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If you have sold or transferred all your securities in Sun Hung Kai & Co. 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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新鴻基有限公司

SUN HUNG KAI & CO. LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 86)

DISCLOSEABLE TRANSACTION

SHORT-TERM LOAN TO NEW GOLD HOLDINGS LIMITED

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DEFINITIONS

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

“AGL”	Allied Group Limited, a company incorporated in Hong Kong with limited liability, with its shares listed on the Main Board of the Stock Exchange and is the ultimate holding company of APL
“APL”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability, with its securities listed on the Main Board of the Stock Exchange and is the holding company of the Company
“associates”	having the meaning ascribed to it under the Listing Rules
“Bali”	Bali International Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Board”	board of Directors
“Company”	Sun Hung Kai & Co. Limited, a company incorporated in Hong Kong with limited liability, with its securities listed on the Main Board of the Stock Exchange
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	23rd May, 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan Agreement”	the loan agreement dated 4th May, 2007 made between Bali, New Gold and Mr. Lin in relation to the grant of the Loan Facility

DEFINITIONS

“Loan Facility”	a short-term loan facility of up to HK\$1,000,000,000
“Mr. Lin”	Mr. Lin Xu Ming, the ultimate beneficial owner of the entire issued share capital of New Gold
“New Gold”	New Gold Holdings Limited, a company incorporated in Hong Kong with limited liability
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	shareholders of the Company
“Shares”	ordinary shares of nominal value of HK\$0.20 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	having the meaning ascribed to it under the Listing Rules

LETTER FROM THE BOARD



新鴻基有限公司

SUN HUNG KAI & CO. LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 86)

Executive Directors:

Lee Seng Huang (*Chairman*)

Joseph Tong Tang

Non-executive Director:

Patrick Lee Seng Wei

Independent non-executive Directors:

David Craig Bartlett

Alan Stephen Jones

Carlisle Caldow Procter

Peter Wong Man Kong

Registered Office:

Level 12

One Pacific Place

88 Queensway

Hong Kong

28th May, 2007

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

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

SHORT-TERM LOAN TO NEW GOLD HOLDINGS LIMITED

INTRODUCTION

On 4th May, 2007, Bali (an indirect wholly-owned subsidiary of the Company) entered into the Loan Agreement with New Gold, pursuant to which Bali had agreed to make available to New Gold the Loan Facility (being a short-term loan facility of up to HK\$1,000,000,000) which New Gold had advised was for the purpose of general working capital. The Loan Facility was secured by a first fixed charge created by New Gold in favour of Bali over a bank account of New Gold and by a personal guarantee given by Mr. Lin (being the ultimate beneficial owner of the entire issued share capital of New Gold) in respect of New Gold's obligations under the Loan Agreement and the charge.

The principal and other sums (including the arrangement fee) under the Loan Agreement were repaid in full on 7th May, 2007.

LETTER FROM THE BOARD

Under Chapter 14 of the Listing Rules, the grant of the Loan Facility constituted a discloseable transaction for the Company, on the basis that calculations of the assets and consideration ratios for the Company are within the range of 5 per cent. and 25 per cent.

The purpose of this circular is to provide the Shareholders with further information in relation to the Loan Facility and other information in accordance with the requirements of the Listing Rules.

THE LOAN AGREEMENT

- Date:** 4th May, 2007
- Parties:**
- (1) Bali as lender
 - (2) New Gold as borrower
 - (3) Mr. Lin as guarantor
- Loan Facility:** a short-term loan facility up to HK\$1,000,000,000
- Purpose of Loan Facility:** for the general working capital of New Gold
- Term:** a term of 14 days from the date of the Loan Agreement, and the principal and other sums payable under the Loan Agreement would be repaid on or before 18th May, 2007 (or such later date as might be agreed by Bali and New Gold)
- Arrangement Fee and Interest:** an arrangement fee of HK\$4,500,000 (equivalent to 0.45 per cent. of the Loan Facility) but interest-free, which was arrived at after arm's length negotiation between Bali and New Gold and reflects normal commercial terms
- Security:**
- (1) a first fixed charge created by New Gold in favour of Bali over a bank account of New Gold in which the loan funds were held
 - (2) a personal guarantee given by Mr. Lin (being the ultimate beneficial owner of the entire issued share capital of New Gold) in respect of New Gold's obligations under the Loan Agreement and the first fixed charge

To the best of the knowledge of the Directors, New Gold and its ultimate beneficial owner are independent third parties not connected with the Company, any of its respective subsidiaries or any of its respective associates, or any of the connected persons of the Company, any of its respective subsidiaries or any of its respective associates.

