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If you are in doubt as to any aspect about this circular or as to the action you should take, you should consult your licensed securities dealer 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 Macau Prime Properties Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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澳門祥泰地產集團有限公司<sup>\*</sup>  
**MACAU PRIME PROPERTIES HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 199)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO  
THE ACQUISITIONS OF PROPERTIES IN MACAU**

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\* For identification purpose only

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## DEFINITIONS

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

“2005 August Note”	the zero coupon convertible notes due 2010 in the aggregate principal of HK\$1,000 million issued by the Company on 11th August, 2005, of which an aggregate principal amount of HK\$532,050,000 remained outstanding as at the Latest Practicable Date
“2006 June Note”	the 1% convertible notes due 2011 in the aggregate principal of HK\$1,000 million issued by the Company on 15th June 2006, all of which remained outstanding as at the Latest Practicable Date
“Acquisition(s)”	the acquisition(s) of the Property or Properties by Smarteam Limited
“Board”	the board of Directors
“Company”	Macau Prime Properties Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Sale and Purchase Agreement(s)
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration payable by Smarteam Limited under the Sale and Purchase Agreements for the Acquisitions, being in aggregate of HK\$118,592,800
“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
“Latest Practicable Date”	25th May, 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

## DEFINITIONS

“Macau”	the Macau Special Administrative Region of the PRC
“PRC”	The People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purpose of this circular
“Properties”	18 residential units and 18 car parking spaces in Ilha da Taipa, junto à Estrada Nordeste da Taipa Aterro da Baía de Pac On, Macau (澳門氹仔北安灣P05地段海明灣畔1座), registered with the Real Estate Registry of Macau under no. 22143
“Property”	any one of the Properties
“Sale and Purchase Agreement(s)”	the sale and purchase agreement(s) entered into by the Vendor(s) and Smarteam Limited in relation to the sale and purchase of the Properties
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	any one of the Vendors
“Vendors”	six individual Macau residents
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“sq.ft.”	square feet

LETTER FROM THE BOARD



澳門祥泰地產集團有限公司\*  
MACAU PRIME PROPERTIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 199)

*Executive Directors:*

Mr. Cheung Hon Kit (*Chairman*)  
Mr. Chan Fut Yan (*Managing Director*)  
Mr. Wong Kam Cheong, Stanley  
(*Deputy Managing Director*)  
Mr. Cheung Chi Kit  
Mr. Lai Tsan Tung, David

*Non-executive Directors:*

Mr. Ho Hau Chong, Norman (*Deputy Chairman*)  
Mr. Lo Lin Shing, Simon

*Independent non-executive Directors:*

Mr. Wong Chi Keung, Alvin  
Mr. Kwok Ka Lap, Alva  
Mr. Chui Sai Cheong

*Registered office:*

Clarendon House  
Church Street  
Hamilton HM 11  
Bermuda

*Principal place of business  
in Hong Kong:*

29/F., Paul Y. Centre  
51 Hung To Road  
Kwun Tong, Kowloon  
Hong Kong

29th May, 2007

*To the Shareholders and for information only,  
holders of convertible notes of the Company*

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION  
IN RELATION TO  
THE ACQUISITIONS OF PROPERTIES IN MACAU**

**INTRODUCTION**

By an announcement dated 9th May 2007, the Board announced that Smarteam Limited, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreements with the Vendors in relation to the acquisitions of the Properties on 9th May, 2007 at an aggregate consideration of HK\$118,592,800.

The Acquisitions in aggregate constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide the Shareholders with further details on the Acquisitions and other information as required under the Listing Rules.

\* For identification purpose only

## LETTER FROM THE BOARD

### SALE AND PURCHASE AGREEMENTS

The terms of each of the Sale and Purchase Agreements are primarily the same. Set out below are the principal terms of the Sale and Purchase Agreements:

**(1) Date:**

9th May, 2007

**(2) Parties:**

**Vendors:** Six individual Macau residents introduced to Smarteam Limited by an estate agent. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Vendors and the estate agent are independent of the Company and its connected persons and are not connected persons of the Company.

**Purchaser:** Smarteam Limited, an indirect wholly-owned subsidiary of the Company.

**(3) Properties:**

The Properties comprise 18 residential units and 18 car parking spaces in Ilha da Taipa, junto à Estrada Nordeste da Taipa Aterro da Baía de Pac On, Macau (澳門氹仔北安灣P05地段海明灣畔1座), registered with the Real Estate Registry of Macau under no. 22143, with a total gross floor area of approximately 44,046 sq.ft. The construction of the Properties was completed on 30th November, 2005, and the Properties are currently vacant. The 18 residential units scatter from 1st floor to 13th floor of the same residential building (i.e. 海明灣畔1座), which is situated at Taipa Island (氹仔) and next to Crown Macau and University of Macau.

