

---

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

---

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

**If you have sold or transferred** all your shares in Orient Overseas (International) 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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**ORIENT OVERSEAS (INTERNATIONAL) LIMITED**

**東方海外(國際)有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 316)**

**DISCLOSEABLE TRANSACTION**

---

\* *For identification purpose only*

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	5
<b>APPENDIX — GENERAL INFORMATION</b> .....	12

---

## DEFINITIONS

---

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

“Archmore”	Archmore Limited, a company incorporated in the Republic of Liberia;
“Bareboat Charter”	the demise charter agreements entered into between each of the SPCs and the Lessee;
“Board”	the board of directors of the Company;
“Circular”	this circular, including the appendix hereto;
“Company”	Orient Overseas (International) Limited, a company incorporated in Bermuda;
“Directors”	the directors of the Company;
“Edgemont”	Edgemont Investment Limited, a company incorporated in the Republic of Liberia;
“Fortune Crest”	Fortune Crest Inc., a company incorporated in the British Virgin Islands;
“Gala Way”	Gala Way Company Inc., a company incorporated in the British Virgin Islands;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong Dollars, the lawful currency of The Hong Kong Special Administrative Region of the People’s Republic of China;
“HSH”	HSH Nordbank AG;
“Investors’ Loans”	loans of an aggregate initial principal amount of US\$72 million (approximately HK\$561.6 million) granted by ING Luxembourg S.A. and HSH Nordbank AG Luxembourg Branch, which are, together with their respective ultimate beneficial owners, independent third parties as defined under the Listing Rules, to the SPCs for a term of eight years, and which, amongst other things, are unsecured and fully subordinated to the Senior Loans and the OOIL Loans;
“Javier”	Javier Associates Limited, a company incorporated in the British Virgin Islands;

---

## DEFINITIONS

---

“Joint Venture”	Orient Overseas Container Line (Luxembourg) S.A., a joint venture company established and incorporated in Luxembourg, which is held by Strong Team and HSH as to 90% and 10% respectively;
“Joint Venture Agreement”	the Shareholders Agreement dated 21 December 2006 entered into between Strong Team and HSH to establish the Joint Venture;
“Latest Practicable Date”	17 January 2007, being the latest practicable date before printing of this Circular for ascertaining certain information for the purpose of inclusion in this Circular;
“Lessee”	the wholly-owned subsidiary of the Company which charters Vessels from each of the SPCs;
“Listing Rules”	The Rules Governing the Listing of Securities on the Main Board of the Stock Exchange;
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 to the Listing Rules;
“Monterrey”	Monterrey Limited, a company incorporated in the Republic of Liberia;
“Mr. Alan Tung”	Mr. Alan Lieh Sing Tung, an Executive Director of the Company; nephew of Mr. C C Tung, Mrs. Peng and Mr. King, and son of Mr. C H Tung;
“Mr. C C Tung”	Mr. Chee Chen Tung, an Executive Director, Chairman, President and Chief Executive Officer of the Company; brother of Mr. C H Tung and Mrs. Peng, brother-in-law of Mr. King and uncle of Mr. Alan Tung;
“Mr. C H Tung”	Mr. Chee Hwa Tung, brother of Mr. C C Tung and Mrs. Peng, brother-in-law of Mr. King and father of Mr. Alan Tung;
“Mr. King”	Mr. Roger King, a Non-Executive Director of the Company; brother-in-law of Mr. C H Tung, Mr. C C Tung and Mrs. Peng, and uncle of Mr. Alan Tung;
“Mrs. Peng”	Mrs. Shirley Shiao Ping Peng, sister of Mr. C H Tung and Mr. C C Tung, sister-in-law of Mr. King and aunt of Mr. Alan Tung;
“Newbuilds”	the four 8,063 TEU container vessels, namely Hull No. 1719, Hull No. 1720, Hull No. 1721 and Hull No. 1722;