LETTER FROM THE BOARD

The principal and other sums (including the arrangement fee) under the Loan Agreement were repaid in full on 7th May, 2007.

INFORMATION ABOUT NEW GOLD

The Directors were advised that New Gold is a company incorporated in Hong Kong with limited liability. It is engaged principally in investment on Mainland China.

INFORMATION ABOUT AGL, APL, THE COMPANY AND BALI

AGL

AGL is a company incorporated in Hong Kong with limited liability. Its shares are listed on the Main Board of the Stock Exchange.

The principal business activity of AGL is investment holding. The principal business activities of its major subsidiaries are property investment and development, hospitality related activities, the provision of financial services and the provision of healthcare services.

APL

APL is a company incorporated in Hong Kong with limited liability. Its securities are listed on the Main Board of the Stock Exchange.

The principal business activity of APL is investment holding. The principal business activities of its major subsidiaries are property investment and development, hospitality related activities, the provision of financial services and the provision of healthcare services.

As at the Latest Practicable Date, APL was beneficially owned as to approximately 74.93 per cent. by AGL.

The Company

The Company is a company incorporated in Hong Kong with limited liability. Its securities are listed on the Main Board of the Stock Exchange.

The principal business activity of the Company is investment holding. The principal business activities of its major subsidiaries are wealth management and brokerage, asset management, capital markets, consumer finance as well as principal investments.

As at the Latest Practicable Date, the Company was beneficially owned as to approximately 65.17 per cent. by APL.

LETTER FROM THE BOARD

Bali

Bali is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company.

Bali is engaged principally in the money lending business and holds a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT

Bali is a licensed money lender. The grant of the Loan Facility was a transaction carried out as part of the ordinary and usual course of business activities of Bali. The Loan Facility had generated an income of approximately HK\$4,500,000, offering a substantial income to Bali within a relatively short period of time.

Having regard to the terms of the Loan Facility, the security available and the benefits resulting from the grant of the Loan Facility, the Directors all believe that the terms of the Loan Facility are fair and reasonable and in the interests of the Shareholders taken as a whole.

FINANCIAL EFFECT OF THE TRANSACTION

The Directors consider that the transaction under the Loan Agreement represented an opportunity to generate profit resulting from the arrangement fee received for the Loan Facility and that this would increase the revenue, earnings and net asset value of the Group.

Further, the Directors are of the view that the grant of the Loan Facility had a short term effect on the assets and liabilities of the Group during the period from 4th May, 2007 to 7th May, 2007, in that the assets and liabilities of the Group had increased as a result.

LISTING RULES IMPLICATIONS

Under Chapter 14 of the Listing Rules, the grant of the Loan Facility constituted a discloseable transaction for the Company, on the basis that the calculations of the assets and consideration ratios for the Company are within the range of 5 per cent. and 25 per cent.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendix to this circular.

Yours faithfully,
On behalf of the Board
Sun Hung Kai & Co. Limited
Joseph Tong Tang
Executive Director

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, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (i) 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); (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to in such provisions of the SFO; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules to be notified to the Company and the Stock Exchange:

(i) Interests in the Shares and underlying Shares

Name of Director	Number of Shares and underlying Shares	Approximate percentage of the issued share capital	Nature of interests
Lee Seng Huang	1,164,425,725 <i>(Note 1)</i>	77.93%	Other interests <i>(Note 2)</i>

Notes:

- These include (i) an interest in 973,772,892 Shares; and (ii) an interest in listed physically settled warrants of the Company in an amount of HK\$1,121,038,658.04, giving rise to an interest in 190,652,833 underlying Shares. The warrants of the Company entitle the holders thereof to subscribe at any time during the period from 1st June, 2006 to 31st May, 2009 (both days inclusive) for the fully paid Shares at an initial subscription price of HK\$6 per Share which was adjusted to HK\$5.88 per Share (subject to further adjustments) effective on 20th September, 2006 (the "2009 Warrants").
- Mr. Lee Seng Huang is one of the trustees of the Lee and Lee Trust, being a discretionary trust which indirectly owned approximately 42.06% interest in the issued share capital of AGL and was therefore deemed to have interests in the Shares and underlying Shares in which AGL was interested.
- The interests stated above represent long positions.

