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**SHELL ELECTRIC MFG. (HOLDINGS) COMPANY LIMITED**  
**蜆壳電器工業(集團)有限公司**

*(Incorporated in Hong Kong with limited liability under the Companies Ordinance)*

**(Stock Code: 00081)**

**DISCLOSEABLE TRANSACTION**

**ACQUISITION OF THE REMAINING 54.10% INTERESTS IN**  
**THE REGISTERED CAPITAL OF**  
**北京中順超科房地產開發有限公司**  
**(BEIJING ZHONG SHUN CHAO KE**  
**PROPERTY DEVELOPMENT COMPANY LIMITED\*)**

# CONTENTS

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
Introduction .....	4
The Agreements .....	5
Reasons for and benefits of the Agreements .....	9
Possible financial effects .....	9
Additional Information .....	9
<b>Appendix — General information</b> .....	10

## DEFINITIONS

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

“Agreements”	the Share Transfer Agreement and the Supplemental Agreement
“associate(s)”	has the meaning as ascribed in the Listing Rules
“Bai Cheng”	北京百城置業有限公司(Beijing Bai Cheng Properties Company Limited*), a company incorporated in the PRC with limited liability. It is principally engaged in property development, office rental, real estate consultancy
“Board”	the Board of Directors
“Company”	Shell Electric Mfg. (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning as ascribed in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s), or in the case of companies, the company and their ultimate beneficial owner(s), who are independent of and not connected with the Company and its subsidiaries and its connected persons or in the case of a corporation (the ultimate beneficial owner) their respective associates (“connected persons” and “associates” as defined in the Listing Rules)
“Jin Hai Cheng”	北京金海誠投資顧問有限公司(Beijing Jin Hai Cheng Investment Consultant Company Limited*), a company incorporated in the PRC with limited liability. It is principally engaged in investment consultancy, corporate image planning, and convention organiser
“Jin Hua Xing”	北京金華星置業有限公司(Beijing Jin Hua Xing Properties Company Limited*), a company incorporated in the PRC with limited liability. It is principally engaged in property development and sale of properties

## DEFINITIONS

“Latest Practicable Date”	7 December 2007, being the latest practicable date prior to the printing of this document for the purpose of ascertaining certain information for inclusion in this document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Madam Qu”	Madam Qu Yung Luan, the holder of the 10% registered capital in Zhong Shun
“PRC”	the People’s Republic of China, which for the purpose of this document excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Project”	the property development project is located at Nos. 11–15 Xueyuan South Road, Haidian District, Beijing, the PRC
“Purchaser”	北京光大房地產開發有限公司 (Beijing EverBright Real Estate Development Limited*), a company incorporated in the PRC with limited liability
“Qian Qiu”	北京千秋恆基偉業商貿有限公司 (Beijing Qian Qiu Heng Ji Commercial Company Limited*), a company incorporated in the PRC with limited liability and is an 80%-owned subsidiary of Bai Cheng. It is principally engaged in the sale of construction materials
“Shares(s)”	ordinary share(s), currently with par value of HK\$0.50 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Transfer Agreement”	the share transfer agreement dated 9 November 2007 entered into by the Purchaser, Bai Cheng, Qian Qiu, Zhong Shun and China EverBright Real Estate Development Limited in respect of the transfers of 70% and 9.8% of the registered capital of Zhong Shun from Jin Hua Xing and Qian Qiu, respectively, to the Purchaser
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholders”	the meaning ascribed to it under the Listing Rules

## DEFINITIONS

“Supplemental Agreement”	the supplemental agreement dated 9 November 2007 entered into by the Purchaser, Bai Cheng, Jin Hai Cheng, Jin Hua Xing, Zhong Shun and Madam Qu in respect of (i) the acquisition of 10% of the registered capital of Zhong Shun by the Purchaser from Madam Qu and (ii) the disposal of 51% and 49% of the registered capital of Jin Hua Xing by the Purchaser and Bai Cheng, respectively, to Jin Hai Cheng
“Zhong Shun”	北京中順超科房地產開發有限公司 (Beijing Zhong Shun Chao Ke Property Development Company Limited*), a company incorporated in the PRC with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