---

## DEFINITIONS

---

“OOIL Charter Guarantees”	guarantee granted by the Company to the SPCs in respect of the Lessee’s due performance of their respective repayment obligations towards the SPCs in respect of the Bareboat Charter;
“OOIL Loans”	loans of an aggregate initial principal amount of US\$15 million (approximately HK\$117 million) granted by Strong Team to the SPCs for a term of eight years, being unsecured and subordinated to the Senior Loans, but carrying additional rights for Strong Team to call for the purchase of the Vessels at specified prices on or after January 2010;
“OOIL Loan Agreements”	agreements relating to the OOIL Loans entered into between each of the SPCs and the Lessee;
“OOIL Option Guarantee”	guarantee granted by the Company to HSH in respect of Strong Team repayment obligations towards HSH relating to the options to acquire HSH’s PPRs;
“PPRs”	profit participating rights issued by the Joint Venture to each of HSH and Strong Team, and confer no voting rights nor are they tradeable securities;
“Senior Loans”	loans of an aggregate initial principal amount of approximately US\$393 million (approximately HK\$3.07 billion) granted by the Joint Venture to the SPCs for a term of eight years, secured by a mortgage and other covenants together with a general assignment of insurances, requisition compensation and earnings of the respective Vessels;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholders”	shareholders of the Company;
“Shares”	ordinary shares of US\$0.10 each in the share capital of the Company;
“SPCs”	the eight special purpose companies incorporated in Luxembourg and wholly owned by the Joint Venture, each acquiring a Vessel;
“Springfield”	Springfield Corporation, a company incorporated in the Republic of Liberia;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Strong Team”	Strong Team Limited, a company incorporated in the Cayman Islands and a wholly-owned subsidiary of the Company;

---

## DEFINITIONS

---

“TEU”	twenty-foot equivalent container unit;
“THTI”	Tung Holdings (Trustee) Inc., a company wholly owned by Mr. Chee Chen Tung, and which holds the voting rights in respect of the shares in the Company held by the substantial shareholders of the Company;
“US\$”	United States Dollars, the lawful currency of the United States of America;
“Vessels”	the Group’s existing vessels, namely “OOCL California”, “OOCL America”, “OOCL Japan”, “OOCL Hong Kong”, “OOCL Britain”, “OOCL China”, “OOCL Rotterdam” and “OOCL Belgium”;
“Wharnclyff”	Wharnclyff Limited, a company incorporated in the Republic of Liberia;
“Winfield”	Winfield Investment Limited, a company incorporated in the Republic of Liberia; and
“%”	per cent.

*Note:* The exchange rate used for reference purpose in this Circular is US\$1.00 to HK\$7.80.

---

## LETTER FROM THE BOARD

---



### ORIENT OVERSEAS (INTERNATIONAL) LIMITED

東方海外(國際)有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 316)**

***Executive Directors:***

Mr. Chee Chen TUNG (*Chairman, President and Chief Executive Officer*)  
Mr. Nicholas David SIMS (*Vice President and Chief Financial Officer*)  
Mr. Philip Yiu Wah CHOW  
Mr. Alan Lieh Sing TUNG

***Non-Executive Directors:***

Mr. Roger KING  
Mr. Tsann Rong CHANG

***Independent Non-Executive Directors:***

Mr. Simon MURRAY  
Dr. Victor Kwok King FUNG  
Prof. Richard Yue Chim WONG

***Principal Office:***

33rd Floor  
Harbour Centre  
25 Harbour Road  
Wanchai, Hong Kong

***Registered Office:***

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

18 January 2007

*To the Shareholders of the Company*

Dear Sir or Madam,

### DISCLOSEABLE TRANSACTION

#### INTRODUCTION

On 28 December 2006, the Board announced that the Group entered into a financing structure on 21 December 2006 to provide 80% financing for the acquisition of the Newbuilds, involving a sale and leaseback financing structure in relation to eight of the Group's existing Vessels with a total value of approximately US\$480 million (approximately HK\$3.74 billion), as determined by an independent third party valuer. To implement the structure, the Group has entered into certain agreements, including the Joint Venture Agreement, the OOIL Loan Agreements, the Bareboat Charter, the OOIL Option Guarantee and the OOIL Charter Guarantees. The sale and leaseback financing structure has been entered into in the ordinary and usual course of the business of the Group, and allows the Group to adopt a tax efficient financing structure in accordance with applicable laws and regulations.

