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WELL ORIENT LIMITED

(Incorporated in Hong Kong with limited liability)

GROUP DRAGON INVESTMENTS LIMITED

(Incorporated in British Virgin Islands with limited liability)

**FURTHER CLARIFICATION OF BASIS FOR ACCEPTANCES OF THE GDI OFFER
AND
DESPATCH OF COMPOSITE OFFER AND RESPONSE DOCUMENT**

The Directors wish to further clarify that the GDI Offer will be made for every five GDI Shares held by the GDI Shareholders and a pro rated portion of the consideration will be paid in respect of the acceptances of the GDI Offer for any greater and lesser number of GDI Shares, except that **no fraction of a Hanny Share or a Hanny Bond will be issued.**

A composite offer and response document in relation to the GDI Offer has been sent to the GDI Shareholders on 26 May 2006.

Reference are made to the joint announcement dated 19 April 2005 (the “First Announcement”) issued by Hanny Holdings Limited (“Hanny”, together with its subsidiaries, the “Hanny Group”), China Strategic, Well Orient Limited (the “Offeror” or “Well Orient”), Nation Field Limited and GDI, the joint announcement issued by Hanny and Well Orient dated 8 May 2006 (the “Second Announcement”), and the circular dated 14 September 2005 issued by Hanny (the “Circular”) relating to, among other things, the possible voluntary offer to be made for all the shares in GDI. Terms used herein shall have the same meanings as those defined in the Circular unless the context requires otherwise.

As stated in the First Announcement, subject to the approval by the Independent Shareholders of the GDI Offer and completion of the China Strategic Group Reorganisation, Somerley, on behalf of Well Orient, will make a voluntary offer to the shareholders of GDI (including Paul Y) to acquire all the GDI Shares, other than those owned or agreed to be acquired by Well Orient, its associates and parties acting in concert with it, on the following basis:

Option 1:

For every five GDI Shares..... one Share plus HK\$1.8 in cash

Option 2:

For every five GDI Shares..... one Hanny Bond with face value of HK\$15.0

As stated in the Second Announcement, in order to facilitate acceptances by professional custodians on behalf of their clients, Well Orient decided that all Independent China Strategic Shareholders and Paul Y can either accept Option 1 or Option 2 or a combination of both, in respect of the GDI Offer, to preserve equality of treatment to all China Strategic Shareholders as required under the general principles of the Takeovers Code. Well Orient wishes to further clarify that the GDI Offer will be made for every five GDI Shares held by the GDI Shareholders and a pro rated portion of the consideration will be paid in respect of the acceptances of the GDI Offer for any greater and lesser number of GDI Shares, except that **no fraction of a Hanny Share or a Hanny Bond will be issued**. Details of calculation were set out in the composite document dated 26 May 2006 (as referred below) issued by Well Orient and GDI.

DESPATCH OF THE COMPOSITE DOCUMENT

The respective board of directors of Hanny, Well Orient and GDI also announce that copies of the composite offer and response document (the “Document”) containing detailed information in relation to, among other things, (i) the GDI Offer; (ii) the Hanny Group and the GDI Group; and (iii) the advice from the independent financial adviser to the qualifying GDI Shareholders in relation to the GDI Offer have been despatched to the GDI Shareholders on 26 May 2006.

Qualifying GDI Shareholders are advised to read the Document, in particular, the letter of advice of the independent financial adviser to the qualifying GDI Shareholders before taking any action in relation to the GDI Offer.

EXPECTED TIMETABLE

2006

Commencement of the GDI Offer Friday, 26 May

Latest time and date for acceptance
of the GDI Offer (*Note 1*) 4:00 p.m. on Friday, 16 June

The closing date of the GDI Offer
 (“Closing Date”) (*Note 2*) Friday, 16 June

Announcement of the results
of the GDI Offer to be posted on the website
of the Stock Exchange 7:00 p.m. on Friday, 16 June

Announcement of the results of the GDI Offer
to be published in the newspapers Monday, 19 June

Latest date for posting of remittances for the
amounts due under the GDI Offer in respect of
valid acceptances received thereunder (*Note 3*) Monday, 26 June

Notes:

1. Acceptances of the GDI Offer shall be irrevocable and not be capable of being withdrawn subject to compliance by the Offeror with Rule 19 of the Takeovers Code.
2. The GDI Offer, which is unconditional, will close on Friday, 16 June 2006 unless the Offeror revises or extends the GDI Offer in accordance with the Takeovers Code. The Offeror reserves the right to extend the GDI Offer until such date as it may determine. The Offeror will issue an announcement on the website of the Stock Exchange by 7:00 p.m. on the Closing Date as to whether the GDI Offer has expired, or in relation to any extension or revision of the GDI Offer to state either the next Closing Date or that the GDI Offer will remain open until further notice. Such announcement will be republished in the newspapers on the next business day thereafter. If the Offeror decides to extend or revise the GDI Offer and in the event that the aforesaid announcement in relation to the extension of the GDI Offer does not state the next Closing Date, at least 14 days' notice in writing will be given before the GDI Offer is closed to those qualifying GDI Shareholders who have not accepted the GDI Offer.
3. Remittances in respect of the GDI Shares tendered under the GDI Offer will be posted to the relevant qualifying GDI Shareholders by ordinary post at their own risk within 10 days of the date of receipt by Standard Registrars Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong of all the relevant documents which render the relevant acceptances under the GDI Offer complete and valid.

No solicitation relating to the offer for GDI Shares, including the solicitation of any acceptance of such offer, is being made or will be made, directly or indirectly, in the United States, and neither Somerley, Hanny, Well Orient, nor GDI is soliciting any acceptance of the offer from any holder of such GDI Shares in the United States. Copies of this announcement are not being mailed or otherwise distributed or sent in or into or made available in the United States. Persons receiving this announcement must not distribute or send such documents or any related documents in, into or from the United States.

As at the date of this announcement, the directors of Hanny are as follows:

Executive Directors:

Dr. Chan Kwok Keung, Charles (*Chairman*)

Dr. Yap, Allan (*Managing Director*)

Mr. Lui Siu Tsuen, Richard (*Deputy Managing Director*)

Independent Non-executive Directors:

Mr. Yuen Tin Fan, Francis

Mr. Kwok Ka Lap, Alva

Mr. Wong King Lam, Joseph

Mr. Sin Chi Fai

As at the date of this announcement, the directors of Well Orient are Dr. Yap, Allan and Mr. Lui Siu Tsuen, Richard.

As at the date of this announcement, the directors of GDI are as follows:

Executive Directors:

Dr. Chan Kwok Keung, Charles

Dr. Yap, Allan

Ms. Chau Mei Wah, Rosanna

Ms. Chan Ling, Eva

Mr. Li Bo

Mr. Chan Kwok Hung (*alternate to Dr. Chan Kwok Keung, Charles*)

Mr. Lui Siu Tsuen, Richard (*alternate to Dr. Yap, Allan*)

By order of the board
HANNY HOLDINGS LIMITED
Dr. Chan Kwok Keung, Charles
Chairman

By order of the board
WELL ORIENT LIMITED
Lui Siu Tsuen, Richard
Director

By order of the board
GROUP DRAGON
INVESTMENTS LIMITED
Chan Ling, Eva
Director

Hong Kong, 26 May 2006

The directors of Hanny and Well Orient jointly and severally accept full responsibility for the accuracy of the information contained in this announcement other than that relating to GDI and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement other than those relating to GDI have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The directors of GDI jointly and severally accept full responsibility for the accuracy of the information contained in this announcement other than that relating to Hanny and Well Orient and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement other than those relating to Hanny and Well Orient have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

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