*Amounts denominated in RMB in this document have been translated into HK\$ at a rate of RMB1.00=HK\$1.033 for illustration purposes.*

\* For identification purpose only

LETTER FROM THE BOARD



**SHELL ELECTRIC MFG. (HOLDINGS) COMPANY LIMITED**  
**蜆壳電器工業(集團)有限公司**

*(Incorporated in Hong Kong with limited liability under the Companies Ordinance)*

**(Stock Code: 00081)**

*Directors:*

Mr. Billy K YUNG

*(Group Chairman and Chief Executive)*

Dr. The Hon Leo Tung-Hai LEE, *GBM, GBS, Cav Gr Cr, OBE*

*Chev Leg d'Hon, Comm Leopold II, LLD, JP<sup>+</sup>*

Mr. Shiu-Kit NGAI, *SBS, OBE, JP<sup>+</sup>*

Madam YUNG HO Wun Ching

Mr. LEUNG Chun Wah

Mr. Eddie HURIP

Mr. Simon YUNG Kwok Choi<sup>#</sup>

Mr. Peter WONG Chung On<sup>+</sup>

Mr. Peter LAM<sup>+</sup>

*Registered office and head office:*

Shell Industrial Building

12 Lee Chung Street

Chai Wan Industrial District

Hong Kong

<sup>#</sup> *non-executive Director*

<sup>+</sup> *independent non-executive Directors*

12 December 2007

*To the Shareholders*

Dear Sir or Madam,

**ACQUISITION OF THE REMAINING 54.10% INTERESTS IN  
THE REGISTERED CAPITAL OF  
北京中順超科房地產開發有限公司  
(BEIJING ZHONG SHUN CHAO KE PROPERTY  
DEVELOPMENT COMPANY LIMITED\*)**

**1. INTRODUCTION**

The Board announced that on 9 November 2007, the Purchaser entered into (i) the Share Transfer Agreement and (ii) the Supplemental Agreement. Pursuant to the Agreements, the Purchaser will acquire all the remaining 54.10% interests in the registered capital of Zhong Shun and dispose of its 51% holding of the registered capital of Jin Hua Xing to Jin Hai Cheng. The aggregate consideration paid and payable by the Purchaser under the Agreements is approximately RMB337.62 million (approximately HK\$348.76 million).

The purpose of this document is to provide you with the relevant information regarding the Acquisition.

\* *For identification purpose only*

## LETTER FROM THE BOARD

### 2. THE AGREEMENTS

#### 2.1 The Share Transfer Agreement

Summarised below are the principal terms of the Share Transfer Agreement.

##### 2.1.1 Date

9 November 2007

##### 2.1.2 Parties

###### *The Purchaser*

北京光大房地產開發有限公司 (Beijing EverBright Real Estate Development Limited\*), a 70%-owned subsidiary of the Company which held 10.2% of the registered capital of Zhong Shun and also held 51% of the registered capital of Jin Hua Xing which held 70% of Zhong Shun as at the date of the Share Transfer Agreement.

###### *Bai Cheng*

Bai Cheng is an Independent Third Party and had 49% interests in the registered capital of Jin Hua Xing which in turn held 70% of the registered capital of Zhong Shun as at the date of the Share Transfer Agreement.

###### *Qian Qiu*

Qian Qiu, an Independent Third Party, is an 80%-owned subsidiary of Bai Cheng and held 9.8% of the registered capital of Zhong Shun as at the date of the Share Transfer Agreement.

###### *Zhong Shun*

Zhong Shun is a company incorporated in the PRC with limited liability. As at the date of the Share Transfer Agreement, the Purchaser, Jin Hua Xing (which was a jointly-controlled entity of the Company and the registered capital of which was held by the Purchaser and Bai Cheng as to 51% and 49%, respectively), Madam Qu and Qian Qiu were interested in 10.2%, 70%, 10% and 9.8%, respectively, of the registered capital of Zhong Shun.