\* For identification purpose only

---

## LETTER FROM THE BOARD

---

The Company published an announcement relating to the acquisition of the Newbuilds on 20 October 2006.

### SUMMARY OF THE SALE AND LEASEBACK FINANCING STRUCTURE

To implement the sale and leaseback financing structure, Strong Team, a wholly-owned subsidiary of the Company, and HSH have established a Joint Venture held as to 90% and 10% by Strong Team and HSH respectively. The Group will consolidate the results and the financial position of the Joint Venture in the Group's consolidated financial statements. The Joint Venture, in turn, has established eight separate wholly-owned subsidiaries in Luxembourg, the SPCs, and a managing company to act as manager of the SPCs. Each of the SPCs has purchased one of the Vessels from a member of the Group, and then immediately leased the relevant Vessel back to the Lessee pursuant to the Bareboat Charter.

Pursuant to the Joint Venture Agreement, Strong Team has agreed to contribute US\$151,875 (approximately HK\$1.18 million) towards the share capital of the Joint Venture. In addition, Strong Team and HSH have agreed to invest US\$81 million (approximately HK\$631.8 million) and US\$312 million (approximately HK\$2.43 billion) respectively in the Joint Venture, and in return be granted proportionate PPRs by the Joint Venture. In addition, Strong Team has also agreed to provide the OOIL Loans to the SPCs amounting to an aggregate initial principal amount of US\$15 million (approximately HK\$117 million). Other investors have agreed to provide Investors' Loans to the SPCs in the aggregate initial principal amount of US\$72 million (approximately HK\$561.6 million).

The Joint Venture has granted Senior Loans to the SPCs. The SPCs, with funding from the Senior Loans, the OOIL Loans and the Investors' Loans, have acquired the Vessels and immediately leased the Vessels back to the Lessee. The Lessee will, pursuant to the Bareboat Charter, make regular rental payments to the SPCs, which include amounts equal to the principal and interest payments under the Senior Loans, the Investors' Loans and other costs. The Company has also entered into the OOIL Charter Guarantees for the Lessee's repayment obligations towards the SPCs pursuant to the Bareboat Charter. Each of the Joint Venture and the other investors is entitled to participate in the profits of the SPCs in respect of their respective contribution to the total value of the Vessels.

In consideration of Strong Team entering into the Joint Venture Agreement, HSH has entered into option agreements with Strong Team, pursuant to which HSH has granted to Strong Team options to acquire the PPRs and the shares in the Joint Venture held by HSH - the options are exercisable on 2 January 2010 and on each rental payment date thereafter pursuant to the Bareboat Charter. The Company has granted the OOIL Option Guarantee in favour of HSH in respect of Strong Team's payment obligations pursuant to such option agreements.

The implementation of the structure involved the Group's entry into certain agreements including the Joint Venture Agreement, the OOIL Loan Agreements, the Bareboat Charter, the OOIL Option Guarantee and the OOIL Charter Guarantees. The terms of certain of these agreements are set out in more detail below.

---

## LETTER FROM THE BOARD

---

### SUMMARY OF THE TERMS OF THE JOINT VENTURE AGREEMENT

#### The Date

21 December 2006

#### The Parties

Strong Team as joint venture partner

HSH as joint venture partner

The Joint Venture as the subject company

#### Total Value of the Vessels

Approximately US\$480 million (approximately HK\$3.74 billion)

#### Principal terms of the Joint Venture Agreement

- The Joint Venture has a share capital of US\$168,750 divided into 33,750 ordinary shares of US\$5 each, all of which have been issued and fully paid, and 3,375 of which are beneficially owned by HSH and 30,375 of which are beneficially owned by Strong Team.
- The Joint Venture Agreement is conditional upon, among other things, the entering into of the transaction agreements, including agreements relating to the Senior Loans.
- The Joint Venture owns 100% of the issued share capital of each of the SPCs.
- The Joint Venture's business is, among others, the financing of the acquisition of the Vessels with a total value of not less than US\$480 million (approximately HK\$3.74 billion) where each such Vessel is to be acquired by an SPC and to enter into or procure the entering into of the Bareboat Charter and the financing and leasing of the Newbuilds.
- The Joint Venture and/or the SPCs and the manager of the SPCs shall be liquidated upon completion of the sale and purchase and financing and leasing of the Newbuilds.

