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

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Wai Kee Holdings Limited, you should at once hand this circular to the purchaser or 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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**WAI KEE HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 610)**

**DISCLOSEABLE TRANSACTION  
DISPOSAL OF BUILD KING SHARES**

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## DEFINITIONS

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

“Agreement”	the sale and purchase agreement dated 7 November, 2008 entered into between the Vendor and the Purchaser in respect of the sale and purchase of 45,000,000 Build King Shares for a consideration of HK\$3,285,000
“Announcement”	the announcement of the Company dated 10 November, 2008 concerning the Disposal
“associate(s)”	the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Build King”	Build King Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange and a non wholly-owned subsidiary of the Company
“Build King Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of Build King
“Company”	Wai Kee Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Disposal on 11 November, 2008
“connected person”	the meaning ascribed thereto in the Listing Rules
“Directors”	directors of the Company
“Disposal”	the disposal by the Company, through its wholly-owned subsidiary, of 45,000,000 Build King Shares off the market pursuant to the terms of the Agreement to the Purchaser
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“Latest Practicable Date”	17 November, 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, excluding for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	an individual third party independent of the Company and connected persons of the Company
“SFO”	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Top Horizon Holdings Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent



## WAI KEE HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 610)**

*Executive Directors:*

Zen Wei Pao, William (*Chairman*)

Zen Wei Peu, Derek (*Vice Chairman*)

Wong Wing Cheung, Dennis (*Finance Director*)

Chiu Wai Yee, Anriena

*Registered Office:*

Clarendon House

Church Street

Hamilton HM 11

Bermuda

*Non-executive Directors:*

Lam Wai Hon, Patrick

Chu Tat Chi

Cheng Chi Pang, Leslie

*Principal Place of Business:*

Unit 1103, 11th Floor

East Ocean Centre

98 Granville Road, Tsimshatsui

Kowloon

Hong Kong

*Independent Non-executive Directors:*

Wong Che Ming, Steve

Wan Siu Kau, Samuel

Wong Man Chung, Francis

21 November, 2008

*To the Shareholders*

Dear Sir or Madam,

### **DISCLOSEABLE TRANSACTION DISPOSAL OF BUILD KING SHARES**

#### **INTRODUCTION**

The Company made the Announcement about the Disposal.

During the 12-month period from 8 November, 2007 to 7 November, 2008 (both dates inclusive), the Group disposed and agreed to dispose of an aggregate of 65,000,000 Build King Shares, of which (i) an aggregate of 20,000,000 Build King Shares were disposed on the market by the Group on 4 November, 2008 for a total consideration of HK\$1,400,000,

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## LETTER FROM THE BOARD

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and (ii) 45,000,000 Build King Shares were agreed to be disposed off the market pursuant to the terms of the Agreement by the Company, through its wholly-owned subsidiary, to the Purchaser on 7 November, 2008.

As the aggregate revenue attributable to the Disposal together with other disposals by the Group of Build King Shares during the past 12-month period exceeds 5% but is less than 25% of the applicable percentage ratio under Chapter 14 of the Listing Rules, the aforesaid disposals together constitute a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and are subject to announcement and the requirements to issue a circular.

The book value of the Build King Shares in the Disposal together with other disposals of Build King Shares by the Group during the past 12-month period carried in the consolidated balance sheet of the Company was approximately HK\$9.4 million. With an aggregate consideration of HK\$4,685,000, the aggregate loss on the Disposal together with other disposals of Build King Shares by the Group during the past 12-month period will be approximately HK\$4.7 million. The Disposal together with other disposals of Build King Shares by the Group during the past 12-month period also resulted in an increase in the assets and no impact on the liabilities of the Group for the year ending 31 December, 2008.

The Vendor has agreed under the Agreement entered into on 7 November, 2008 with the Purchaser to sell 45,000,000 Build King Shares representing approximately 4.83% of the issued share capital of Build King, for an aggregate consideration of HK\$3,285,000. On Completion, Build King, which was previously 58.68% owned by the Company, became 53.85% owned by the Company and will continue to be a non wholly-owned subsidiary of the Company.