(ii) *Interests in the shares, underlying shares and debentures of associated corporations*

Name of Director	Name of associated corporations	Number of shares/ registered capital and underlying shares	Approximate percentage of the relevant issued share capital	Amount of debentures	Nature of interests
Lee Seng Huang	AGL	102,933,692	42.06%		Interests of controlled corporation (Note 1)
	AG Capital Holding Limited	1	100.00%		Interests of controlled corporation (Note 2)
	AG Capital Limited	2	100.00%		Interests of controlled corporation (Note 2)
	Allied Aquatic Produce Development Limited	50,000,000	100.00%		Interests of controlled corporation (Note 2)
	Allied Capital Management Limited	2	100.00%		Interests of controlled corporation (Note 2)
	Allied China International Link Limited	1	100.00%		Interests of controlled corporation (Note 2)
	Allied Harbin Link Limited	1	100.00%		Interests of controlled corporation (Note 2)
	Allied Holding Investments Limited (Formerly: Allied Properties China Venture (01) Limited)	1	100.00%		Interests of controlled corporation (Note 2)
	Bright Clear Limited	1	100.00%		Interests of controlled corporation (Note 2)
	Capscore Limited	2	100.00%		Interests of controlled corporation (Note 2)
	Citiwealth Investment Limited	2	100.00%		Interests of controlled corporation (Note 2)

APPENDIX
GENERAL INFORMATION

Name of Director	Name of associated corporations	Number of shares/ registered capital and underlying shares	Approximate percentage of the relevant issued share capital	Amount of debentures	Nature of interests
	Fine Era Limited	1	100.00%		Interests of controlled corporation <i>(Note 2)</i>
	Gold Crest Development Limited	2	100.00%		Interests of controlled corporation <i>(Note 2)</i>
	Paco Nominees Limited	2	100.00%		Interests of controlled corporation <i>(Note 2)</i>
	Pioneer Alliance Limited	10,000	100.00%		Interests of controlled corporation <i>(Note 2)</i>
	Rank Crown Investment Limited	2	100.00%		Interests of controlled corporation <i>(Note 2)</i>
	Sunhill Investments Limited	2	100.00%		Interests of controlled corporation <i>(Note 2)</i>
	APL	508,097,789 <i>(Note 3)</i>	94.56%	HK\$249,397,270 <i>(Note 4)</i>	Interests of controlled corporation <i>(Note 2)</i>
	Able Crown Limited	2	100.00%		Interests of controlled corporation <i>(Note 5)</i>
	Alaston Development Limited	1	100.00%		Interests of controlled corporation <i>(Note 5)</i>
	AlliedTech Limited	2	100.00%		Interests of controlled corporation <i>(Note 5)</i>
	Allied Hospitality Limited	2	100.00%		Interests of controlled corporation <i>(Note 5)</i>
	Allied Hospitality (Group) Limited	2	100.00%		Interests of controlled corporation <i>(Note 5)</i>

Name of Director	Name of associated corporations	Number of shares/ registered capital and underlying shares	Approximate percentage of the relevant issued share capital	Amount of debentures	Nature of interests
	Allied Hotel (Beijing) Limited	1	100.00%		Interests of controlled corporation (Note 5)
	Allied Land (Dalian) Company Limited	1	100.00%		Interests of controlled corporation (Note 5)
	Allied Land Development (Yantai) Limited	1,000	100.00%		Interests of controlled corporation (Note 5)
	Allied Land International Limited	2	100.00%		Interests of controlled corporation (Note 5)
	Allied Properties China Limited	1,000	100.00%		Interests of controlled corporation (Note 5)
	Allied Properties China Venture (S) Limited	1	100.00%		Interests of controlled corporation (Note 5)
	Allied Properties (International) Limited	1	100.00%		Interests of controlled corporation (Note 5)
	Allied Properties (Yantai) Limited	1,000	100.00%		Interests of controlled corporation (Note 5)
	Allied Real Estate Agency Limited	2	100.00%		Interests of controlled corporation (Note 5)
	Allied Real Estate (Dalian) Company Limited	1	100.00%		Interests of controlled corporation (Note 5)

