\$62,080,980) has been paid and the second and third of which shall be determined pending the completion of the audited and consolidated financial statements of the Acquired Company for each of the two years ending on 31 December 2006.

Completion:

Completion took place on 3 May 2005, simultaneously with the execution of the Sale and Purchase Agreement.

INFORMATION ON THE ACQUIRED COMPANY

As at the date of this announcement, the Acquired Company is a private company duly incorporated under the laws of the British Virgin Islands on 8 March 2005 having an authorised share capital of US\$50,000 divided into 50,000 Acquired Shares, 1,000 of which have been issued and are fully paid up. Out of the 1,000 issued Acquired Shares of the Acquired Company, 710 Acquired Shares (representing 71% of the entire issued capital of the Acquired Company) are beneficially owned by the Purchaser. The remaining 290 issued Acquired Shares (representing 29% of the entire issued capital of the Acquired Company) are held by the Vendor as to 190 Acquired Shares (representing 19% of the entire issued capital of the Acquired Company), by Trumpinvest as to 50 Acquired Shares (representing 5% of the entire issued capital of the Acquired Company) and by Novelwill as to 50 Acquired Shares (representing 5% of the entire issued capital of the Acquired Company). The Acquired Company, through its three wholly-owned subsidiaries – Tien-Hu Knitters Limited, Tien-Hu Knitting Factory (HK) Limited and Tien-Hu Trading (HK) Limited – is principally engaged in the business of manufacturing and trading of sweaters. These three subsidiaries have been in operation since the 1980s.

The unaudited and consolidated net asset value of the three wholly-owned subsidiaries of the Acquired Company as at 31 December 2004 amounted to approximately HK\$93,797,000, representing approximately 6.9% of the Group's audited and consolidated net asset value for the same period. For the year ended 31 December 2003, the unaudited and consolidated net profit before and after taxation of the three wholly-owned subsidiaries of the Acquired Company amounted to approximately HK\$20,042,000 and HK\$16,620,000 respectively. For the year ended 31 December 2004, the unaudited and consolidated net profit before and after taxation of the three wholly-owned subsidiaries of the Acquired Company amounted to approximately HK\$32,376,000 and HK\$26,484,000 respectively, representing approximately 11.3% and 11.2% of the Group's audited and consolidated net profit before and after taxation respectively for the same period.

LETTER FROM THE BOARD

REASONS FOR THE TRANSACTION

The Directors believe that the Transaction is in line with the Group's multi-product strategy to expand its apparel product categories by way of selective acquisitions and joint ventures. Upon Completion, the Transaction will give a significant presence in the sweater segment and will further consolidate the Group's leading position in the apparel industry. The Group's experience in acquiring and managing GJM (its sleepwear division), Tomwell Limited (the ladies career wear division) shows the Group's proven track record as an industry leader and consolidator.

The Directors consider that the Transaction is made on normal commercial terms, that its terms are fair and reasonable, and that the Transaction and its terms are in the interests of the Group and the Company's shareholders as a whole.

GENERAL

The Company is principally engaged in the manufacture and trading of apparel.

The Transaction constitutes a discloseable transaction for the Company, and is therefore subject only to the disclosure requirements under the Listing Rules.

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of
Luen Thai Holdings Limited
Henry Tan
Executive Director & Chief Executive Officer

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 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 the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Shares

Name of Director	Capacity	Number of Shares	Approximate percentage of interest in Company
Tan Siu Lin	Trustee (Note 1)	675,424,000	68.05%
Tan Henry	Beneficiary of trust (Notes 2 and 3)	614,250,000	61.89%
Tan Willie	Beneficiary of trust (Notes 2 and 4)	614,250,000	61.89%
Tan Cho Lung, Raymond	Beneficiary of trust (Notes 2 and 5)	614,250,000	61.89%

Notes:

1. Mr. Tan Siu Lin is the settlor and trustee of each of the Tan Family Trust of 2004, the Pak Kim Lam Tan Trust of 2004, the HJ Trust, the WR5C Trust, the LS Trust, the RC Trust, the JL Trust and the ST Trust (collectively referred to as the "Trusts"). As the settlor and trustee of the Trusts, all of which are revocable discretionary trusts, Mr. Tan Siu Lin is deemed under Part XV of the SFO to be interested in the aggregate shareholdings of Tan Holdings Corporation and Helmsley Enterprises Limited ("Helmsley") held in the Company, representing approximately 68.05% of the issued share capital of the Company as at the date of this circular.
2. Pursuant to a shareholders' agreement dated 12 June 2004 and entered into between Mr. Tan Siu Lin as trustee for each of the Trusts and Helmsley, each of the Trusts have agreed to adhere to certain pre-emptive arrangements concerning the transfer of shares in Helmsley. For the purposes of Part XV of the SFO, each of the Trusts is therefore deemed to have effective voting power in respect of the interests of Helmsley in the Company.
3. Mr. Tan Henry is one of the beneficiaries of the HJ Trust, which is a revocable discretionary trust. He is therefore deemed under Part XV of the SFO to be interested in the interests of the HJ Trust in the Company.
4. Mr. Tan Willie is one of the beneficiaries of the WR5C Trust, which is a revocable discretionary trust. He is therefore deemed under Part XV of the SFO to be interested in the interests of the WR5C Trust in the Company.
5. Mr. Tan Cho Lung, Raymond is one of the beneficiaries of the RC Trust, which is a revocable discretionary trust. He is therefore deemed under Part XV of the SFO to be interested in the interests of the RC Trust in the Company.

Long positions in the shares of associated corporations of the Company (as defined in the SFO)

Name of Director	Name of Associated Corporation	Capacity	Number of shares	Approximate percentage of attributable interest in corporation
Tan Siu Lin	Helmsley <i>(Note 1)</i>	Trustee <i>(Note 4)</i>	5,000	100%
	Capital Glory Limited <i>(Note 2)</i>	Trustee <i>(Note 4)</i>	1	100%
	Justintime Development Limited <i>(Note 3)</i>	Trustee <i>(Note 4)</i>	1	100%
	Tripletrio International Limited <i>(Note 3)</i>	Trustee <i>(Note 4)</i>	42,500	100%
	Newtex International Limited <i>(Note 3)</i>	Trustee <i>(Note 4)</i>	2	100%

Name of Director	Name of Associated Corporation	Capacity	Number of shares	Approximate percentage of attributable interest in corporation
	Torpedo Management Limited <i>(Note 3)</i>	Trustee <i>(Note 4)</i>	1	100%
	Integrated Solutions Technology Inc. <i>(a Cayman Islands corporation) (Note 3)</i>	Trustee <i>(Note 4)</i>	1	100%
	Eldex Del Golfo, SA de CV <i>(Note 3)</i>	Trustee <i>(Note 4)</i>	11,819	100%
	Servicios Textiles Mexicanos, SA <i>(Note 3)</i>	Trustee <i>(Note 4)</i>	50	100%
	Hanium Industries Limited <i>(Note 3)</i>	Trustee <i>(Note 4)</i>	1	100%
	Integrated Solutions Technology Inc. <i>(a HK corporation) (Note 3)</i>	Trustee <i>(Note 4)</i>	2	100%
	Integrated Solutions Technology Inc. <i>(a BVI corporation) (Note 3)</i>	Trustee <i>(Note 4)</i>	1	100%
	Integrated Solutions Technology Inc. <i>(a Philippines corporation) (Note 3)</i>	Trustee <i>(Note 4)</i>	1	100%

Name of Director	Name of Associated Corporation	Capacity	Number of shares	Approximate percentage of attributable interest in corporation
Tan Henry	Helmsley <i>(Note 1)</i>	Beneficiary of trust <i>(Note 5)</i>	5,000	100%
	Capital Glory Limited <i>(Note 2)</i>	Beneficiary of trust <i>(Note 5)</i>	1	100%
	Justintime Development Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 5)</i>	1	100%
	Tripletrio International Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 5)</i>	42,500	100%
	Newtex International Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 5)</i>	2	100%
	Torpedo Management Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 5)</i>	1	100%
	Integrated Solutions Technology Inc. <i>(a Cayman Islands corporation)</i> <i>(Note 3)</i>	Beneficiary of trust <i>(Note 5)</i>	1	100%
	Eldex Del Golfo, SA de CV <i>(Note 3)</i>	Beneficiary of trust <i>(Note 5)</i>	11,819	100%