The Disposal together with other disposals of Build King Shares by the Group during the past 12-month period constitute a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and are subject to announcement and the requirements to issue a circular.

The purpose of this circular is to provide you with further information on the Disposal, other disposals of Build King Shares by the Group during the past 12-month period and related information required by the Listing Rules.

### **DISPOSAL**

The Company, through its wholly-owned subsidiary, agreed to dispose of 45,000,000 Build King Shares (representing approximately 4.83% of the issued share capital of Build King, based on its issued share capital of 931,408,494 shares as at 31 October, 2008) off the market pursuant to the terms of the Agreement to the Purchaser on 7 November, 2008. Pursuant to the Agreement, the consideration for the Disposal is HK\$3,285,000 (exclusive of transaction costs) payable in cash on or before Completion. The consideration is HK\$0.073 per Build King Share, representing the closing price of Build King Shares as quoted on the Stock

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## LETTER FROM THE BOARD

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Exchange on 6 November, 2008. The highest and lowest prices of the Build King Shares as quoted on the Stock Exchange on 7 November, 2008, were HK\$0.078 and HK\$0.065 per share respectively.

Prior to the Disposal, the Group owned 546,561,275 Build King Shares.

The book value of the Build King Shares in the Disposal carried in the consolidated balance sheet of the Company was approximately HK\$6.5 million. With the consideration of HK\$0.073 per Build King Share, the Group will recognize a loss of approximately HK\$3.2 million in the Disposal for the year ending 31 December, 2008.

The Disposal also resulted in an increase in the assets and no impact on the liabilities of the Group for the year ending 31 December, 2008.

The Group did not receive any dividend in respect of Build King Shares for the years 2006 and 2007.

The Disposal was made off the market pursuant to the terms of the Agreement to the Purchaser who, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, is independent of and not connected with the Company or its subsidiaries, or any of the connected persons of the Company and their respective associates.

On Completion, Build King, which was previously 58.68% owned by the Company, became 53.85% owned by the Company and will continue to be a non wholly-owned subsidiary of the Company.

### **INFORMATION ON BUILD KING**

Build King is a company incorporated in the Bermuda and listed on the main board of the Stock Exchange and is a non wholly-owned subsidiary of the Company. Build King is an investment holding company and is principally engaged in the undertaking of construction projects in Hong Kong, the PRC, the Middle East and Taiwan and is also engaged in environmental and waste management and marine engineering. Further information on Build King could be found on the Stock Exchange's website. According to the annual reports of Build King for the two years ended 31 December, 2007 and 31 December, 2006 respectively, the net profits before and after taxation were approximately HK\$17,654,000 and approximately HK\$10,873,000, approximately HK\$33,084,000 and approximately HK\$7,393,000 respectively. The audited consolidated net asset value of Build King as at 31 December, 2007 and 31 December, 2006 was approximately HK\$179,791,000 and approximately HK\$162,157,000 respectively. According to the interim report of Build King for the six months ended 30 June, 2008, the unaudited consolidated net asset value of Build King as at 30 June, 2008 was approximately HK\$160,032,000.

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## LETTER FROM THE BOARD

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### REASONS FOR THE DISPOSALS AND BENEFITS TO THE COMPANY

The Company is an investment holding company and is principally engaged in civil engineering, quarrying, highway and expressway operations, property development and biotechnology business.

The Directors consider that it is in the best interests of the Shareholders to carry out the Disposal and other disposals of Build King Shares by the Group during the past 12-month period to broaden Build King's shareholder base and they also provide an opportunity for Build King to attract investors who may further support Build King's longer term business strategy. Build King continues to remain as a non wholly-owned subsidiary of the Company after the Disposal. The Company intends to use the proceeds of the Disposal and other disposals of Build King Shares by the Group during the past 12-month period to provide additional funding for the Group's working capital. The Directors believe that the terms of the Agreement, the Disposal and other disposals of Build King Shares by the Group during the past 12-month period are fair and reasonable and in the interests of the Shareholders as a whole.