Name of Director	Name of associated corporations	Number of shares/ registered capital and underlying shares	Approximate percentage of the relevant issued share capital	Amount of debentures	Nature of interests
	AP Administration Limited	2	100.00%		Interests of controlled corporation (Note 5)
	AP Corporate Services Limited	2	100.00%		Interests of controlled corporation (Note 5)
	AP Development Limited	2	100.00%		Interests of controlled corporation (Note 5)
	AP Diamond Limited	1	100.00%		Interests of controlled corporation (Note 5)
	AP Emerald Limited	1	100.00%		Interests of controlled corporation (Note 5)
	AP Finance Limited	2	100.00%		Interests of controlled corporation (Note 5)
	AP Jade Limited	1	100.00%		Interests of controlled corporation (Note 5)
	AP Project Consultants Limited	2	100.00%		Interests of controlled corporation (Note 5)
	AP Property Management Limited	2	100.00%		Interests of controlled corporation (Note 5)
	AP Sapphire Limited	1	100.00%		Interests of controlled corporation (Note 5)
	Best Melody Development Limited	5,000	100.00%		Interests of controlled corporation (Note 5)
	Brilliant Stone Company Limited	2	100.00%		Interests of controlled corporation (Note 5)

Name of Director	Name of associated corporations	Number of shares/ registered capital and underlying shares	Approximate percentage of the relevant issued share capital	Amount of debentures	Nature of interests
	Charmpeace Limited	2	100.00%		Interests of controlled corporation (Note 5)
	Chaseform Properties Limited	2	100.00%		Interests of controlled corporation (Note 5)
	Citymark Limited	2	100.00%		Interests of controlled corporation (Note 5)
	Clever Winner Investment Limited	10	100.00%		Interests of controlled corporation (Note 5)
	Dalian Allied First Financial Centre Co., Ltd.	US\$8,400,000 (to be injected)	70.00%		Interests of controlled corporation (Note 5)
	Dalian Lianhua Plaza Development Co., Ltd.	US\$9,600,000 (to be injected)	80.00%		Interests of controlled corporation (Note 5)
	Fame Arrow Company Limited	95,000	95.00%		Interests of controlled corporation (Note 5)
	Florich Development Limited	10,000	100.00%		Interests of controlled corporation (Note 5)
	Front Sail Limited	5,000	100.00%		Interests of controlled corporation (Note 5)
	Gather Rich Company Limited	2	100.00%		Interests of controlled corporation (Note 5)
	Gilmore Limited	2	100.00%		Interests of controlled corporation (Note 5)

Name of Director	Name of associated corporations	Number of shares/ registered capital and underlying shares	Approximate percentage of the relevant issued share capital	Amount of debentures	Nature of interests
	Golden Core Limited	2	100.00%		Interests of controlled corporation (Note 5)
	Goodwill Model Inc.	1	100.00%		Interests of controlled corporation (Note 5)
	Great Revenue Holdings Limited	2	100.00%		Interests of controlled corporation (Note 5)
	Hardy Wall Limited	65	65.00%		Interests of controlled corporation (Note 5)
	Hi-Link Limited	2	100.00%		Interests of controlled corporation (Note 5)
	Hillcrest Development Limited	2	100.00%		Interests of controlled corporation (Note 5)
	Integrated Custodian Limited	2	100.00%		Interests of controlled corporation (Note 5)
	Jaffe Development Limited	1	100.00%		Interests of controlled corporation (Note 5)
	Jing Da Real Estate (Shanghai) Company Limited	US\$3,250,000 (US\$1,250,000 to be injected)	65.00%		Interests of controlled corporation (Note 5)
	Joy Club Enterprises Limited	1	100.00%		Interests of controlled corporation (Note 5)
	Kalix Investment Limited	2	100.00%		Interests of controlled corporation (Note 5)