###### *China EverBright Real Estate Development Limited*

China EverBright Real Estate Development Limited is a 70%-owned subsidiary of the Company and an immediate holding company of the Purchaser.

## LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Bai Cheng and Qian Qiu and their ultimate beneficial owners are Independent Third Parties.

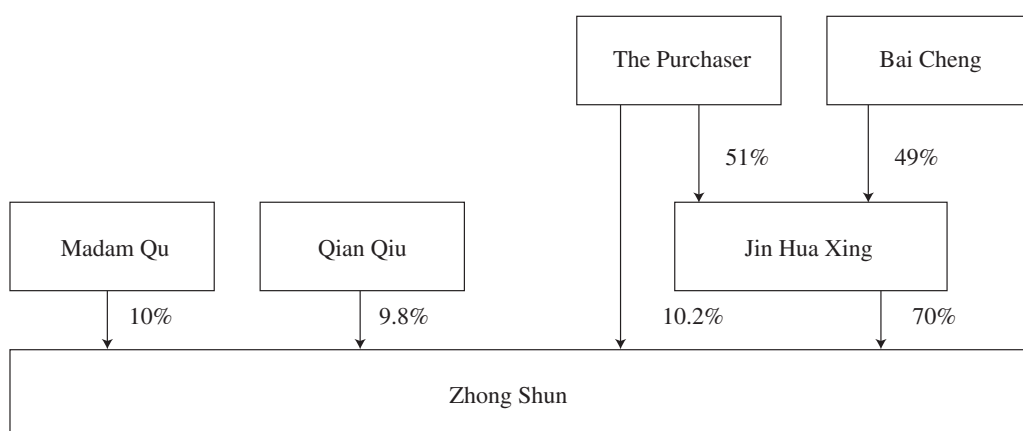
### 2.1.3 Subject of the Share Transfer Agreement

Pursuant to the Share Transfer Agreement, the Purchaser will acquire (i) 70% of the registered capital of Zhong Shun from Jin Hua Xing and (ii) 9.8% of the registered capital of Zhong Shun from Qian Qiu at an aggregate consideration of approximately RMB237.62 million (approximately HK\$245.46 million). Zhong Shun was incorporated in the PRC with limited liability on 14 November 2000 and with a registered capital of RMB10 million. It is principally engaged in property development.

According to the audited financial statements (which are prepared in accordance with the generally accepted accounting principles in the PRC) of Zhong Shun for each of the two years ended 31 December 2006, it recorded a net loss (before and after taxation) of approximately RMB1,130,000 (approximately HK\$1,167,000) and RMB1,249,000 (approximately HK\$1,290,000), respectively. As at 31 December 2005 and 2006, the audited net assets of Zhong Shun were approximately RMB8,870,000 (approximately HK\$9,163,000) and RMB7,621,000 (approximately HK\$7,872,000), respectively.

The sole asset of Zhong Shun is the Project which represents a plot of land with a site area of approximately 14,150 square metres located in Haidian district in Beijing, the PRC which is planned to develop into a residential/office/commercial comprehensive development with a proposed gross floor area of approximately 115,000 square metres. The residential area and commercial area of the Project is currently expected to be approximately 39,590 square metres and 75,410 square metres, respectively. The construction of the Project commenced at the end of 2006 with scheduled completion in mid-2008.

Set out below was the shareholding structure of Zhong Shun as at the date of the Agreements.





## LETTER FROM THE BOARD

### 2.1.4 Consideration

The aggregate consideration of approximately RMB237.62 million (approximately HK\$245.46 million) under the Share Transfer Agreement was arrived at after arm's length negotiations among the parties having taking into account the carrying cost of the Project at approximately RMB431 million as at 30 September 2007 and the property valuation of the Project at approximately RMB712 million as at 30 June 2007 by an independent valuer.

