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FONG'S INDUSTRIES COMPANY LIMITED **(立信工業有限公司)**

(Incorporated in Bermuda with limited liability)

(Stock Code: 641)

PROPOSED ISSUE OF ZERO COUPON CONVERTIBLE BONDS DUE 2011 AND LISTING OF THE CONVERTIBLE BONDS AND RESUMPTION OF TRADING OF SHARES

The Company has entered into the Subscription Agreement dated 19 April, 2006 with Deutsche Bank in connection with the issue by the Company of the Convertible Bonds with an aggregate principal amount of HK\$800 million (including Convertible Bonds in an aggregate principal of HK\$200 million to be issued pursuant to the Increased-Issue Option which was exercised by Deutsche Bank in full on 19 April, 2006). The Convertible Bonds are convertible into ordinary shares of HK\$0.10 each in the share capital of the Company.

The Subscription Agreement may be terminated under certain circumstances as described in the paragraph headed "Termination".

The Company will apply to the Stock Exchange for the listings of, and permission to deal in, the Convertible Bonds (by way of selectively marketed securities) and the Shares to be issued and allotted upon conversion of the Convertible Bonds.

The estimated net proceeds of the Convertible Bond Issue (the Increased-Issue Option having been exercised in full), after deduction of commission and administrative expenses are HK\$773 million. At present the Directors intend that the net proceeds will be applied towards the establishment of new production facilities so as to consolidate, in one location, existing production facilities in Shenzhen, possible future acquisitions of businesses or potential joint ventures related to its core business and to fund the Group's general working capital. The Directors may review and vary the purpose for which the proceeds are used in light of what they consider to be the optimal use of proceeds from time to time. Further announcements will be made, if necessary, in the event of material change to the use of proceeds.

The Company has, amongst other things, undertaken that neither it nor any of its subsidiaries or other affiliates over which it exercises management or voting control, nor any person acting on its or their behalf will, for a period of 90 days after the Closing Date, without the prior written consent of Deutsche Bank (such consent not to be unreasonably withheld), issue, offer, sell, contract to sell, pledge or otherwise dispose of any Shares or securities convertible or exchangeable into or exercisable for Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares, except the exercise of the conversion rights pursuant to the conversion provisions of the Convertible Bonds and any other obligations in existence at the date of the Subscription Agreement and disclosed to Deutsche Bank.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

Trading in the Shares was suspended from 2:31 p.m. on Wednesday, 19 April 2006 pending the release of this announcement. Application has been made for the resumption of trading in the Shares on the Stock Exchange at 9:30 a.m. on Thursday, 20 April 2006.

Subscription Agreement

Date: 19 April, 2006

- Parties: (1) The Company as issuer of the Convertible Bonds
- (2) Deutsche Bank, as subscriber. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Deutsche Bank and the ultimate beneficial owners of Deutsche Bank are third parties independent of the Company and connected persons of the Company.

Subject to the fulfilment of the conditions set out below under the section headed "Conditions of the Subscription Agreement", Deutsche Bank agreed, *inter alia*, to subscribe, and pay for, the Convertible Bonds with an aggregate principal amount of HK\$600 million. The Company also granted to Deutsche Bank the Increased-Issue Option, which was exercised, in whole, to require the Company to issue the Increased-Issue Option with an aggregate principal amount up to HK\$200 million.

The Convertible Bonds will be offered outside the United States to professional investors and are being privately placed with certain professional investors in Hong Kong. As at the date of the announcement and so far as the Directors are aware, none of the placees will become a substantial shareholder (as defined in the Listing Rules) of the Company upon exercise of the conversion rights of the Convertible Bonds. None of the Convertible Bonds will be offered to the public in Hong Kong. As far as the Company is aware, the Convertible Bonds have been placed to more than six parties who themselves and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company. The Convertible Bonds will not be offered in the United States, Canada or Japan. The offer of the Convertible Bonds may be subject to stabilisation activities conducted in accordance with applicable laws and regulations. Such stabilisation may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements and, if commenced, may be discontinued at any time.