Name of Director	Name of associated corporations	Number of shares/ registered capital and underlying shares	Approximate percentage of the relevant issued share capital	Amount of debentures	Nature of interests
	Kenworld Corporation	1	100.00%		Interests of controlled corporation (Note 5)
	King Policy Development Limited	2	100.00%		Interests of controlled corporation (Note 5)
	Koonwide Limited	2	100.00%		Interests of controlled corporation (Note 5)
	Lakewood Development Corporation	1,000	100.00%		Interests of controlled corporation (Note 5)
	Many Returns Enterprises Ltd.	1	100.00%		Interests of controlled corporation (Note 5)
	Maxplan Investment Limited	2	100.00%		Interests of controlled corporation (Note 5)
	Mightyton Limited	10,000	100.00%		Interests of controlled corporation (Note 5)
	Nitkey Development Limited	2	100.00%		Interests of controlled corporation (Note 5)
	Oban Limited	1,000	100.00%		Interests of controlled corporation (Note 5)
	Ontone Limited	2	100.00%		Interests of controlled corporation (Note 5)
	Polyking Services Limited	2	100.00%		Interests of controlled corporation (Note 5)

Name of Director	Name of associated corporations	Number of shares/ registered capital and underlying shares	Approximate percentage of the relevant issued share capital	Amount of debentures	Nature of interests
	Protech (China) Limited	1	100.00%		Interests of controlled corporation (Note 5)
	Protech Property Management Limited	5,000	100.00%		Interests of controlled corporation (Note 5)
	San Pack Properties Limited	10	100.00%		Interests of controlled corporation (Note 5)
	Sierra Joy Limited	2	100.00%		Interests of controlled corporation (Note 5)
	Universal Way Limited	2	100.00%		Interests of controlled corporation (Note 5)
	Tian An China Investments Company Limited	447,045,603	39.58%		Interests of controlled corporation (Note 6)
	Shanghai Allied Cement Limited	543,485,640	74.51%		Interests of controlled corporation (Note 6)
	Yu Ming Investments Limited	379,291,800	22.42%		Interests of controlled corporation (Note 6)
	The Hong Kong Building and Loan Agency Limited	168,748,013	74.999%		Interests of controlled corporation (Note 6)
	Quality HealthCare Asia Limited	122,213,776	51.14%		Interests of controlled corporation (Note 6)
	Swan Islands Limited			HK\$2,800,000,000 (Note 7)	Interests of controlled corporation (Note 7)

Name of Director	Name of associated corporations	Number of shares/ registered capital and underlying shares	Approximate percentage of the relevant issued share capital	Amount of debentures	Nature of interests
Patrick Lee Seng Wei	AGL	550,000 <i>(Note 8)</i>	0.22%		Personal interests (held as beneficial owner)
	APL	337,500 <i>(Note 9)</i>	0.06%	HK\$135,000 <i>(Note 9)</i>	Personal interests (held as beneficial owner)

Notes:

- Mr. Lee Seng Huang is one of the trustees of the Lee and Lee Trust, being a discretionary trust which indirectly owned approximately 42.06% interest in the issued share capital of AGL.
- These refer to the same interests held directly or indirectly by AGL in its subsidiaries.
- These include (i) an interest in 402,650,059 shares of APL; (ii) an interest in listed physically settled warrants of APL in an amount of HK\$805,080,060, giving rise to an interest in 80,508,006 underlying shares of APL; and (iii) an interest in unlisted convertible bonds of APL in an amount of HK\$249,397,270, giving rise to an interest in 24,939,724 underlying shares of APL, held by AGL. The warrants of APL entitle the holders thereof to subscribe at any time during the period from 7th June, 2006 to 6th June, 2009 (both days inclusive) for fully paid shares of APL at an initial subscription price of HK\$10 per share (subject to adjustments) (the "APL Warrants"). The convertible bonds of APL entitle the holders thereof to convert all or any of the convertible bonds into fully paid shares of APL at any time during the period from 1st July, 2009 and ending on the business day falling ten business days immediately preceding 9th November, 2011 at an initial conversion price of HK\$10 per convertible bond (subject to adjustments) (the "APL's Convertible Bonds").
- These are the APL's Convertible Bonds held directly or indirectly by AGL.
- These refer to the same interests held directly or indirectly by APL in its subsidiaries.
- These refer to the same interests held directly or indirectly by the Company in its listed associated corporations.
- These are the bonds issued by Swan Islands Limited, a direct wholly-owned subsidiary of the Company, to AG Capital Holding Limited, a direct wholly-owned subsidiary of AGL, to partially settle the consideration for the acquisition of UAF Holdings Limited as disclosed in the circular of the Company dated 30th June, 2006.
- This represents an interest in 550,000 shares of AGL.
- These include (i) an interest in 270,000 shares of APL; (ii) an interest in the APL Warrants in an amount of HK\$540,000, giving rise to an interest in 54,000 underlying shares of APL; and (iii) an interest in the APL's Convertible Bonds in an amount of HK\$135,000, giving rise to an interest in 13,500 underlying shares of APL.
- All interests stated above represent long positions.