**(4) Consideration:**

The Consideration, being HK\$118,592,800, is payable as follows:

- (a) HK\$17,788,920, representing 15% of the Consideration, has already been paid by Smarteam Limited as initial deposit (the "Initial Deposit") and part payment upon the signing of the Sale and Purchase Agreements;
- (b) HK\$17,788,920, representing another 15% of the Consideration will be paid by Smarteam Limited as further deposit (the "Further Deposit") and part payment on the earlier of the date of Completion or the 60th day after the date of the Sale and Purchase Agreements; and
- (c) the balance of the Consideration in the sum of HK\$83,014,960 shall be paid by Smarteam Limited upon Completion.

## LETTER FROM THE BOARD

The breakdown of the Consideration by each Sale and Purchase Agreement is as follows:

	<i>HK\$</i>
(i) One residential unit on 1st floor with gross floor area of approximately 2,839 sq.ft. and one car parking space	6,655,000
(ii) Four residential units on 3rd floor with total gross floor area of approximately 9,788 sq.ft. and four car parking spaces	23,881,000
(iii) Four residential units on 4th floor with total gross floor area of approximately 9,788 sq.ft. and four car parking spaces	25,817,600
(iv) Four residential units on 9th floor with total gross floor area of approximately 9,788 sq.ft. and four car parking spaces	27,615,200
(v) Two residential units on 11th floor with total gross floor area of approximately 4,894 sq.ft. and two car parking spaces	14,071,200
(vi) Three residential units on 13th floor with total gross floor area of approximately 6,949 sq.ft. and three car parking spaces	20,552,800
Total:	118,592,800

The Initial Deposit and the Further Deposit has been and will be settled by internal resources of the Group respectively. The remaining balance of the Consideration will be financed by bank loan.

The Consideration was arrived at after arms' length negotiation with the Vendors. No valuation report has been obtained in respect of the Properties; however, the Directors consider that the Consideration is fair and reasonable since it was negotiated through an independent estate agent by reference to the market prices of similar properties in the surrounding areas of the Properties.

### **(5) Completion:**

Completion shall take place on or before the 60th day after the date of the Sale and Purchase Agreements or a later date as mutually agreed (the "Extended Date") in the event of any delays in arranging bank financing caused by the Vendor.

If Smarteam Limited cannot obtain bank financing for any of the Properties before the first anniversary of the Extended Date, the relevant Sale and Purchase Agreement shall then be terminated and any deposits paid together with interest accrued thereon shall be refunded by the relevant Vendor.

## LETTER FROM THE BOARD

The Completion of each Sale and Purchase Agreement is not inter-conditional on each other.

### FINANCIAL EFFECTS OF THE ACQUISITIONS

#### *Assets and liabilities*

It is not expected that the Acquisitions will have any significant impact on the Group's net asset value as any increase in assets will be offset by a corresponding decrease in bank balances and cash of the Group and increase in bank borrowings.

#### *Gearing*

The gearing ratio of the Group is expected to increase as a result of the Acquisitions as a large portion of the Consideration, in the amount of approximately HK\$83 million, will be financed by bank borrowings.

### REASONS FOR THE ACQUISITIONS

The Company is an investment holding company and its subsidiaries are principally engaged in property development and investment in Macau, the PRC and Hong Kong. The Group is also engaged in securities investment, golf resort and hotel operations.

The Board has been actively seeking property investment opportunities principally in Macau. The Board considers that the Acquisitions provide a good opportunity for the Company to invest in the Properties in view of the prospering Macau property market. It is intended that the Properties will be held for resale purpose. In view of the above, the Directors consider the Acquisitions are in the interests of the Company and the Shareholders as a whole.