### 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  
**Wai Kee Holdings Limited**  
**Chiu Wai Yee, Anriena**  
*Company Secretary*

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this circular the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS

### (A) Directors' Interests and Short Positions

As at the Latest Practicable Date, the Directors and their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange:

#### (I) The Company

##### (a) Interests in shares

Name of Director	Capacity/ Nature of interest	Number of shares held		Percentage of the issued ordinary share capital (%)
		Long position	Short position	
Zen Wei Pao, William	Personal	192,381,843 (Note 1)	—	24.26
	Personal	770,000 (Note 2)	—	0.10
Zen Wei Peu, Derek	Personal	185,057,078 (Note 1)	—	23.33
	Personal	770,000 (Note 2)	—	0.10
Wong Wing Cheung, Dennis	Personal	550,000 (Note 2)	—	0.07
Chiu Wai Yee, Anriena	Personal	550,000 (Note 2)	—	0.07

**(I) The Company (Continued)****(a) Interests in shares (Continued)**

Name of Director	Capacity/ Nature of interest	Number of shares held		Percentage of the issued ordinary share capital (%)
		Long position	Short position	
Lam Wai Hon, Patrick	Personal	300,000 (Note 1)	—	0.03
	Personal	330,000 (Note 2)	—	0.04
Chu Tat Chi	Personal	330,000 (Note 2)	—	0.04
Cheng Chi Pang, Leslie	Personal	500,000 (Note 1)	—	0.06
	Personal	330,000 (Note 2)	—	0.04
Wong Che Ming, Steve	Personal	900,000 (Note 1)	—	0.11
	Personal	330,000 (Note 2)	—	0.04
Wan Siu Kau, Samuel	Personal	330,000 (Note 2)	—	0.04
Wong Man Chung, Francis	Personal	330,000 (Note 2)	—	0.04

*Notes:*

1. Long position in the Shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds).
2. Long position in the underlying shares of the Company pursuant to unlisted equity derivatives (including physically settled, cash settled and other equity derivatives). Share options granted to Directors are included in this category, the particulars of which are set out in (b) under the heading “Interest in underlying shares through equity derivatives” below.

**(b) Interest in underlying shares through equity derivatives**

Name of Director	Date of grant	Exercisable period	Exercise Price HK\$	Number of share options
Zen Wei Pao, William	9 July, 2007	9 July, 2008 to 8 July, 2011	3.39	770,000
Zen Wei Peu, Derek	9 July, 2007	9 July, 2008 to 8 July, 2011	3.39	770,000
Wong Wing Cheung, Dennis	9 July, 2007	9 July, 2008 to 8 July, 2011	3.39	550,000

**(I) The Company (Continued)****(b) Interest in underlying shares through equity derivatives (Continued)**

Name of Director	Date of grant	Exercisable period	Exercise Price HK\$	Number of share options
Chiu Wai Yee, Anriena	9 July, 2007	9 July, 2008 to 8 July, 2011	3.39	550,000
Lam Wai Hon, Patrick	9 July, 2007	9 July, 2008 to 8 July, 2011	3.39	330,000
Chu Tat Chi	9 July, 2007	9 July, 2008 to 8 July, 2011	3.39	330,000
Cheng Chi Pang, Leslie	9 July, 2007	9 July, 2008 to 8 July, 2011	3.39	330,000
Wong Che Ming, Steve	9 July, 2007	9 July, 2008 to 8 July, 2011	3.39	330,000
Wan Siu Kau, Samuel	9 July, 2007	9 July, 2008 to 8 July, 2011	3.39	330,000
Wong Man Chung, Francis	9 July, 2007	9 July, 2008 to 8 July, 2011	3.39	330,000