Pursuant to the Share Transfer Agreement, the aggregate consideration of approximately RMB237.62 million (approximately HK\$245.46 million) will be settled in the following manner:

- (i) the Purchaser already paid RMB150 million (approximately HK\$154.95 million) to Bai Cheng and Qian Qiu upon the completion of the relevant share transfers in the registered capital of Zhong Shun on 14 November 2007;
- (ii) before 15 December 2007, Zhong Shun will pay Bai Cheng and Qian Qiu approximately RMB43.81 million (approximately HK\$45.26 million); and
- (iii) before 31 March 2008, Zhong Shun will pay Bai Cheng and Qian Qiu the remaining balance of the consideration of approximately RMB43.81 million (approximately HK\$45.26 million).

Pursuant to the Share Transfer Agreement, China EverBright Real Estate Development Limited, being an immediate holding company of the Purchaser, will guarantee within a two-year period the due performance of the Purchaser and Zhong Shun in accordance with the terms of the Share Transfer Agreement.

### 2.2 The Supplemental Agreement

Summarised below are the principal terms of the Supplemental Agreement.

#### 2.2.1 Date

9 November 2007

#### 2.2.2 Parties

*The Purchaser*

As set out in 2.1.2 above.

*Bai Cheng*

As set out in 2.1.2 above.

## LETTER FROM THE BOARD

### *Jin Hai Cheng*

Jin Hai Cheng, an Independent Third Party, is the acquirer of Jin Hua Xing under the terms of the Supplemental Agreement.

### *Jin Hua Xing*

As at the date of the Agreements, Jin Hua Xing was a jointly-controlled entity of the Company and its registered capital was held by the Purchaser and Bai Cheng as to 51% and 49%, respectively.

### *Zhong Shun*

As set out in 2.1.2 above.

### *Madam Qu*

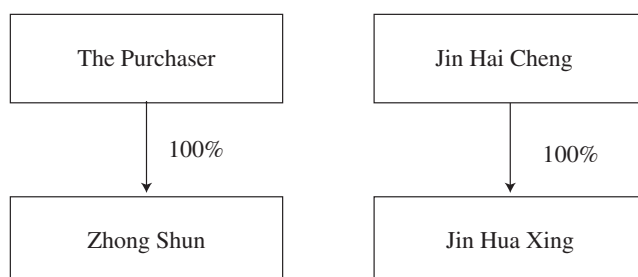
Madam Qu, an Independent Third Party, was the holder of 10% of the registered capital of Zhong Shun as at the date of the Supplemental Agreement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Bai Cheng, Jin Hai Cheng and their ultimate beneficial owners and Madam Qu are Independent Third Parties.

### **2.2.3 Subject of the Supplemental Agreement**

Pursuant to the Supplemental Agreement, (i) the Purchaser, through its nominated party, will acquire from Madam Qu her holding of 10% of the registered capital of Zhong Shun at a cash consideration of RMB100 million (approximately HK\$103.3 million) and (ii) the Purchaser and Bai Cheng will dispose of their respective holding of the registered capital of Jin Hua Xing to Jin Hai Cheng at nil consideration. As the relevant share transfers in the respective registered capital of Zhong Shun and Jin Hua Xing have been completed, the Purchaser has now become the holder of 100% of the registered capital of Zhong Shun and no longer has any interest in the registered capital of Jin Hua Xing.

Set out below are the existing shareholding structure of Zhong Shun and Jin Hua Xing after completion of the relevant share transfers in their registered capital in accordance with the terms of the Agreements:



## LETTER FROM THE BOARD

### 2.2.4 Consideration

The purchase consideration of 10% interests in Zhong Shun from Madam Qu amounts to RMB100 million (approximately HK\$103.3 million) and was already paid by the Purchaser upon the completion of the relevant share transfers in the registered capital of Zhong Shun and was arrived at after arm's length negotiations between the parties having taking into account the carrying cost of the Project and the property valuation of the Project as at 30 June 2007 by an independent valuer.

### 3. REASONS FOR AND BENEFITS OF THE AGREEMENTS

The Group is principally engaged in (i) the manufacturing and marketing of electric fans, vacuum cleaners, electric cables and other electrical household appliances, (ii) EMS (Electronic Manufacturing Services) business and (iii) property development and investment in the PRC.