(b) Substantial shareholders' and other persons' interests

Save as disclosed below, so far as was known to the Directors, there was no other person who, as at the Latest Practicable Date, had an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed under provisions of Divisions 2 and 3 of Part XV of the SFO, or who, as at the Latest Practicable Date, was directly and indirectly interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Group.

(i) *Interest in the Shares and the underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO*

Name of Shareholder	Number of Shares and underlying Shares	Approximate percentage of the issued share capital	Nature of Interests
APL	1,164,425,725 <i>(Note 1)</i>	77.93%	Interests of controlled corporation <i>(Note 2)</i>
AGL	1,164,425,725 <i>(Note 3)</i>	77.93%	Interests of controlled corporation <i>(Note 4)</i>
Lee and Lee Trust	1,164,425,725 <i>(Note 3)</i>	77.93%	Interests of controlled corporation <i>(Note 5)</i>
Penta Investment Advisers Limited ("Penta")	164,481,200 <i>(Note 6)</i>	11.01%	Investment manager
John Zwaanstra	164,481,200 <i>(Note 7)</i>	11.01%	Interests of controlled corporation <i>(Note 8)</i>
Penta Japan Fund, Ltd. ("Penta Japan")	88,588,600 <i>(Note 9)</i>	5.93%	Interests of controlled corporation <i>(Note 10)</i>

Name of Shareholder	Number of Shares and underlying Shares	Approximate percentage of the issued share capital	Nature of Interests
Todd Zwaanstra	88,588,600 <i>(Note 9)</i>	5.93%	Trustee (other than a bare trustee) <i>(Note 10)</i>
Mercurius GP LLC ("Mercurius")	88,588,600 <i>(Note 9)</i>	5.93%	Founder of a discretionary trust <i>(Note 11)</i>
COL Capital Limited ("COL")	110,110,469 <i>(Note 12)</i>	7.37%	Interests of controlled corporation <i>(Note 13)</i>
Vigor Online Offshore Limited ("Vigor Online")	110,110,469 <i>(Note 14)</i>	7.37%	Interests of controlled corporation <i>(Note 15)</i>
China Spirit Limited ("China Spirit")	110,110,469 <i>(Note 14)</i>	7.37%	Interests of controlled corporation <i>(Note 16)</i>
Chong Sok Un	110,110,469 <i>(Note 14)</i>	7.37%	Interests of controlled corporation <i>(Note 17)</i>

Notes:

- These include (i) an interest in 973,772,892 Shares; and (ii) an interest in the 2009 Warrants in an amount of HK\$1,121,038,658.04, giving rise to an interest in 190,652,833 underlying Shares (at the adjusted subscription price of the 2009 Warrants of HK\$5.88 per Share).
- The interests were held by AP Emerald Limited ("APE"), a wholly-owned subsidiary of AP Jade Limited which in turn was a wholly-owned subsidiary of APL. APL was therefore deemed to have interests in the Shares and underlying Shares in which APE was interested.
- These refer to the same interests in 973,772,892 Shares and 190,652,833 underlying Shares held by APE.
- AGL owned approximately 74.93% interest in the issued share capital of APL and was therefore deemed to have interests in the Shares and underlying Shares in which APL was interested.
- Mr. Lee Seng Hui, Ms. Lee Su Hwei and Mr. Lee Seng Huang, a Director, are the trustees of the Lee and Lee Trust, being a discretionary trust. They together owned approximately 42.07% interest in the issued share capital of AGL and were therefore deemed to have interests in the Shares and underlying Shares in which AGL was interested.