### GENERAL

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

Yours faithfully,  
For and on behalf of the Board  
**Macau Prime Properties Holdings Limited**  
**Cheung Hon Kit**  
*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 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 the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Interests of Directors or chief executive of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company and/or their associates in the shares, underlying shares of the Company or any of its associated corporations (within the meaning of Part XV 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 which they were 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 Transactions by Directors of Listed Issuers (the "Model Code") adopted by the Company, to be notified to the Company and the Stock Exchange, were as follows:

#### (i) *Interests in the Shares and underlying Shares under equity derivatives (as defined in Part XV of the SFO)*

Name of Director	Long position/ Short position	Capacity	Number of issued Shares	Number of underlying Shares (under equity derivatives of the Company)	Aggregate interest	Approximate percentage of the issued share capital of the Company (%)
Mr. Cheung Hon Kit ("Mr. Cheung")	Long position	Beneficial owner	4,000,000	-	4,000,000	0.16
Mr. Ho Hau Chong, Norman ("Mr. Ho")	Long position	Interest of controlled corporation	158,716,363 (Note 1)	-	158,716,363	6.34
Mr. Lai Tsan Tung, David ("Mr. Lai")	Long position	Interest of controlled corporation	-	39,718,584 (Note 2)	39,718,584	1.59

*Notes:*

1. As at the Latest Practicable Date, each of Mr. Ho, the deputy chairman of the Company and a non-executive Director, and his brother, Mr. Ho Hau Hay, Hamilton, owned 50% interest in Kopola Investment Company Limited ("Kopola") which beneficially owned 158,716,363 Shares.
2. As at the Latest Practicable Date, Mr. Lai, an executive Director, was interested in the 39,718,584 underlying Shares of HK\$17,476,177 zero coupon convertible notes due 2010 issued by the Company on 8th June, 2006 at the initial conversion price of HK\$0.44 per Share held by Green Label Investments Limited ("Green Label") by virtue of his beneficial interest in the entire issued share capital of Green Label.

*(ii) Interests in the share options of the Company*

Name of Director	Date of grant	Exercisable period	Exercise price per Share HK\$	Number of share options	Approximate percentage of the issued share capital of the Company (%)
Mr. Cheung	15th August, 2006	15th August, 2006 – 14th August, 2008	0.50	10,000,000	0.40
Mr. Chan Fut Yan ("Mr. Chan")	15th August, 2006	15th August, 2006 – 14th August, 2008	0.50	6,000,000	0.24
Mr. Wong Kam Cheong, Stanley	15th August, 2006	15th August, 2006 – 14th August, 2008	0.50	2,000,000	0.08
Mr. Cheung Chi Kit	15th August, 2006	15th August, 2006 – 14th August, 2008	0.50	2,000,000	0.08
Mr. Ho	15th August, 2006	15th August, 2006 – 14th August, 2008	0.50	3,000,000	0.12
Mr. Lo Lin Shing, Simon ("Mr. Lo")	15th August, 2006	15th August, 2006 – 14th August, 2008	0.50	1,500,000	0.06
Mr. Wong Chi Keung, Alvin ("Mr. Wong")	15th August, 2006	15th August, 2006 – 14th August, 2008	0.50	1,500,000	0.06
Mr. Chui Sai Cheong	15th August, 2006	15th August, 2006 – 14th August, 2008	0.50	1,500,000	0.06

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares or underlying shares of the Company or any of its associated corporation (within the meaning of Part XV 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, 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 adopted by the Company, to be notified to the Company and the Stock Exchange.

**(b) Interests of Shareholders discloseable pursuant to the SFO**

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, the following persons (not being a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions 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 or, 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 option in respect of such capital:

*(i) Interests in the Shares*

Name of Shareholder	Long position/ Short position	Capacity	Number of issued Shares	Approximate percentage of the issued share capital of the Company (%)
Loyal Concept Limited ("Loyal Concept")	Long position	Beneficial owner	356,137,272 (Note 1)	14.24
Hanny Magnetics (B.V.I.) Limited ("Hanny Magnetics")	Long position	Interest of controlled corporation	396,137,272 (Note 1)	15.84
Hanny Holdings Limited ("Hanny")	Long position	Interest of controlled corporation	396,137,272 (Note 1)	15.84
Famex Investment Limited ("Famex")	Long position	Interest of controlled corporation	396,137,272 (Note 1)	15.84
Mankar Assets Limited ("Mankar")	Long position	Interest of controlled corporation	396,137,272 (Note 1)	15.84