**(II) Associated Corporations****(a) Interests in shares**

Name of Director	Name of company	Capacity/ Nature of interest	Number of shares held		Percentage of the issued ordinary share capital (%)
			Long position	Short Position	
Zen Wei Pao, William	Build King	Personal	1,400,000 (Note 1)	—	0.15 (Note 3)
	Road King	Personal	500,000 (Note 1)	—	0.07 (Note 4)
		Personal	6,000,000 (Note 2)	—	0.81 (Note 4)
	Wai Kee (Zens) Construction & Transportation Company Limited	Personal	2,000,000 (Note 1)	—	10.00
	Wai Luen Stone Products Limited	Personal	30,000 (Note 1)	—	37.50

*(II) Associated Corporations (Continued)**(a) Interests in shares (Continued)*

Name of Director	Name of company	Capacity/ Nature of interest	Number of shares held		Percentage of the issued ordinary share capital (%)
			Long position	Short Position	
Zen Wei Peu, Derek	Build King	Personal	107,581,421 <i>(Note 1)</i>	—	11.55
	Chai-Na-Ta Corp.	Personal	253,728 <i>(Note 1)</i>	—	0.73
	Road King	Personal	6,756,000 <i>(Note 1)</i>	—	0.91 <i>(Note 4)</i>
		Personal	2,300,000 <i>(Note 2)</i>	—	0.31 <i>(Note 4)</i>
	Wai Kee (Zens) Construction & Transportation Company Limited	Personal	2,000,000 <i>(Note 1)</i>	—	10.00
	Wai Luen Stone Products Limited	Personal	30,000 <i>(Note 1)</i>	—	37.50
Chiu Wai Yee, Anriena	Build King	Personal	837,000 <i>(Note 1)</i>	—	0.09 <i>(Note 3)</i>
	Chai-Na-Ta Corp.	Personal	1,920 <i>(Note 1)</i>	—	0.01
	Road King	Personal	105,000 <i>(Note 1)</i>	—	0.01
		Personal	500,000 <i>(Note 2)</i>	—	0.07
Lam Wai Hon, Patrick	Build King	Personal	140,000 <i>(Note 1)</i>	—	0.02
Chu Tat Chi	Road King	Personal	515,000 <i>(Note 1)</i>	—	0.07
Cheng Chi Pang, Leslie	Build King	Personal	1,170,000 <i>(Note 1)</i>	—	0.13 <i>(Note 3)</i>
Wong Che Ming, Steve	Build King	Personal	311,225 <i>(Note 1)</i>	—	0.03 <i>(Note 3)</i>

**(II) Associated Corporations (Continued)****(a) Interests in shares (Continued)**

Notes:

1. Long position in the shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds).
2. Long position in the underlying shares of Road King pursuant to unlisted equity derivatives (including physically settled, cash settled and other equity derivatives). Share options granted to Directors are included in this category, the particulars of which are set out in (b) under the heading "Interest in underlying shares through equity derivatives" below.
3. As at the Latest Practicable Date, the issued share capital of Build King was 931,408,494 shares. Accordingly, the percentage has been adjusted.
4. As at the Latest Practicable Date, the issued share capital of Road King was 744,332,566 shares. Accordingly, the percentage has been adjusted.

**(b) Interest in underlying shares through equity derivatives**

<b>Name of Director</b>	<b>Date of grant</b>	<b>Exercisable period</b>	<b>Exercise price HK\$</b>	<b>Number of share options</b>
Zen Wei Pao, William	14 December, 2005	14 December, 2005 to 13 December, 2010	5.80	1,000,000
	20 December, 2006	20 December, 2006 to 19 December, 2011	11.66	2,500,000
	6 November, 2007	6 November, 2007 to 5 November, 2012	14.85	2,500,000
Zen Wei Peu, Derek	20 December, 2006	20 December, 2006 to 19 December, 2011	11.66	800,000
	6 November, 2007	6 November, 2007 to 5 November, 2012	14.85	1,500,000
Chiu Wai Yee, Anriena	26 August, 2004	26 August, 2004 to 25 August, 2009	5.70	200,000
	14 December, 2005	14 December, 2005 to 13 December, 2010	5.80	100,000
	20 December, 2006	20 December, 2006 to 19 December, 2011	11.66	100,000
	6 November, 2007	6 November, 2007 to 5 November, 2012	14.85	100,000