6. These include (i) an interest in 143,414,000 Shares; (ii) an interest in the 2009 Warrants, giving rise to an interest in 5,638,200 underlying Shares; and (iii) an interest in unlisted cash settled derivatives of the Company, giving rise to an interest in 15,429,000 underlying Shares.
7. These refer to the same interests in 143,414,000 Shares and a total of 21,067,200 underlying Shares held by Penta.
8. Mr. John Zwaanstra was deemed to have interests in the Shares and underlying Shares through his 100% interest in Penta. Mr. John Zwaanstra was also deemed to have interests in the Shares and underlying Shares in which Penta Japan and Mercurius were interested through his control of more than one-third of the voting power of Penta Japan and Mercurius.
9. These duplicated parts of the interests of Penta and Mr. John Zwaanstra, and include (i) an interest in 69,670,387 Shares; (ii) an interest in the 2009 Warrants, giving rise to an interest in 4,088,213 underlying Shares; and (iii) an interest in unlisted cash settled derivatives of the Company, giving rise to an interest in 14,830,000 underlying Shares.
10. The interests were held by Penta Master Fund, Ltd. (“Penta Master”), a wholly-owned subsidiary of Penta Japan. Mr Todd Zwaanstra was deemed to have interests in the Shares and underlying Shares in which Penta Master was interested pursuant to his control of more than one-third of the voting power of Penta Japan as trustee of the Mercurius Partners Trust (“Mercurius Trust”), being a discretionary trust.
11. Mercurius was the founder of the Mercurius Trust and was therefore deemed to have interests in the Shares and underlying Shares in which Mr. Todd Zwaanstra and Mercurius Trust were interested.
12. These include (i) an interest in 97,437,000 Shares; and (ii) an interest in the 2009 Warrants in an amount of HK\$74,520,000, giving rise to an interest in 12,673,469 underlying Shares (at the adjusted subscription price of the 2009 Warrants of HK\$5.88 per Share).
13. The interests were held by Honest Opportunity Limited (“Honest Opportunity”), Sparkling Summer Limited (“Sparkling Summer”) and Gold Chopsticks Limited (“Gold Chopsticks”). Honest Opportunity and Sparkling Summer were wholly-owned subsidiaries of Classic Fortune Limited (“Classic Fortune”) while Gold Chopsticks was a wholly-owned subsidiary of Besford International Limited (“Besford”). Classic Fortune and Besford were in turn wholly-owned subsidiaries of COL. COL was therefore deemed to have interests in the Shares and underlying Shares in which Honest Opportunity, Sparkling Summer and Gold Chopsticks were interested.
14. These refer to the same interests in 97,437,000 Shares and 12,673,469 underlying Shares held by Honest Opportunity, Sparkling Summer and Gold Chopsticks.
15. Vigor Online owned approximately 37.77% interest in the issued share capital of COL and was therefore deemed to have interests in the Shares and underlying Shares in which COL was interested.
16. China Spirit owned 100% interest in the issued share capital of Vigor Online and was therefore deemed to have interests in the Shares and underlying Shares in which Vigor Online was interested.
17. Ms. Chong Sok Un was deemed to have interests in the Shares and underlying Shares through her 100% interest in China Spirit.
18. All interests stated above represents long positions. As at the Latest Practicable Date, no short positions were recorded in the register required to be kept under Section 336 of the SFO.

(ii) *Interests in the shares of other members of the Group*

Name of non wholly-owned subsidiaries of the Company	Name of shareholder	Number of shares held	Approximate percentage of the issued share capital
Best Decision Investments Limited	Christophe Lee Kin Ping	17,500	35.00%
GFIA – SHK Managers Limited (“GFIA”)	LOTE Limited (“LOTE”)	49	49.00% <i>(Note)</i>
SHK Financial Data Limited	Unison Information Limited	49	49.00%
United Asia Finance Limited	ITOCHU Hong Kong Limited	25,625,000	18.64%

Note: Although the Group holds 51% interest in GFIA, it is jointly controlled by the Group and LOTE. Its profit and loss are split 50/50 between the Group and LOTE.