Name of Shareholder	Long position/ Short position	Capacity	Number of issued Shares	Approximate percentage of the issued share capital of the Company (%)
ITC Investment Holdings Limited ("ITC Investment")	Long position	Interest of controlled corporations	396,137,272 (Note 1)	15.84
ITC Corporation Limited ("ITC")	Long position	Interest of controlled corporations	396,137,272 (Note 1)	15.84
Galaxyway Investments Limited ("Galaxyway")	Long position	Interest of controlled corporations	396,137,272 (Note 1)	15.84
Chinaview International Limited ("Chinaview")	Long position	Interest of controlled corporations	396,137,272 (Note 1)	15.84
Dr. Chan Kwok Keung, Charles ("Dr. Chan")	Long position	Interest of controlled corporations	396,137,272 (Note 1)	15.84
Ms. Ng Yuen Lan, Macy ("Ms. Ng")	Long position	Interest of spouse	396,137,272 (Note 1)	15.84
Kopola	Long position	Beneficial owner	158,716,363 (Note 2)	6.34
Mr. Ho	Long position	Interest of controlled corporation	158,716,363 (Note 2)	6.34
Mr. Ho Hau Hay, Hamilton	Long position	Interest of controlled corporation	158,716,363 (Note 2)	6.34
Shepherd Investments International, Ltd. ("Shepherd")	Long position	Beneficial owner	96,418,727 (Note 3)	3.85
Stark Asia Master Fund, Ltd. ("Stark Asia")	Long position	Beneficial owner	57,847,636 (Note 3)	2.31
Stark Master Fund, Ltd. ("Stark Master")	Long position	Beneficial owner	134,978,817	5.40
Stark Investments (Hong Kong) Limited ("Stark HK")	Long position	Investment manager	214,252,725 (Note 3)	8.56

Name of Shareholder	Long position/ Short position	Capacity	Number of issued Shares	Approximate percentage of the issued share capital of the Company (%)
OZ Master Fund, Ltd. ("OZ Master")	Long position	Beneficial owner	1,267,527 (Note 4)	0.05
OZ Management, L.L.C. ("OZ Management")	Long position	Investment manager	2,727,727 (Note 4)	0.11
Highbridge Capital Management LLC ("Highbridge Capital")	Long position	Investment manager	69,566,817 (Note 5)	2.78
Highbridge GP, Ltd. ("Highbridge GP")	Long position	Interest of controlled corporation	69,566,817 (Notes 5 and 6)	2.78
Mr. Clive Harris	Long position	Interest of controlled corporation	69,566,817 (Note 6)	2.78
Mr. Richard Crawshaw	Long position	Interest of controlled corporation	69,566,817 (Note 6)	2.78
Gandhara Master Fund Limited ("Gandhara")	Long position	Investment manager	95,060,000	3.80
Evolution Master Fund, Ltd. SPC, Class "M" Shares ("Evolution Master")	Long position	Beneficial owner	83,335,000	3.33
Evolution Capital Management, LLC ("Evolution Capital")	Long position	Investment manager	83,335,000	3.33
Harmony Investment Fund Limited ("Harmony")	Long position	Beneficial owner	51,205,000	2.05

(ii) *Interests in the underlying Shares under equity derivatives (as defined in Part XV of the SFO)*

Name of Shareholder	Long position/ Short position	Capacity	Number of underlying Shares (under equity derivatives of the Company)	Approximate percentage of the issued share capital of the Company (%)
Loyal Concept	Long position	Beneficial owner	1,135,714,285 (Note 1)	45.40
Hanny Magnetics	Long position	Interest of controlled corporation	1,135,714,285 (Note 1)	45.40
Hanny	Long position	Interest of controlled corporation	1,135,714,285 (Note 1)	45.40
Famex	Long position	Interest of controlled corporation	1,135,714,285 (Note 1)	45.40
Mankar	Long position	Interest of controlled corporation	1,135,714,285 (Note 1)	45.40
ITC Investment	Long position	Interest of controlled corporations	1,178,571,427 (Note 1)	47.11
ITC	Long position	Interest of controlled corporations	1,178,571,427 (Note 1)	47.11
Galaxyway	Long position	Interest of controlled corporations	1,178,571,427 (Note 1)	47.11
Chinaview	Long position	Interest of controlled corporations	1,178,571,427 (Note 1)	47.11
Dr. Chan	Long position	Interest of controlled corporations	1,178,571,427 (Note 1)	47.11
Ms. Ng	Long position	Interest of spouse	1,178,571,427 (Note 1)	47.11