Undertakings

The Company has amongst other things undertaken that neither it nor any of its subsidiaries or other affiliates over which it exercises management or voting control, nor any person acting on its or their behalf will, for a period of 90 days after the Closing Date (and if any convertible bonds are issued pursuant to the Increased-Issue Option, after the last Option Closing Date), without the prior written consent of Deutsche Bank (such consent not to be unreasonably withheld), issue, offer, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal), any Shares or securities convertible or exchangeable into or exercisable for Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares, except the exercise of conversion rights pursuant to the conversion provisions of the Convertible Bonds and any other obligations in existence at the date of the Subscription Agreement and disclosed to Deutsche Bank in writing.

The Major Shareholders have undertaken not to sell any Shares or enter into transactions that have an effect similar to a sale as described in the Subscription Agreement for a period of 90 days after the Closing Date (and if any convertible bonds are issued pursuant to the Increased-Issue Option, after the last Option Closing Date) (as defined under the Subscription Agreement).

Conditions of the Subscription Agreement

Completion of the Subscription Agreement is conditional upon, amongst other things:

1. the execution of a trust deed constituting the Convertible Bonds and incorporating the terms and conditions of the Convertible Bonds and a paying and conversion agency agreement, each in a form satisfactory to Deutsche Bank and certain other documentation ancillary to the transactions described in the Subscription Agreement in forms to be agreed by Deutsche Bank and the other parties to that documentation such as a trustee and paying and conversion agents; and
2. the Listing Committee of the Stock Exchange of Hong Kong granting listings of, and permission to deal in, the Convertible Bonds and the Shares which may fall to be issued upon conversion of the Convertible Bonds.

Termination

The Subscription Agreement may be terminated in certain circumstances. In particular, Deutsche Bank may terminate the Subscription Agreement forthwith by notice in writing to the Company given at any time on or prior to the payment of the net subscription monies for the Convertible Bonds if:

- A. Deutsche Bank is not satisfied with the results of a due diligence investigation of the Group for the purposes of the preparation of the information memorandum to be published in connection with the issue of the Convertible Bonds, and the information memorandum is not prepared in form and content satisfactory to Deutsche Bank on or before the date to be agreed for its publication;
- B. there shall have come to the notice of Deutsche Bank any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure by the Company to perform any of its undertakings or agreements in the Subscription Agreement;
- C. there shall have occurred any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls which would in Deutsche Bank's view be likely to prejudice materially the success of the offer of the Convertible Bonds to potential investors or the distribution of the Convertible Bonds or dealings in the Convertible Bonds in the secondary market;
- D. there shall have occurred a general moratorium on commercial banking activities in the People's Republic of China ("PRC") or the United Kingdom or United States or Hong Kong by any PRC, United Kingdom, New York State, United States Federal or Hong Kong authorities which would in Deutsche Bank's view be likely to prejudice materially the success of the offer and distribution of the Convertible Bonds or dealings in the Convertible Bonds in the secondary market;
- E. there shall have occurred an outbreak or escalation of hostilities or act of terrorism which would in Deutsche Bank's view be likely to prejudice materially the success of the offering or the distribution of the Convertible Bonds or dealings in the Convertible Bonds in the secondary market; or
- F. on or after the date of the Subscription Agreement there shall have occurred either of the following: (i) a suspension or material limitation of trading in securities generally on the New York Stock Exchange, the Nasdaq Stock Market, Inc., the London Stock Exchange plc or the Hong Kong Stock Exchange; or (ii) a suspension in trading in the Company's securities on the Hong Kong Stock Exchange, which would in Deutsche Bank's view be likely to prejudice materially the success of the offering or the distribution of the Convertible Bonds or dealings in the Convertible Bonds in the secondary market.

Subject to the foregoing, the Subscription Agreement is expected to be completed, and the Convertible Bonds to be issued, on the Closing Date.

The aggregate principal amount of the Convertible Bonds of HK\$800 million (the Increased-Issue Option having been exercised in full) will on issue be convertible into approximately 95,579,450 new Shares at the initial Conversion Price of HK\$8.37 per Share, representing approximately 17.06% of the existing issued share capital and 14.57% of the issued share capital as enlarged by the Shares to be issued upon conversion of the Convertible Bonds.