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their respective associates had any interests or short positions in the shares, underlying shares and/or debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

**(B) Substantial Shareholders' Interests**

**(I) Interests in the Company**

As at the Latest Practicable Date, so far as was known to the Directors, the following persons ("Substantial Shareholders") (other than the Directors) who had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO:

Name of shareholder	Capacity/ Nature of interest	Number of shares held		Percentage of the issued ordinary share capital (%)
		Long position	Short position	
Cheng Yu Tung Family (Holdings) Limited (Note 2)	Corporate	213,868,000 (Note 1)	—	26.97
Centennial Success Limited (Note 3)	Corporate	213,868,000 (Note 1)	—	26.97
Chow Tai Fook Enterprises Limited (Note 4)	Corporate	213,868,000 (Note 1)	—	26.97
New World Development Company Limited (Note 5)	Corporate	213,868,000 (Note 1)	—	26.97

**(I) Interests in the Company (Continued)**

Name of shareholder	Capacity/ Nature of interest	Number of shares held		Percentage of the issued ordinary share capital (%)
		Long position	Short position	
NWS Holdings Limited (Note 6)	Corporate	213,868,000 (Note 1)	—	26.97
NWS Service Management Limited (Note 7)	Corporate	213,868,000 (Note 1)	—	26.97
NWS Service Management Limited (Note 8)	Corporate	213,868,000 (Note 1)	—	26.97
Vast Earn Group Limited (Note 9)	Personal/ Beneficiary	213,868,000 (Note 1)	—	26.97

*Notes:*

1. Long position in the Shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds).
2. Cheng Yu Tung Family (Holdings) Limited is deemed to be interested in the Shares through its interests in its subsidiary, namely Centennial Success Limited.
3. Centennial Success Limited is deemed to be interested in the Shares through its interests in its wholly owned subsidiary, namely Chow Tai Fook Enterprises Limited.
4. Chow Tai Fook Enterprises Limited is deemed to be interested in the Shares through its interests in more than one-third of the issued share capital of New World Development Company Limited.
5. New World Development Company Limited is deemed to be interested in the Shares through its interests in its subsidiary, namely NWS Holdings Limited.
6. NWS Holdings Limited is deemed to be interested in the Shares through its interests in its wholly owned subsidiary, namely NWS Service Management Limited (incorporated in the Cayman Islands).
7. NWS Service Management Limited (incorporated in the Cayman Islands) is deemed to be interested in the Shares through its interests in its wholly owned subsidiary, namely NWS Service Management Limited (incorporated in the British Virgin Islands).

**(I) Interests in the Company (Continued)**

8. NWS Service Management Limited (incorporated in the British Virgin Islands) is deemed to be interested in the Shares through its interests in its wholly owned subsidiary, namely Vast Earn Group Limited.
9. Vast Earn Group Limited is a wholly owned subsidiary of NWS Service Management Limited (incorporated in the British Virgin Islands).

Save as disclosed below, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or a short position 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:

<b>Name of Director</b>	<b>Name of company which had such discloseable interest or short position</b>	<b>Position within such company</b>
Lam Wai Hon, Patrick	NWS Holdings Limited	Executive Director
	NWS Service Management Limited (incorporated in the Cayman Islands)	Director
	NWS Service Management Limited (incorporated in the British Virgin Islands)	Director
	Vast Earn Group Limited	Director
Chu Tat Chi	NWS Service Management Limited (incorporated in the Cayman Islands)	Director

*(II) Interests in other members of the Group*

As at the Latest Practicable Date, so far as was known to any Director and save as disclosed in this circular, the persons (other than a Director or a director of a member of the Group) who 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 were as follows:

<b>Name of subsidiary</b>	<b>Name of shareholder</b>	<b>Approximate percentage of interest held (%)</b>
Cheuk Wah Construction Engineering Limited	Goldky Industries Limited	40
Eastar Construction Engineering Limited	Fulight Engineering Limited	20
Grandeur Building Material (Shanghai) Limited	Proficiency Building Materials and Equipment Limited	20
	Tse Pang	20
Huge Host Engineering Limited	Downer Mining (Asia) Limited	30
Wisecheer China Investments Limited	Chan Yau Kee	12.65
W K Aviation Engineering Company Limited	Kencana Capital Ventures Sdn. Bhd.	30

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other persons (other than Directors) who had an interest or short position in the Shares or underlying shares 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 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 or had any options in respect of such capital.