---

## LETTER FROM THE BOARD

---

### SUMMARY OF THE TERMS OF THE OOIL LOAN AGREEMENTS

#### The Date

21 December 2006

#### The Parties

Strong Team as lender

Each of the SPCs as borrower

#### Total Value of the OOIL Loans

Approximately US\$15 million (approximately HK\$117 million)

#### Principal terms of the OOIL Loan Agreements

Strong Team agreed to lend to the SPCs loans of an aggregate amount of US\$15 million (approximately HK\$117 million), on an unsecured basis and subordinated to the Senior Loans, to finance their respective acquisition of the Vessels. No interest is chargeable on the OOIL Loans, but the SPCs granted options exercisable at anytime on or after 2 January 2010 by Strong Team to purchase or procure the sale of the Vessels on or after January 2010. The OOIL Loans shall be repaid by each of the SPCs on the earlier of either (i) 15 January 2015 or (ii) the date on which the above option is exercised.

### SUMMARY OF THE TERMS OF THE BAREBOAT CHARTER

#### The Date

21 December 2006

#### The Parties

Each of the SPCs as lessor

The Lessee as lessee

#### Principal terms of the Bareboat Charter

Each of the SPCs agreed to let and the Lessee agreed to hire their respective Vessels for a term of eight years ending 15 January 2015. During the term, the Lessee shall pay to each of the SPCs, at half year intervals, rental payments, equal to, amongst other things, the principal and interest payments pursuant to the Senior Loans, the Investors' Loans and other costs. The terms of the Bareboat Charter incorporate terms of the "Barecon 89" Standard Bareboat Charter.

---

## LETTER FROM THE BOARD

---

### SUMMARY OF THE TERMS OF THE OOIL OPTION GUARANTEE

#### The Date

21 December 2006

#### The Parties

The Company as guarantor

HSH as grantor of options

#### Principal terms of the OOIL Option Guarantee

HSH and Strong Team entered into a share option agreement dated 21 December 2006 whereby HSH granted an option to Strong Team to acquire the shares in the Joint Venture held by HSH. Strong Team has also entered into option agreements for HSH's PPRs in each of the Vessels dated 21 December 2006 to acquire the PPRs held by HSH in the Joint Venture. The Company has agreed to give an irrevocable and unconditional guarantee to HSH, and be treated as primary obligor, in respect of the due and punctual performance by Strong Team of its payment obligations to HSH pursuant to such agreements and for the Investors' Loans to the SPCs.

### SUMMARY OF THE TERMS OF THE OOIL CHARTER GUARANTEES

#### The Date

21 December 2006

#### The Parties

The Company as guarantor

Each of the SPCs as lessor

#### Principal terms of the OOIL Charter Guarantees

The Company has agreed to give an irrevocable and unconditional guarantee to the SPCs, and be treated as primary obligor, in respect of the due and punctual performance by the Lessee of its payment obligations to the respective SPCs pursuant to the Bareboat Charter.

---

## LETTER FROM THE BOARD

---

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE JOINT VENTURE AGREEMENT, THE OOIL LOAN AGREEMENTS, THE BAREBOAT CHARTER, THE OOIL OPTION GUARANTEE AND THE OOIL CHARTER GUARANTEES**

The establishment of the Joint Venture and the entry into the relevant ancillary agreements enable the Group to implement a sale and leaseback financing structure in a tax efficient manner in accordance with applicable laws and regulations, the result of which is to provide the financing for the acquisition of the Newbuilds. The Directors believe that the terms of the Joint Venture Agreement, the OOIL Loan Agreements, the Bareboat Charter, the OOIL Option Guarantee and the OOIL Charter Guarantees are fair and reasonable and in the interests of the Shareholders as a whole.

As the Company owns 90% of the Joint Venture, the results and the financial position of the Joint Venture will be consolidated in the Group's consolidated financial statements. It will have no profit or loss impact to the Group's financial results. However, both the cash balance and long term borrowings of the Group will increase by US\$384 million (approximately HK\$3.00 billion) as a result of this transaction.