The Directors are optimistic about the growth potential for the property market in the PRC. The Agreements have enabled the Group to eliminate the minority interests in Zhong Shun so as to enhance its interest in the Project, which the Directors consider to be in the interests of the Company and Shareholders as a whole. Since Jin Hua Xing has no material assets after completion of the Purchaser's acquisition of all the remaining interests in Zhong Shun, the Group considers that it is appropriate to dispose of its 51% holding in Jin Hua Xing to Jin Hai Cheng at nil consideration under the Supplemental Agreement.

As the aggregate consideration of approximately RMB337.62 million (approximately HK\$348.76 million) under the Agreements was principally arrived at after arm's length negotiations among the parties having taking into account the carrying costs and the property valuation of the Project as at 30 June 2007 by an independent valuer, the Directors consider that the terms of the Agreements including the consideration are fair and reasonable.

### 4. POSSIBLE FINANCIAL EFFECTS

The Board believes that the transactions contemplated under the Agreements will not give rise to any material effects on the earnings and the assets and liabilities of the Group.

### 5. ADDITIONAL INFORMATION

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

Yours faithfully,  
For and on behalf of the Board of  
**Shell Electric Mfg. (Holdings) Company Limited**  
**Billy K YUNG**  
*Group Chairman and Chief Executive*

## 1. RESPONSIBILITY STATEMENT

This document 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 document 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

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which 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 and short positions, if any, which they were taken or deemed to have under such provisions of the SFO), or were required to be recorded in the register required to be maintained by the Company under Section 352 of the SFO or were required, 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:

### (a) Long position in the Shares

Name of Director	Capacity	Nature of Interests	Number of Shares held	Aggregate long position	Percentage of aggregate long position in Shares to the issued share capital of the Company
Mr. Billy K Yung	Beneficial owner	Personal	33,393,000	259,722,084	49.43%
	Interest of child under 18 or spouse ( <i>note 1</i> )	Other	216,329,084		
	Interest held jointly with another person ( <i>note 2</i> )	Other	10,000,000		
Dr. Leo Tung-Hai Lee	Beneficial owner	Personal	3,206,000	3,206,000	0.61%
Mr. Peter Lam	Beneficiary of a trust ( <i>note 3</i> )	Other	1,300,000	1,300,000	0.25%
Madam Yung Ho Wun Ching	Beneficial owner	Personal	53,196,300	63,196,300	12.03%
	Interest of spouse ( <i>note 4</i> )	Family	10,000,000		
Mr. Leung Chun Wah	Beneficial owner	Personal	1,559,400	1,559,400	0.30%
Mr. Simon Yung Kwok Choi	Beneficial owner	Personal	39,147,911	43,577,351	8.29%
	Interest of controlled corporation ( <i>note 5</i> )	Corporate	3,529,440		
	Interest of spouse ( <i>note 6</i> )	Family	900,000		

*Notes:*

- (1) These Shares are held by a trust for the benefit of Mr. Billy K Yung's family members.
- (2) These Shares are held by jointly with his wife, Madam Hsu Vivian.
- (3) These Shares are held by a trust for the benefit of Mr. Peter Lam.
- (4) This interest represents the holding of Shares held by the late Dr. Yung Yau.
- (5) These Shares are held by Konvex Enterprises Limited, which is wholly-owned by Mr. Simon Yung Kwok Choi.
- (6) This interest represents the holding of Shares held by Mr. Simon Yung Kwok Choi's spouse, Madam Chiu Man.