The Conversion Price of HK\$8.37 per Share represents a premium of 35% to the closing price of the Shares of HK\$6.2 at 2:31 p.m. on 19 April, 2006 when the Shares were last traded before its suspension and a premium of 32.0% and 32.1% to HK\$6.342 and HK\$6.335 respectively (being the 10 day and five day weighted average prices respectively of the Shares over the 10 and five trading days up to and including 2:31 p.m. on 19 April, 2006 when the Shares were last traded before its suspension). The 35% premium is the result of arms length negotiations between the Company and Deutsche Bank and, the Directors believe, reflects investor interest in the Company.

GENERAL MANDATE

The Shares issuable upon conversion of the Convertible Bonds will be issued and allotted by the Company pursuant to the general mandate granted to the Directors at the special general meeting held on 25 May, 2005 (the “2005 General Mandate”) which permits the issue and allotment of up to 112,075,657 Shares subject to the terms of the 2005 General Mandate. No Shares have since been issued under that mandate. Consequently, the 2005 General Mandate has not been utilised prior to the Subscription Agreement.

The terms and conditions of the Convertible Bonds provide that the Company shall not issue Shares in excess of that permitted under the Listing Rules, which currently is equivalent to the 2005 General Mandate. Consequently, in accordance with such term, the Company will not issue more than 112,075,657 Shares upon conversion of the Convertible Bonds. If due to the adjustments of the Conversion Price pursuant to the terms and conditions of the Convertible Bonds or the exercise, at the option of the Company, of the Conversion Price reset referred to below, the number of Shares to be issued upon conversion of the Convertible Bonds would exceed the 2005 General Mandate, the Company will only issue the Shares up to the 2005 General Mandate and shall pay out the remaining balance in cash by exercising the cash settlement option afforded to the Company under the terms and conditions of the Convertible Bonds. In those circumstances, payments will be the Cash Equivalent.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The principal material terms of the Convertible Bonds, which will be constituted by a trust deed to be entered into between the Company and a trustee to be appointed and the Directors consider should be drawn to the attention of the shareholders in this announcement are summarised as follows:

Principal Amount

The aggregate principal amount of the Convertible Bonds will be HK\$800 million, including the Increased-Issue Option of HK\$200 million which has been exercised in full.

Issue Price

100% of the principal amount of the Convertible Bonds.

Redemption Price at Maturity

124.01% of the principal amount of the Convertible Bonds representing a gross yield of 4.35% per annum, calculated on a semi-annual basis.

Interest

Save for default interest at the rate of 5% per annum, the Convertible Bonds will carry no interest.

Conversion Price

The Convertible Bonds will be convertible into Shares at an initial conversion price of HK\$8.37 per Share. The Conversion Price will be subject to adjustment for, among other things, subdivision or consolidation of Shares, bonus issues, rights issues and other dilutive events.

Conversion Price Reset

If the arithmetic average of the closing price of the Shares for each day during the 15 consecutive Stock Exchange trading days ending 60 days before each anniversary of the Closing Date of the Convertible Bonds is less than the Conversion Price then in effect, the Conversion Price may be adjusted downwards at the discretion and option of the Company, such that the adjusted Conversion Price in no event shall be less than 80% of the initial Conversion Price. The Company is at liberty to determine the price at which the Conversion Price will be reset, subject to the provisos above. In determining whether or not to exercise such Conversion Price reset, the Company would take into account, amongst others, market conditions at the time, including but not limited to whether the market price per Share is lower than the prevailing Conversion Price. If the Conversion Price were to be reset to 80% of the initial Conversion Price, the Convertible Bonds will be convertible into approximately 119,474,313 Shares (see also the second paragraph under the paragraph headed “General Mandate” above).

Any such adjustment to the Conversion Price shall only be a downward adjustment.

Conversion Rights

Holders of the Convertible Bonds will have the right at any time on or after 15 days from the Closing Date up to, and including, the close of business on the business day 15 days prior to the Maturity Date to convert the Convertible Bonds into Shares at the Conversion Price, subject to adjustment. Conversion of the Convertible Bonds by persons other than residents of Hong Kong may be subject to certain restrictions under local laws.