### **LISTING RULES IMPLICATION**

The financing structure, including Strong Team's entry into the Joint Venture Agreement and the establishment of the Joint Venture, the Company's grant of the OOIL Loans, the OOIL Option Guarantee and the OOIL Charter Guarantees, constitutes a discloseable transaction for the Company under the Listing Rules.

### **INFORMATION OF THE GROUP**

The principal business of the Group is container transport and logistics services, ports and terminals and property development and investment.

### **INFORMATION OF HSH**

HSH is a commercial bank based in Hamburg, Germany with core businesses in Northern Europe and is a market leader in the corporate customer segment. HSH offers its customers an innovative range of products and services. HSH is a leading provider of financial services in the transport sector and the world's largest provider of ship financing.

To the best of the knowledge, information and belief of the Directors after making reasonable enquiries, HSH and its ultimate holding company are not connected persons of the Company as defined under the Listing Rules.

---

## LETTER FROM THE BOARD

---

### ADDITIONAL INFORMATION

This document constitutes the Circular which the Company is required to send to you pursuant to the Listing Rules in respect of the financing structure, including Strong Team's entry into the Joint Venture Agreement for the establishment of the Joint Venture, the Company's grant of the OOIL Loans, the Bareboat Charter, the OOIL Option Guarantee and the OOIL Charter Guarantees.

Your attention is drawn to the information set out in the Appendix to this Circular.

Yours faithfully,  
By order of the Board  
**Chee Chen Tung**  
*Chairman*

## 1. RESPONSIBILITY STATEMENT

This Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

## 2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, the underlying Shares and the debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be: (a) 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); or (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules, were as follows:

Name	Direct Interests	Other Interests		Total Number of Shares Interested (in Long Position)	Percentage
		Beneficial	Voting		
Chee Chen Tung	—	97,811,011 <i>(Note 1)</i>	326,627,577 <i>(Notes 2 &amp; 3)</i>	424,438,588	67.82%
Roger King	—	97,811,011 <i>(Note 1)</i>	—	97,811,011	15.62%
Tsann Rong Chang	612,731	—	—	612,731	0.09%
Nicholas David Sims	55,660	—	—	55,660	0.01%
Philip Yiu Wah Chow	79,600	—	—	79,600	0.01%
Simon Murray	122,200	—	—	122,200	0.02%

*Notes:*

1. Mr. C C Tung and Mr. King have an interest in a trust which, through Springfield, holds 97,811,011 Shares. Of such Shares, Springfield has an indirect interest in 30,765,425 Shares in which Monterrey has a direct interest, and Springfield has a direct interest in 67,045,586 Shares.
2. Wharncliff, a company owned by a discretionary trust established by Mrs. Peng, holds 278,165,570 Shares and the voting rights in respect of such holdings are held by Mr. C C Tung through THTI. Gala Way, a company owned by the discretionary trust established by Mrs. Peng, holds 48,462,007 Shares and the voting rights in respect of such holdings are held by Mr. C C Tung through THTI.
3. Wharncliff, Gala Way, Springfield and Monterrey together are referred to as the controlling shareholders.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in the Shares, the underlying Shares and the debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (a) 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 are taken or deemed to have under such provisions of the SFO); or (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code.

### 3. SUBSTANTIAL SHAREHOLDERS' INTEREST

As at the Latest Practicable Date and so far as is known to the Directors and chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares and the 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 as recorded in the register required to be kept under Section 336 of the SFO:

Name	Nature of Interest	Number of Shares Interested (in Long Position)	Percentage
Bermuda Trust Company Limited	Trustee	424,438,588 (Note 1)	67.82%
Shirley Shiao Ping Peng	Founder of a discretionary trust	326,627,577 (Note 2)	52.19%
Fortune Crest Inc.	Indirect	326,627,577 (Note 2)	52.19%
Winfield Investment Limited	Indirect	326,627,577 (Notes 2&3)	52.19%
Tung Holdings (Trustee) Inc.	Voting	326,627,577 (Note 4)	52.19%
Wharnclyff Limited	Direct	278,165,570 (Notes 2&5)	44.45%
Chee Hwa Tung	Indirect	97,836,242 (Note 6)	15.63%
Springfield Corporation	Direct and Indirect	97,811,011 (Note 6)	15.62%
Archduke Corporation	Beneficiary of a trust	97,811,011 (Note 7)	15.62%
Phoenix Corporation	Beneficiary of a trust	97,811,011 (Note 7)	15.62%
Archmore Limited	Beneficiary of a trust	97,811,011 (Note 8)	15.62%
Edgemont Investment Limited	Indirect	97,811,011 (Note 9)	15.62%