**(b) Share options scheme**

Details of the share options held by the Directors as at the Latest Practicable Date were as follows:

*(i) Share options to subscribe for shares in Appeon Corporation ("Appeon")*

Name of Director	Capacity	Date of grant	Period during which options are exercisable	Subscription price per share US\$	Number of share options held as at Latest Practicable Date	Percentage to the issued share capital of Appeon as at the Latest Practicable Date
Mr. Billy K Yung	Beneficial Owner	09.06.2003	09.06.2003 – 10.11.2012	2.50	6,750	
		09.06.2003	01.10.2003 – 10.11.2012	2.50	3,375	
		09.06.2003	01.04.2004 – 10.11.2012	2.50	3,375	
		09.06.2003	01.10.2004 – 10.11.2012	2.50	3,375	
		09.06.2003	01.04.2005 – 10.11.2012	2.50	3,375	
		09.06.2003	01.10.2005 – 10.11.2012	2.50	3,375	
		09.06.2003	01.04.2006 – 10.11.2012	2.50	3,375	
Total number of share options held by Director					27,000	0.74%

Appeon is a company incorporated in December 2001 with limited liability and engaged in investment holding and computer software development. As at the Latest Practicable Date, the issued share capital of Appeon is held as to 89.33% by the Company indirectly, 0.82% by an employee of Appeon and 9.85% by Independent Third Parties.

(ii) *Share options to subscribe for shares in Galactic Computing Corporation (“Galactic”)*

Name of Director	Capacity	Date of grant	Period during which options are exercisable	Subscription price per share US\$	Number of share options held as at Latest Practicable Date	Percentage to the issued share capital of Appeon as at the Latest Practicable Date
Mr. Billy K Yung	Beneficial Owner	09.06.2003	09.06.2003 – 10.11.2012	0.45	25,000	
		09.06.2003	01.12.2003 – 10.11.2012	0.45	25,000	
		09.06.2003	01.06.2004 – 10.11.2012	0.45	25,000	
		09.06.2003	01.12.2004 – 10.11.2012	0.45	25,000	
		09.06.2003	01.06.2005 – 10.11.2012	0.45	25,000	
		09.06.2003	01.12.2005 – 10.11.2012	0.45	25,000	
		09.06.2003	01.06.2006 – 10.11.2012	0.45	25,000	
		09.06.2003	01.12.2006 – 10.11.2012	0.45	25,000	
Total number of share options held by Director					200,000	0.84%

Galactic is a company incorporated in September 2001 with limited liability and engaged in investment holding and computer software and hardware development. As at the Latest Practicable Date, the Company indirectly held 100% of the issued share capital of Galactic.

## (iii) Share options to subscribe for shares in Pan China Land (Holdings) Corporation (“Pan China”)

Name of Director	Capacity	Date of grant	Period during which options are exercisable	Subscription price per share HK\$	Number of share options held as at Latest Practicable Date	Percentage to the issued share capital of Pan China as at the Latest Practicable Date			
Mr. Billy K Yung	Beneficiary Owner	29.11.2007	On the Listing Date – 10 years after the Listing Date	600	4,000				
			6 months after the Listing Date – 10 years after the Listing Date	600	4,000				
			12 months after the Listing Date – 10 years after the Listing Date	600	4,000				
			18 months after the Listing Date – 10 years after the Listing Date	600	4,000				
			24 months after the Listing Date – 10 years after the Listing Date	600	4,000				
			Trustee (Note)	29.11.2007	On the Listing Date – 10 years after the Listing Date	600	800		
					6 months after the Listing Date – 10 years after the Listing Date	600	800		
	12 months after the Listing Date – 10 years after the Listing Date	600			800				
	18 months after the Listing Date – 10 years after the Listing Date	600			800				
	24 months after the Listing Date – 10 years after the Listing Date	600			800				
	Mr. Eddie Hurip	Beneficiary Owner			29.11.2007	On the Listing Date – 10 years after the Listing Date	600	160	
						6 months after the Listing Date – 10 years after the Listing Date	600	160	
			12 months after the Listing Date – 10 years after the Listing Date	600		160			
			18 months after the Listing Date – 10 years after the Listing Date	600		160			
24 months after the Listing Date – 10 years after the Listing Date			600	160					
Trustee (Note)			29.11.2007	On the Listing Date – 10 years after the Listing Date		600	240		
				6 months after the Listing Date – 10 years after the Listing Date		600	240		
	12 months after the Listing Date – 10 years after the Listing Date	600		240					
	18 months after the Listing Date – 10 years after the Listing Date	600		240					
	24 months after the Listing Date – 10 years after the Listing Date	600		240					
	Total number of share options held by Directors					<u>26,000</u>	<u>1.30%</u>		

*Note:* These share options are held in trust for the benefit of Timely Hero Limited, a wholly owned subsidiary of the Company.