Shares issued on conversion will rank *pari passu* in all respects with the Shares in issue as at the conversion date in all respects and will entitle the holders thereof to receive all future dividends and distributions which are declared, made or paid after the date of allotment of such Shares.

Term of Convertible Bonds

Five years; due 2011.

Transfer

The Convertible Bonds will be transferable without restrictions.

The Company will inform the Stock Exchange as soon as it receives notice that the Convertible Bonds are placed or transferred to connected persons of the Company (as “connected person” is defined in the Listing Rules).

Redemption

Unless previously redeemed, purchased and cancelled or converted, the Convertible Bonds will be redeemed at 124.01% of their principal amount in Hong Kong dollars on the Maturity Date, which is expected to give a gross yield of 4.35% per annum, calculated on a semi-annual basis, from the Closing Date of the Convertible Bond Issue to the Maturity Date.

Redemption Option

On the Put Option Date, holders of the Convertible Bonds will have the right at their option, to require the Company to redeem all or part only of the Convertible Bonds at 111.36% of the principal amount of the Convertible Bonds being redeemed.

Upon the occurrence of a Change of Control or the Shares ceasing to be listed on the Stock Exchange, the holder of each Convertible Bond will have the right at such holder’s option, to require the Company to redeem in whole but not in part the Convertible Bonds at the Early Redemption Amount.

Redemption at the Option of the Company

On or at any time after the Redemption Date and prior to the Maturity Date, the Company may redeem all the Convertible Bonds at a redemption price equal to the Early Redemption Amount on the redemption date. No such redemption prior to the Maturity Date may be made unless (i) the closing price of the Shares for each of the 30 consecutive trading days, the last which falls within five trading days prior to the date upon which notice of such redemption is given was at least 130 per cent. of the applicable Early Redemption Amount in effect on such trading day divided by the Conversion Ratio or (ii) at least 90 per cent. in principal amount of the Convertible Bonds has already been converted, redeemed or purchased and cancelled.

The “Early Redemption Amount” of a Convertible Bond, for each HK\$10,000 principal amount of the Convertible Bonds, is determined so that it represents for the holder a gross yield of 4.35% per annum, calculated on a semi-annual basis.

Form of the Convertible Bonds

The Convertible Bonds will be in registered form only and in denominations of HK\$10,000 each.

Ranking of the Convertible Bonds

The Convertible Bonds will rank as direct, unsubordinated, unconditional and unsecured obligations of the Company and will at all times rank *pari passu* and without any preference or priority among themselves.

Listing in the Stock Exchange

The Company will apply to the Stock Exchange for the listings of, and permission to deal in, the Convertible Bonds and the Shares to be issued upon conversion of the Convertible Bonds. No application will be made for the listings of, and permission to deal in, the Convertible Bonds or such Shares on any other stock exchange.

CHANGES TO THE SHAREHOLDING IN THE COMPANY AS A RESULT OF CONVERSION

Assuming that no other issue of Shares is made by the Company before conversion of the Convertible Bonds, the holding of the Major Shareholders after full conversion of the Convertible Bonds at the initial Conversion Price (the Increased-Issue Option having been exercised in full) will be approximately 46.48% of the enlarged issued share capital of the Company. The following table illustrates the change of shareholding structure of the Company as a result of the conversion (assuming the total number of Shares in issue remain unchanged from the date hereof):