Name of Shareholder	Long position/ Short position	Capacity	Number of underlying Shares (under equity derivatives of the Company)	Approximate percentage of the issued share capital of the Company (%)
Shepherd	Long position	Beneficial owner	200,016,234 (Note 3)	8.00
Stark Asia	Long position	Beneficial owner	76,152,597 (Note 3)	3.04
Stark Master	Long position	Beneficial owner	264,594,157	10.58
Stark HK	Long position	Investment manager	391,623,377 (Note 3)	15.65
OZ Master	Long position	Beneficial owner	122,875,000 (Note 4)	4.91
OZ Management	Long position	Investment manager	152,386,364 (Note 4)	6.09
Highbridge Capital	Long position	Investment manager	147,012,987 (Note 5)	5.88
Highbridge GP	Long position	Interest of controlled corporation	147,012,987 (Notes 5 and 6)	5.88
Mr. Clive Harris	Long position	Interest of controlled corporation	147,012,987 (Note 6)	5.88
Mr. Richard Crawshaw	Long position	Interest of controlled corporation	147,012,987 (Note 6)	5.88
Gandhara	Long position	Investment manager	357,142,857	14.28
Evolution Master	Long position	Beneficial owner	48,571,429	1.94
Evolution Capital	Long position	Investment manager	48,571,429	1.94
Harmony	Long position	Beneficial owner	114,285,714	4.57

*Notes:*

1. As at the Latest Practicable Date, Hanny and Hanny Magnetics were taken to have an interest in 396,137,272 Shares (in which 356,137,272 Shares were held by Loyal Concept and 40,000,000 Shares were held by Cyber Generation Limited (“Cyber”)); and a principal amount of HK\$330 million under the 2005 August Note and a principal amount of HK\$270 million under the 2006 June Note held by Loyal Concept since Loyal Concept and Cyber were wholly-owned subsidiaries of Hanny Magnetics which, in turn, was a wholly-owned subsidiary of Hanny, the issued shares of which were listed on the Stock Exchange. Selective Choice Investments Limited (“Selective”), a wholly-owned subsidiary of ITC Investment, owned a principal amount of HK\$30 million under the 2006 June Note. Famex, a wholly-owned subsidiary of Mankar, was the controlling shareholder of Hanny. Mankar was a wholly-owned subsidiary of ITC Investment, which in turn was a wholly-owned subsidiary of ITC. Galaxyway, a wholly-owned subsidiary of Chinaview, was the controlling shareholder of ITC. Dr. Chan owned the entire issued share capital of Chinaview. As at the Latest Practicable Date, Dr. Chan also held directly approximately 0.32% of the issued ordinary share capital of ITC and approximately 0.003% of the issued share capital of Hanny. Ms. Ng is the spouse of Dr. Chan. Famex and Mankar were deemed to be interested in 396,137,272 Shares held by Loyal Concept and Cyber; and 1,135,714,285 underlying Shares held by Loyal Concept. ITC Investment, ITC, Galaxyway, Chinaview, Dr. Chan and Ms. Ng were deemed to be interested in 396,137,272 Shares which were held by Loyal Concept and Cyber; and 1,135,714,285 underlying Shares (in respect of a principal amount of HK\$330 million under the 2005 August Note and a principal amount of HK\$270 million under the 2006 June Note) which were held by Loyal Concept and 42,857,142 underlying Shares (in respect of a principal amount of HK\$30 million under the 2006 June Note) held by Selective.
2. As at the Latest Practicable Date, each of Mr. Ho, the deputy chairman of the Company and a non-executive Director, and his brother, Mr. Ho Hau Hay, Hamilton owned 50% interest in Kopola which beneficially owned 158,716,363 Shares.
3. As at the Latest Practicable Date, Stark HK was taken to have an interest as an investment manager in 214,252,725 Shares, a principal amount of HK\$95 million under the 2005 August Note and a principal amount of HK\$123 million under the 2006 June Note held by Centar Investments (Asia) Ltd., Shepherd, Stark Asia and Stark International.
4. As at the Latest Practicable Date, OZ Management was taken to have an interest as an investment manager in 2,727,727 Shares and a principal amount of HK\$67,050,000 under the 2005 August Note held by OZ Asia Master Fund, Ltd. and OZ Master.
5. As at the Latest Practicable Date, Highbridge GP was taken to have an interest in 69,566,817 Shares, a principal amount of HK\$10 million under the 2005 August Note and a principal amount of HK\$87 million under the 2006 June Note held by Highbridge Master L.P. (“Highbridge Master”) and Highbridge Asia Opportunities Master Fund L.P. (“Highbridge Asia”) since Highbridge Master and Highbridge Asia were wholly-owned subsidiaries of Highbridge GP. Highbridge Capital was an investment manager of Highbridge Master and Highbridge Asia.
6. As at the Latest Practicable Date, each of Mr. Clive Harris and Mr. Richard Crawshaw owned 50% interest in Highbridge GP.