3. DIRECTORS’ SERVICE CONTRACTS

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

4. DIRECTORS’ INTERESTS IN COMPETING BUSINESSES

Save as disclosed below, as at the Latest Practicable Date, none of the Directors (not being the independent non-executive Directors) nor their respective associates were considered to have interests in the businesses which compete or are likely to compete with the businesses of the Group pursuant to the Listing Rules:

- (a) Mr. Lee Seng Huang is one of the trustees of the Lee and Lee Trust which is a deemed substantial shareholder of each of AGL, APL and Tian An China Investments Company Limited (“Tian An”) which, through their subsidiaries, are partly engaged in the businesses as follows:
- AGL, through certain of its subsidiaries, is partly engaged in the business of money lending, provision of financial services and property investment;
 - APL, through certain of its subsidiaries, is partly engaged in the businesses of money lending and property investment; and

- Tian An, through a subsidiary, is partly engaged in the business of money lending.
- (b) Mr. Patrick Lee Seng Wei is a director of APL and Tian An. APL, through certain of its subsidiaries, is partly engaged in the businesses of money lending and property investment; and Tian An, through a subsidiary, is partly engaged in the business of money lending.

As the Board is independent from the boards of the abovementioned companies and none of the above Directors can control the Board, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

5. LITIGATION

Save as disclosed below, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group:

- (a) By the Judgment of the High Court on 1st April, 2004 (the "Judgment") in HCA 3191/1999 between New World Development Company Limited ("NWDC") and Stapleton Developments Limited ("SDL") against Sun Hung Kai Securities Limited ("SHKS"), a wholly-owned subsidiary of the Company, the Court held that SHKS had a 12.5% interest in a 50/50 joint venture entered into between NWDC and IGB Corporation Berhad to purchase land and build 2 international hotels plus a 200-unit service apartment in Kuala Lumpur, Malaysia (the "Joint Venture") including, among other things (i) as to SHKS's interest in Great Union Properties Sdn. Bhd. ("GUP") that SDL, a corporation ultimately owned 100% by NWDC, holds 12.5% of the issued shares of GUP (the "GUP Shares") on trust for SHKS, and that SHKS is entitled to the transfer to it of the legal title to the GUP Shares, upon payment of certain amounts to NWDC; (ii) as to certain shareholder's loans, that SHKS beneficially owns 25% of the loans advanced to GUP by SDL in a principal amount equivalent to HK\$114,904,023.60. SHKS was ordered to pay NWDC the sum of HK\$105,534,018.22 together with interest until payment, pursuant to the terms of an oral agreement which His Lordship found. SHKS duly paid the Judgment amounts. The Judgment was further appealed to the Court of Appeal and Court of Final Appeal, both of which dismissed the appeal substantially but made adjustments to the amounts due from SHKS. Pursuant to the judgment of the Court of Final Appeal, SHKS was ordered to pay costs of the appeal. The final amount of NWDC's costs and disbursements, that SHKS is liable to pay has yet to be determined. SHKS also received notice of further claims from NWDC for amounts advanced by NWDC on behalf of SHKS as pro-rata contributions to shareholders' loans in the sum of HK\$37,498,011.41, together with interest thereon. SHKS has now paid all amounts of principal and interest due to be paid to NWDC with respect to these further claims. SHKS has given notice to NWDC and SDL, among other things, of its demand that the legal interest in the GUP Shares be transferred to it and that its portion of the shareholder's loans be assigned to it.

- (b) In June 2006, the Company received notice of a 2001 order made by the Hubei Province Higher Peoples Court in China freezing US\$3 million (or assets of equivalent value) of SHKS's funds pursuant to which SHKS's shares in Chang Zhou Power Development Company Limited in China (the "Chang Zhou Shares") (worth US\$3 million) were frozen. SHKS had sold the Chang Zhou Shares in 1998. The Company continues to investigate the matter.

6. GENERAL

- (a) The registered office of the Company is Level 12, One Pacific Place, 88 Queensway, Hong Kong.
- (b) The company secretary of the Company is Ms. Hester Wong Lam Chun. She is a fellow member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries.
- (c) The qualified accountant of the Company is Mr. Patrick Poon Mo Yiu. He is a fellow member of the Association of Chartered Certified Accountants and Fellow of the Hong Kong Institute of Certified Public Accountants.
- (d) The share registrars of the Company are Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (e) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.