Name of Shareholder	As at the date of the Subscription Agreement		Assuming the Convertible Bonds are fully converted into Shares at HK\$8.37 per Share (assuming no price resetting on first anniversary date)		Assuming the Convertible Bonds are fully converted into Shares at HK\$6.70 per Share (assuming price resetting to 80% of the Conversion Price)	
	No. of Shares	Approx. % to issued share capital of the Company	No. of Shares	Approx. % to enlarged issued share capital of the Company	No. of Shares	Approx. % to enlarged issued share capital of the Company
Sheffield Holdings Company Limited (Note 1)	58,197,360	10.39%	58,197,360	8.87%	58,197,360	8.65%
Reeds Limited (Note 1)	57,600,000	10.28%	57,600,000	8.78%	57,600,000	8.57%
Runaway Holdings Limited (Note 1)	57,600,000	10.28%	57,600,000	8.78%	57,600,000	8.57%
Derby Holdings Company Limited (Note 1)	48,000,000	8.56%	48,000,000	7.32%	48,000,000	7.14%
Polar Bear Holdings Limited (Note 1)	48,000,000	8.56%	48,000,000	7.32%	48,000,000	7.14%
Bristol Investments Limited (Note 1)	18,000,000	3.21%	18,000,000	2.74%	18,000,000	2.68%
Boston Investments Limited (Note 2)	17,478,241	3.12%	17,478,241	2.66%	17,478,241	2.60%
Connected persons/Directors	29,779,500	5.31%	29,779,500	4.54%	29,779,500	4.43%
Shares issued under the Convertible Bonds	Nil	0%	95,579,450	14.57%	112,075,657	16.67%
					(Note 3)	
Other public shareholders	225,723,184	40.28%	225,723,184	34.41%	225,723,184	33.57%
Total	<u>560,378,285</u>	<u>100%</u>	<u>655,957,735</u>	<u>100%</u>	<u>672,453,942</u>	<u>100%</u>

Note 1: Sheffield Holdings Company Limited, Reeds Limited, Runaway Holdings Limited, Derby Holdings Company Limited, Polar Bear Holdings Limited and Bristol Investments Limited are wholly owned subsidiaries of GBOGH Assets Limited, a company wholly owned by a discretionary trust the beneficiaries of which include Mr. Fong Kwok Leung, Kevin, Mr. Fong Kwok Chung, Bill and other Fong's family members.

Note 2: Boston Investments Limited is a company wholly owned by a discretionary trust the discretionary objects of which include Fong Kwok Leung, Kevin, Fong Kwok Chung, Bill and other Fong's family members.

Note 3: Under the 2005 General Mandate, a maximum of 112,075,657 Shares will be issued and any other Shares which fall to be issued upon conversion of the Convertible Bonds will be satisfied by the Cash Equivalent.

REASONS FOR AND BENEFITS OF THE CONVERTIBLE BOND ISSUE

The Convertible Bond Issue will, upon completion, raise funds for the Company of an aggregate gross sum of HK\$800 million (including the Increased-Issue Option which has been exercised in full). The estimated net proceeds of the Convertible Bond Issue (the Increased-Issue Option having been exercised in full), after deduction of commission and administrative expenses are HK\$773 million. At present the Directors intend that the net proceeds will be applied:

- as to approximately HK\$503 million towards the establishment of new production facilities in Shenzhen so as to consolidate, in one location, existing production facilities in different parts of Shenzhen;
- as to approximately HK\$140 million for possible future acquisitions or potential joint ventures of businesses related to the Group's core business. Apart from the above, the Directors have not identified any specific investment targets at present; and
- the remaining proceeds of approximately HK\$130 million to fund the Group's general working capital.

To the extent funds are not immediately used for the above, they will either be deposited with banks, invested in money market instruments and/or utilised to enhance the Group's general working capital.

The Directors may review and vary the purpose for which the proceeds are used in light of what they consider to be the optimal use of proceeds from time to time. Further announcements will be made if necessary, in the event of material change to the use of proceeds. This issue of Convertible Bonds will also improve the liquidity position of the Group as well as potentially enhance the equity base and reduce the financing costs of the Group.

The net proceeds of the Convertible Bonds will be recognised as assets of the Company in its consolidated balance sheet and the liability to the holders of the Convertible Bonds will be recognised as a liability accordingly. The estimated expenses of approximately HK\$27 million relating to the issue of the Convertible Bonds will not have a material effect on the net assets and liabilities of the Company as a result.

The Company has not carried out any equity fund raising activities in the last 12 months.

INFORMATION ON THE GROUP

The Company is an investment holding company with its subsidiaries principally engaged in the manufacture and sale of dyeing and finishing machines, trading of stainless steel supplies and manufacture and sale of stainless steel casting products.

TRADING

Trading in the Shares was suspended from 2:31 p.m. on Wednesday, 19 April, 2006 pending the release of this announcement. Application has been made for the resumption of trading in the Shares on the Stock Exchange at 9:30 a.m. on Thursday, 20 April 2006.