Pan China is a company incorporated in November 2007 with limited liability and engaged in investment holding.

As at the Latest Practicable Date, the Company indirectly held 70% of the issued share capital of Pan China.

**(c) Disclosure of other interests**

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company was interested in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the SFO) which (a) 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 and short positions, if any, which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (c) were required, pursuant to the Model Code for Securities Transaction by the Directors of Listing Companies to be notified to the Company and the Stock Exchange.

**3. DISCLOSURE INTEREST UNDER DIVISIONS 2 AND 3 PART XV OF THE SFO AND SUBSTANTIAL SHAREHOLDERS**

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors and chief executives of the Company, the persons, other than a Director or chief executive of the Company, who had an interest or short position in the Shares and 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 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 and the amount of each of such person's interest in such securities or in any options in respect of such capital were as follows:

**(a) Shares in the Company**

Name of substantial Shareholder	Capacity	Nature of interests	Number of Shares held	Aggregate long position	Percentage of Shares held to the issued share capital of the Company
UBS Trustees (BVI) Limited	Trustee of a trust (note 1)	Other	224,437,334	224,437,334	42.71%
Diamond Key Enterprises Inc.	Beneficial owner (note 1)	Beneficial	143,612,287	143,612,287	27.33%
On Fat Profits Corporation	Beneficial owner (note 1)	Beneficial	72,716,797	72,716,797	13.84%



Name of substantial Shareholder	Capacity	Nature of interests	Number of Shares held	Aggregate long position	Percentage of Shares held to the issued share capital of the Company
Madam Chiu Man	Beneficial owner	Personal	900,000	43,577,351	8.29%
	Interest of spouse (note 2)	Family	42,677,351		
Madam Hsu Vivian	Interest of spouse	Family	33,393,000	43,393,000	8.26%
	Interest held jointly with another person (note 3)	Other	10,000,000		
Madam Yung Siu Chee Margaret (note 4)	Beneficial owner	Personal	28,154,604	28,154,604	5.36%

## Notes:

- (1) 143,612,287 Shares and 72,716,797 Shares form part of the 224,437,334 Shares held by UBS Trustees (BVI) Limited. Of which, the aggregate number of 143,612,287 Shares and 72,716,797 Share (i.e. 216,329,084 Shares) are disclosed in the sub-paragraph headed “2.(a) Long position in the Shares” under the paragraph headed “2. Disclosure of interests” above as being held under a trust with Mr. Billy K Yung’s family as the beneficiaries. None of the directors are directors or employees of On Fat Profits Corporation and Diamond Key Enterprises Inc.
- (2) Madam Chiu Man’s Shares held under personal and family interests are in fact the same block of Shares already disclosed respectively under family, personal and corporate interests of her husband, Mr. Simon Yung Kwok Choi as disclosed in the sub-paragraph headed “2.(a) Long position in the Shares” under the paragraph headed “2. Disclosure of interests” above.
- (3) Madam Hsu Vivian’s Shares held under family and other interests are in fact the same block of Shares already disclosed respectively under personal and other interests of her husband, Mr. Billy K Yung as disclosed in the sub-paragraph headed “2.(a) Long position in the Shares” under the paragraph headed “2. Disclosure of interests” above.
- (4) Madam Yung Siu Chee Margaret is daughter of Madam Yung Ho Wun Ching. She is also a sister of Mr. Billy K Yung and Mr. Simon Yung Kwok Choi.