Name of Director	Name of Associated Corporation	Capacity	Number of shares	Approximate percentage of attributable interest in corporation
	Servicios Textiles Mexicanos, SA <i>(Note 3)</i>	Beneficiary of trust <i>(Note 5)</i>	50	100%
	Hanium Industries Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 5)</i>	1	100%
	Integrated Solutions Technology Inc. <i>(a HK corporation)</i> <i>(Note 3)</i>	Beneficiary of trust <i>(Note 5)</i>	2	100%
	Integrated Solutions Technology Inc. <i>(a BVI corporation)</i> <i>(Note 3)</i>	Beneficiary of trust <i>(Note 5)</i>	1	100%
	Integrated Solutions Technology Inc. <i>(a Philippines corporation)</i> <i>(Note 3)</i>	Beneficiary of trust <i>(Note 5)</i>	1	100%
Tan Willie	Helmsley <i>(Note 1)</i>	Beneficiary of trust <i>(Note 6)</i>	5,000	100%
	Capital Glory Limited <i>(Note 2)</i>	Beneficiary of trust <i>(Note 6)</i>	1	100%
	Justintime Development Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	1	100%

Name of Director	Name of Associated Corporation	Capacity	Number of shares	Approximate percentage of attributable interest in corporation
	Tripletrio International Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	42,500	100%
	Newtex International Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	2	100%
	Torpedo Management Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	1	100%
	Integrated Solutions Technology Inc. <i>(a Cayman Islands corporation) (Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	1	100%
	Eldex Del Golfo, SA de CV <i>(Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	11,819	100%
	Servicios Textiles Mexicanos, SA <i>(Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	50	100%
	Hanium Industries Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	1	100%
	Integrated Solutions Technology Inc. <i>(a HK corporation) (Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	2	100%

Name of Director	Name of Associated Corporation	Capacity	Number of shares	Approximate percentage of attributable interest in corporation
	Integrated Solutions Technology Inc. <i>(a BVI corporation)</i> <i>(Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	1	100%
	Integrated Solutions Technology Inc. <i>(a Philippines corporation)</i> <i>(Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	1	100%
Tan Cho Lung, Raymond	Helmsley <i>(Note 1)</i>	Beneficiary of trust <i>(Note 7)</i>	5,000	100%
	Capital Glory Limited <i>(Note 2)</i>	Beneficiary of trust <i>(Note 7)</i>	1	100%
	Justintime Development Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 7)</i>	1	100%
	Tripletrio International Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 7)</i>	42,500	100%
	Newtex International Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 7)</i>	2	100%
	Torpedo Management Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 7)</i>	1	100%
	Integrated Solutions Technology Inc. <i>(a Cayman Islands corporation)</i> <i>(Note 3)</i>	Beneficiary of trust <i>(Note 7)</i>	1	100%

Name of Director	Name of Associated Corporation	Capacity	Number of shares	Approximate percentage of attributable interest in corporation
	Eldex Del Golfo, SA de CV (Note 3)	Beneficiary of trust (Note 7)	11,819	100%
	Servicios Textiles Mexicanos, SA (Note 3)	Beneficiary of trust (Note 7)	50	100%
	Hanium Industries Limited (Note 3)	Beneficiary of trust (Note 7)	1	100%
	Integrated Solutions Technology Inc. (a HK corporation) (Note 3)	Beneficiary of trust (Note 7)	2	100%
	Integrated Solutions Technology Inc. (a BVI corporation) (Note 3)	Beneficiary of trust (Note 7)	1	100%
	Integrated Solutions Technology Inc. (a Philippines corporation) (Note 3)	Beneficiary of trust (Note 7)	1	100%

Notes:

1. Helmsley is the holding company of Capital Glory Limited, which is, in turn, the holding company of the Company. Helmsley is therefore an associated corporation of the Company as defined under Part XV of the Company.
2. Capital Glory Limited is the holding company of the Company. It is therefore an associated corporation of the Company.
3. This is a subsidiary of Helmsley. It is therefore an associated corporation of the Company.
4. Mr. Tan Siu Lin is the settlor and trustee of each of the Trusts. As the settlor and trustee of the Trusts, all of which are revocable discretionary trusts, Mr. Tan Siu Lin is deemed under Part XV of the SFO to be interested in the aggregate interests of the Trusts in each of Helmsley and its subsidiaries respectively.
5. Mr. Tan Henry is one of the beneficiaries of the HJ Trust, which is a revocable discretionary trust. By virtue of the shareholders' agreement dated 12 June 2004 (as described above), he is therefore deemed under Part XV of the SFO to be interested in the aggregate interests of the Trusts in each of Helmsley and its subsidiaries respectively.
6. Mr. Tan Willie is one of the beneficiaries of the WR5C Trust, which is a revocable discretionary trust. By virtue of the shareholders' agreement dated 12 June 2004 (as described above), he is therefore deemed under Part XV of the SFO to be interested in the aggregate interests of the Trusts in each of Helmsley and its subsidiaries respectively.
7. Mr. Tan Cho Lung, Raymond is one of the beneficiaries of the RC Trust, which is a revocable discretionary trust. By virtue of the shareholders' agreement dated 12 June, 2004 (as described above), he is therefore deemed under Part XV of the SFO to be interested in the aggregate interests of the Trusts in each of Helmsley and its subsidiaries respectively.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and Stock Exchange.

- (b) As at the Latest Practicable Date, none of the Directors had entered into any service agreement with any member of the Group which was not terminable by the employer within one year without payment of compensation other than statutory compensation.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors, the following persons, not being Directors or chief executive of the Company had, or were deemed to have, interests or short positions in the Shares, underlying Shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who 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 member of the Group or held any option in respect of such capital:

Name	Capacity	Number of Shares	Approximate percentage of shareholding
Capital Glory Limited (Note 1)	Beneficial owner	614,250,000	61.89%
Helmsley (Note 1)	Interest of controlled corporation	614,250,000	61.89%
Tan Family Trust of 2004 (Notes 2 and 3)	Interest of controlled corporation	675,424,000	68.05%
Trusts (other than the Tan Family Trust of 2004) (Note 3)	Interest of controlled corporation	614,250,000	61.89%

Notes:

- Capital Glory Limited is a wholly-owned subsidiary of Helmsley. Helmsley is therefore deemed to be interested in the interests of Capital Glory Limited held in the Company.
- The Tan Family Trust of 2004 is interested in the entire issued share capital of Tan Holdings Corporation and 30% of the issued share capital of Helmsley. For the purposes of Part XV of the SFO, it is deemed to be interested in the Shares held by both Tan Holdings Corporation and Helmsley.
- Pursuant to a shareholders' agreement dated 12 June 2004 and entered into between Mr. Tan Siu Lin as trustee for each of the Trusts and Helmsley, each of the Trusts has agreed to enter into a pre-emptive arrangement concerning the transfer of shares in Helmsley. For the purposes of Part XV of the SFO, each of the Trusts is therefore deemed to have effective voting power in respect of the shareholding of Helmsley in the Company, representing 61.89% of the issued share capital of the Company as at the date of this circular.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person, other than the Directors and the chief executive of the Company, who had, or was deemed to have, interests or short positions in the Shares, underlying Shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who 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 member of the Group or held any option in respect of such capital.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors or any of their respective associates had any interest in any business which causes or may cause any significant competition with the business of the Group or any significant conflicts with the interests of the Group, save as disclosed in the section headed "Relationship with controlling shareholder" in the Company's prospectus dated 30 June 2004.

5. LITIGATION

As at the Latest Practicable Date, so far as the Directors were aware, 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 against the Company or any of its subsidiaries.

6. MISCELLANEOUS

- (a) The share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (b) The company secretary of the Company is Mr. Chiu Chi Cheung, CPA.
- (c) The qualified accountant of the Company is Mr. Chiu Chi Cheung, CPA.
- (d) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.