### 3. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, the following directors were interested in a businesses which competed or were likely to compete either directly or indirectly, with the business of the Group as required to be disclosed under the Listing Rules:

<b>Name of Director</b>	<b>Name of entity</b>	<b>Competing business</b>	<b>Nature of interest</b>
Lam Wai Hon, Patrick	NWS Holdings Limited group of companies	Construction, toll road, infrastructure and sale of general merchandised goods	Director
Chu Tat Chi	NWS Service Management Limited group of companies	Building construction, civil engineering and sale of general merchandised goods	Director

As at the Latest Practicable Date, the Company, through a non wholly-owned subsidiary, held 33.3% shareholding interest in a joint venture company which was held as to 66.7% by a subsidiary of NWS Holdings Limited. The joint venture company was formed to undertake certain construction works for a residential development project. The residential development project has been completed and the joint venture company is not otherwise engaged in any other business activity. Save as disclosed, the Company does not have any business relationship with any of the NWS Holdings Limited and NWS Service Management Limited groups of companies (collectively, the "NWS Group"). The Company does not share its resources with the NWS Group nor does the Company rely on the NWS Group for its customers or suppliers. Apart from Mr. Lam's directorship in the NWS Holdings Limited group of companies and Mr. Chu's directorship in the NWS Service Management Limited group of companies, none of the Directors or senior management of the Company are also directors or employees of the NWS Group. The Company is therefore capable of carrying on its business independently of, and at arms length from, the NWS Group.

Saved as disclosed above, as at Latest Practicable Date, none of the Directors and their respective associates had any interests in a business, which competed or might compete with the business of the Group.

#### 4. DIRECTORS' SERVICE CONTRACTS

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

#### 5. LITIGATION

In HCA 1652 of 2005, Newcourt Developments Limited (the "Plaintiff") claimed against Main Success Investments Limited ("1st Defendant", a subsidiary of the Company) and the Company ("2nd Defendant") for damages for breach of representations, warranties, undertakings and/or terms of an agreement relating to the acquisition of Asian Reward Development Limited dated 3 February 2004 as supplemented by the extension agreement dated 14 February 2004 (the "Transaction"). The Plaintiff also brought an alternative claim for 50% of all loss and damage suffered by First Star Development Limited ("First Star") arising from a claim which Messrs. Ko & Co. have brought against First Star in Action No. HCA2450/2004. The amount involved in HCA2450/2004 amounted to HK\$18,196,888 or HK\$18,712,588 (according to the Statement of Claim). Before the completion of Transaction, Asian Reward Development Limited had 50% interest in First Star.

The parties in HCA1652/2005 have agreed to a general stay of proceedings terminable by either party giving not less than 60 days' written notice to the other. The legal action is therefore dormant pending the outcome of Action No. HCA2450/2004.

Taking into account the amount of claim involved, the Directors are of the opinion that the claim does not have any material adverse impact on the financial position of the Company.

Save as disclosed above, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and, so far as the Directors are aware, no litigation or claims of material importance are pending or threatened by or against any member of the Group.

**6. MISCELLANEOUS**

- (a) The registered office of the Company is situated at Clarendon House, Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is situated at Unit 1103, 11th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui, Kowloon, Hong Kong.
- (b) The company secretary of the Company is Miss Chiu Wai Yee, Anriena. Miss Chiu is an associate member of The Hong Kong Institute of Company Secretaries and The Institute of Chartered Secretaries and Administrators.
- (c) The qualified accountant of the Company is Mr. Wong Wing Cheung, Dennis. Mr. Wong is a member of The Hong Kong Institute of Certified Public Accountants.
- (d) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (e) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.