Shareholders and investors should exercise caution in dealing in the securities of the Company.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, the following terms have the meanings set opposite them:

“Cash Equivalent”	to the extent the Company elects to pay cash, in whole or in part, in satisfaction of its obligation to deliver Shares upon conversion of the Convertible Bonds, such cash payment equivalent to the number of Shares that would otherwise have been delivered multiplied by the weighted average of market price of the Shares prior to conversion and calculated in accordance with the terms and condition of the Convertible Bonds
“Change of Control”	occurs when: <ol style="list-style-type: none">(i) any Person or Persons acting together acquires Control of the Company if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Company on the Closing Date;(ii) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company’s assets to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Company or the successor entity; or(iii) one or more Persons (other than any Person referred to in sub-paragraph (i) above) acquires the legal or beneficial ownership of all or substantially all of the Company’s issued share capital.
“Closing Date”	the date (expected to be on or around 10 May, 2006) on which the Convertible Bonds are first issued
“Company”	Fong’s Industries Company Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Control”	the right to appoint and/or remove all or the majority of the members of the Company’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise
“Conversion Price”	the price per Share at which the Convertible Bonds may be converted into Shares
“Conversion Ratio”	the principal amount of each Convertible Bond divided by the applicable Conversion Price
“Convertible Bond Issue”	the subscription and issue of the Convertible Bonds with an aggregate principal amount of HK\$800 million (including the Increased-Issue Option which has been exercised in full) under the Subscription Agreement

“Convertible Bonds”	the Convertible Bonds of an aggregate principal amount of HK\$800 million (including the Increased-Issue Option which has been exercised in full) to be subscribed by Deutsche Bank
“Deutsche Bank”	Deutsche Bank AG, Hong Kong Branch, a deemed registered institution under the Securities and Futures Ordinance registered for type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) as defined under the Securities and Futures Ordinance and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
“Directors”	directors of the Company
“Early Redemption Amount”	in relation to a Convertible Bond means the accreted value of that Convertible Bond up to the date of redemption
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Increased-Issue Option”	the Increased-Issue Option granted by the Company to Deutsche Bank pursuant to which Deutsche Bank may require the Company to issue optional bonds with an aggregate principal amount up to HK\$200 million, and which has been exercised, in full, on 19 April, 2006
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Major Shareholders”	Sheffield Holdings Company Limited, Reeds Limited, Runaway Holdings Limited, Derby Holdings Company Limited, Polar Bear Holdings Limited, Bristol Investments Limited and Boston Investments Limited are the major shareholders of the Company interested in aggregate in approximately 54.4% of the existing issued share capital of the Company
“Maturity Date”	the fifth anniversary of the Closing Date of the Convertible Bond Issue
“Option Closing Date”	the date on which Convertible Bonds are to be issued on exercise of the Increased-Issue Option
“Person”	includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Company’s directors or any other governing board and does not include the Company’s wholly-owned direct or indirect subsidiaries
“Put Option Date”	on or about 10 November, 2008
“Redemption Date”	on or about 10 November, 2008
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	a conditional subscription agreement entered into between, the Company and Deutsche Bank on 19 April, 2006 in connection with the issue by the Company of the Convertible Bonds with an aggregate principal amount of HK\$800 million (including the Increased-Issue Option which has been exercised in full on 19 April, 2006)
“United States” or “US”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia

The following are the directors of the Company at the date of this announcement:

Executive Directors

Mr. Fong Sou Lam (*Chairman*)

Mr. Wan Wai Yung (*Managing Director*)

Mr. Fong Kwok Leung Kevin

Mr. Fong Kwok Chung Bill

Dr. Tsui Tak Ming William

Ms. Poon Hang Sim Blanche

Mr. Tsui Wai Keung

Independent non-executive Directors

Mr. Cheung Chiu Fan

Mr. Lui Chi Lung Louis

Dr. Yuen Ming Fai

On behalf of the Board

Fong Sou Lam

Chairman

Hong Kong, 19 April 2006

Please also refer to the published version of this announcement in The Standard.