Name	Nature of Interest	Number of Shares Interested (in Long Position)	Percentage
Javier Associates Limited	Indirect	97,811,011 <i>(Note 10)</i>	15.62%
Gala Way Company Inc.	Direct	48,462,007 <i>(Notes 2&amp;5)</i>	7.74%
Monterrey Limited	Direct	30,765,425 <i>(Notes 6&amp;11)</i>	4.91%

*Notes:*

1. Bermuda Trust Company Limited has an indirect interest in the same Shares in which Fortune Crest and Springfield, wholly-owned subsidiaries of Bermuda Trust Company Limited, have an interest.
2. Mrs. Peng established the discretionary trust which, through Winfield, a wholly-owned subsidiary of Fortune Crest, holds 326,627,577 Shares, 278,165,570 of which are owned by Wharncliff and 48,462,007 of which are owned by Gala Way.
3. Winfield has an indirect interest in the same Shares in which Wharncliff and Gala Way have an interest.
4. THTI is a company wholly owned by Mr. C C Tung.
5. Wharncliff and Gala Way are wholly-owned subsidiaries of Winfield.
6. Mr. C H Tung has an interest in the trust which, through Springfield, holds 97,811,011 Shares. Of such Shares, Springfield has an indirect interest in the same 30,765,425 Shares in which Monterrey has a direct interest, and Springfield has a direct interest in 67,045,586 Shares. Mrs. Betty Hung Ping Tung (spouse of Mr. C H Tung, sister-in-law of Mr. C C Tung, Mrs. Peng and Mr. King, and mother of Mr. Alan Tung) owns 25,231 Shares.
7. Archduke Corporation and Phoenix Corporation, companies which are wholly owned by Mr. C C Tung, have an interest in the trust which, through Springfield, holds 97,811,011 Shares.
8. Archmore, a company which is wholly owned by Edgemont, has an interest in the trust which, through Springfield, holds 97,811,011 Shares.
9. Edgemont has an indirect interest in the same Shares in which Archmore, a wholly-owned subsidiary of Edgemont, has an interest.
10. Javier, a company which is wholly owned by Mr. C C Tung, has an indirect interest in the same Shares in which Edgemont, a wholly-owned subsidiary of Javier, has an interest.
11. Monterrey is a wholly-owned subsidiary of Springfield.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified by any person (other than a Director or chief executive of the Company) who had interests or short positions in the Shares and the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who 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 in any options in respect of such capital.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company was a director or an employee of a company which had an interest or short position in the Shares and the 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.

#### **4. SERVICE CONTRACT**

Mr. Nicholas David Sims has a service contract with the Company which will expire on 21 October 2007. None of the Directors has entered into any service contract with the Company or any of its subsidiaries which is not determinable by the Company within one year without any payment of compensation, other than statutory compensation.

#### **5. SECRETARY AND QUALIFIED ACCOUNTANT**

The Secretary of the Company is Ms. Lammy Chee Fun Lee, Barrister and the Qualified Accountant of the Company is Mr. Kit Man Fung, member of Hong Kong Institute of Certified Public Accountants.

#### **6. LITIGATION**

As at the Latest Practicable Date, no litigation or claim of material importance is known to the Directors to be pending or threatened against any member of the Group.

#### **7. DIRECTORS' INTERESTS IN COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors and their respective associates (as defined in the Listing Rules) had any interest in a business, which competes or may compete with the business of the Group.

#### **8. MISCELLANEOUS**

The principal registrar of the Company is Butterfield Fund Services (Bermuda) Limited at Rosebank Centre, 11 Bermudiana Road, Pembroke, Bermuda and the branch registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

The English text of this Circular shall prevail over the Chinese text.