*(iii) Other members of the Group*

As at the Latest Practicable Date, so far as was known to the Directors and the chief executive of the Company, the following persons (not being a Director or chief executive of the Company) 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 members of the Group:

Name of subsidiary	Name of shareholder	Approximate percentage of the existing issued share/ registered capital (%)
廣州番禺蓮花山 高爾夫球度假俱樂部 (Guangzhou Panyu Golf & Country Club)	廣州市番禺旅遊總公司	35
廣州市蓮翠房產 物業管理有限公司 (Guangzhou Lian Chui Property Management Company Limited)	廣州市番禺旅遊總公司	35
番禺偉迪斯高爾夫房 地產有限公司 (Pan Yu Wei Di Si Golf Property Company Limited)	廣州市番禺旅遊總公司	34.91
三亞亞龍灣風景高爾夫 文化公園有限公司 (Sanya Yalong Bayview Golf Garden Co., Ltd.)	三亞博後經濟開發有限公司	20

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, no other persons (not being a Director or chief executive of the Company) had, or deemed to have, any interest or short positions in the shares or underlying shares which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, nor were there any persons, 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 members of the Group or held any option in respect of such capital.

**(c) Competing interests**

As at the Latest Practicable Date, interests of the Directors and their respective associates (as defined under the Listing Rules) in competing businesses were as follows:

Name of Director	Name of company	Nature of competing business	Nature of interest
Mr. Cheung	Wing On Travel (Holdings) Limited and its subsidiaries	Property business and hotel operation in Hong Kong and the PRC	As the managing director
	Manwide Holdings Limited (a non wholly-owned subsidiary of Hanny)	Property business in the PRC	As a director
	China Development Limited	Property investment in Hong Kong	As a director and shareholder
	Artnos Limited	Property investment in Hong Kong	As a director and shareholder
	Co-Forward Development Ltd.	Property investment in Hong Kong	As a director and shareholder
	Orient Centre Limited	Property investment in Hong Kong	As a shareholder
	Super Time Limited	Property investment in Hong Kong	As a director and shareholder
	Asia City Holdings Ltd.	Property investment in Hong Kong	As a director and shareholder
	Supreme Best Ltd.	Property investment in Hong Kong	As a shareholder
	Orient Holdings Limited	Property investment in Hong Kong	As a director and shareholder
Mr. Ho	Miramar Hotel and Investment Company, Limited and its subsidiaries	Property investment, property development and sales, and hotel operation	As a director
	Shun Tak Holdings Limited	Property investment in Macau	As an independent non-executive director

Name of Director	Name of company	Nature of competing business	Nature of interest
Mr. Lo	The Kwong Sang Hong International Limited and its subsidiaries	Property development, sales of properties and property leasing	As a director
	Mongolia Energy Corporation Limited and its subsidiaries	Property investment	As the chairman and an executive director
Mr. Wong	CNT Group Limited and its subsidiaries	Property investment and development in Hong Kong and the PRC	As an executive director

Mr. Cheung is the chairman of the Company who is principally responsible for the Group's strategic planning and management of the operations of the Board. His role is clearly separated from that of the managing Director, Mr. Chan, who is principally responsible for the Group's operation and business development. Mr. Ho and Mr. Lo, being non-executive Directors and Mr. Wong, being an independent non-executive Director, do not participate in the daily management of the Group.

In addition, any significant business decision of the Group is to be determined by the Board. A Director who has interest in the subject matter being resolved will abstain from voting. In view of the above, the Board considers that the interests of Mr. Cheung, Mr. Ho, Mr. Lo and Mr. Wong in other companies will not prejudice their capacity as Directors nor compromise the interests of the Group and the Shareholders.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associates (as defined under the Listing Rules) was interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

### 3. CLAIMS AND LITIGATIONS

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

### 4. SERVICE CONTRACTS

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

## 5. MISCELLANEOUS

- The qualified accountant of the Company is Mr. Cheung Chi Kit, *CPA, ACS, ACIS*.
- The company secretary of the Company is Ms. Yan Ha Hung, *Loucia, MBA, ACS(PE), ACIS(PE)*.
- The registered office of the Company is at Clarendon House, Church Street, Hamilton HM 11, Bermuda.
- The Company's principal place of business in Hong Kong is situated at 29/F., Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong.
- The branch share registrar and transfer office of the Company in Hong Kong is Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- The English texts of this circular prevail over their respective Chinese texts.