## (b) Shares in the Company's subsidiaries

Name of substantial shareholder	Capacity	Name of subsidiary	Percentage of equity interest
APD Semiconductor, Inc.	Beneficial Owner	Phoenix Atlantic Limited	35.00%
Honwise International Limited	Beneficial Owner	Brentwood Ventures Limited	12.50%
Wylar Investments Limited	Beneficial Owner	Brentwood Ventures Limited	12.50%
Poly Bright Holdings Limited	Beneficial Owner	Brentwood Ventures Limited	12.50%
Assure Win Investments Limited	Beneficial Owner	China EverBright Real Estate Development Limited	30.00%
呼和浩特繞城公路建設開發有限責任公司 (Hohhot Rao Cheng Gong Lu Construction and Development Company Limited*)	Beneficial Owner	呼和浩特光大環城建設開發有限公司 (Hohhot Guang Da Huan Cheng Construction and Development Company Limited*)	20.00%
北京世紀隆興投資有限公司 (Beijing Century Longxing Investment Limited*)	Beneficial Owner	北京華世柏利房地產開發有限公司 (Beijing Huashiboli Property Development Limited*)	10.00%
北京世紀恆信諮詢有限公司 (Beijing Century Hengxin Consulting Limited*)	Beneficial Owner	北京華世柏利房地產開發有限公司 (Beijing Huashiboli Property Development Limited*)	20.00%
桂林光大國富房地產開發有限責任公司 (Guilin Guang Da Guo Fu Real Estate Development Company Limited*)	Beneficial Owner	廣西光大旅遊投資有限公司 (Guangxi Guang Da Travel Investment Company Limited*)	10.00%
廣西農墾集團有限責任公司 (Guangxi Nong Ken Group Company Limited*)	Beneficial Owner	廣西桂林光大立元生態家園開發建設有限公司 (Guangxi Guilin Guang Da Li Yuan Sheng Tai Jia Yuan Development Company Limited*)	12.00%

\* For identification purpose only

Name of substantial shareholder	Capacity	Name of subsidiary	Percentage of equity interest
廣西國有良豐農場 (Guangxi State-owned Liang Feng Farm*)	Beneficial Owner	廣西桂林光大立元生態家園 開發建設有限公司 (Guangxi Guilin Guang Da Li Yuan Sheng Tai Jia Yuan Development Company Limited*)	18.00%
王吉順 (Wang Ji Shun*)	Beneficial Owner	北京寅豐房地產開發 有限責任公司 (Beijing Yan Feng Real Estate Development Limited*)	33.00%
青島崇杰集團有限公司 (Qingdao Chongjie Company Limited*)	Beneficial Owner	青島頤景房地產開發有限公司 (Qingdao Yijing Real Estate Development Limited*)	18.00%
吳祖華 (Wu Zu Hua*)	Beneficial Owner	青島頤景房地產開發有限公司 (Qingdao Yijing Real Estate Development Limited*)	12.00%

Save as disclosed above, as at the Latest Practicable Date, as far as is known to the Directors and chief executives of the Company, none of the persons, other than a Director or chief executive of the Company, had any interest or short position in the Shares and 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 had, directly or indirectly, any interests 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.

#### 4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

#### 5. LITIGATION

So far as the Directors are aware, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or arbitration of material importance was pending or threatened against the Company or any of its subsidiaries as at the Latest Practicable Date.

\* For identification purpose only

**6. DIRECTORS' INTERESTS IN COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors or their respectively associates had any interest in businesses, which are considered to compete or are likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

**7. MISCELLANEOUS**

- (a) The head office and registered office of the Company is at Shell Industrial Building, 12 Lee Chung Street, Chai Wan Industrial District, Hong Kong.
- (b) The share registrar and transfer office of the Company is Tricor Standard Limited, Share Registration Public Office, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (c) The secretary of the Company is Mr. Peter Lee Yip Wah, a qualified solicitor practising in Hong Kong.
- (d) The qualified accountant of the Company is appointed pursuant to Rule 3.24 of the Listing Rules is Mr. Chu Ka Loy, the Group Financial Controller, who is an associate member of both the Institute of Chartered Secretaries and Administrators and the Chartered Institute of Management Accountants of the United Kingdom and is also an associate member of the Hong Kong Institute of Certified Public Accountants.
- (e) The translation into Chinese language of this document is for reference only. In the event of any inconsistency, the English text of this document shall prevail over the Chinese language text.