
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Allied Properties (H.K.) Limited, you should at once hand this circular, the accompanying form of proxy, the 2004 Annual Report and the notice convening the annual general meeting to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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ALLIED PROPERTIES (H.K.) LIMITED

(聯合地產 (香港) 有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 56)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE SECURITIES AND REPURCHASE SHARES
AND
AMENDMENTS TO ARTICLES OF ASSOCIATION**

Accompanying this circular and the 2004 Annual Report is a notice convening the annual general meeting of Allied Properties (H.K.) Limited to be held at Plaza 5, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 3rd June, 2005 at 9:00 a.m.. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the registered office of Allied Properties (H.K.) Limited at 22nd Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the meeting or any adjournment thereof if they so wish.

28th April, 2005

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DEFINITIONS

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

“Allied Group”	Allied Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange and the ultimate holding company of the Company
“AGM”	the annual general meeting of the Company to be held on Friday, 3rd June, 2005 at 9:00 a.m.
“Articles”	the articles of association of the Company
“Board”	the board of Directors
“Company”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	21st April, 2005, 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
“Repurchase Code”	Hong Kong Code on Share Repurchases
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$2.00 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“2004 Warrants”	the warrants of the Company conferring rights to subscribe for Shares in cash at a subscription price of HK\$2.50 per Share at any time on or before 6th December, 2004
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“2004 Annual Report”	annual report of the Company for the year of 2004
“%”	per cent.

LETTER FROM THE BOARD



ALLIED PROPERTIES (H.K.) LIMITED (聯合地產(香港)有限公司)

(Incorporated in Hong Kong with limited liability)

Executive Directors:

Patrick Lee Seng Wei (*Chief Executive*)
Li Chi Kong

Non-Executive Directors:

Henry Lai Hin Wing
Steven Lee Siu Chung

Independent Non-Executive Directors:

Gordon Macwhinnie (*Non-Executive Chairman*)
John Douglas Mackie
Steven Samuel Zoellner

Registered Office:

22nd Floor
Allied Kajima Building
138 Gloucester Road
Wanchai
Hong Kong

28th April, 2005

To the Shareholders,

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE SECURITIES AND REPURCHASE SHARES
AND
AMENDMENTS TO ARTICLES OF ASSOCIATION**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to (i) the re-election of Directors; (ii) the granting to the Directors of general mandates for the issue securities and repurchase of Shares up to 20% and 10% respectively of the aggregate nominal amount of the Company's issued share capital as at the date of the passing of such resolutions; and (iii) the proposed amendments to the existing Articles.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

The Board currently consists of seven Directors, namely Sir Gordon Macwhinnie, Messrs. Patrick Lee Seng Wei, Li Chi Kong, Henry Lai Hin Wing, Steven Lee Siu Chung, John Douglas Mackie and Steven Samuel Zoellner.

Pursuant to Article 105(A) of the existing Articles, at each annual general meeting of the Company, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office, provided that no Director holding office as executive chairman or as a managing director or as a chief executive shall be subject to retirement by rotation or taken into account in determining the number of Directors to retire. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election. Pursuant to Article 96 of the existing Articles, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Pursuant to Article 105(A) of the existing Articles, Messrs. Li Chi Kong and Henry Lai Hin Wing shall retire by rotation and, being eligible, offer themselves for re-election at the AGM. In addition, Messrs. Steven Lee Siu Chung and Steven Samuel Zoellner, being Directors appointed by the Board after the Company's last annual general meeting held on 7th June, 2004, will hold office only until the AGM pursuant to Article 96 of the existing Articles and, being eligible, offer themselves for re-appointment as Director. All the retiring Directors are eligible for re-election.

Article 109 of the existing Articles provides that no person other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company during the period commencing no earlier than the day after the despatch of the notice of the general meeting appointed for such election and ending no later than seven days prior to the date of such general meeting.

Accordingly, if a Shareholder wishes to nominate a person to stand for election as a Director at the AGM, notice of his intention to propose such person for election as a Director and the notice executed by the nominee of his willingness to be elected must be validly served at the registered office of the Company at 22nd Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong on or before 26th May, 2005.

LETTER FROM THE BOARD

A brief biographical details of the retiring Directors are set out in Appendix I to this circular. If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is received after the printing of this circular, the Company will issue a supplementary circular to inform Shareholders of the details of the additional candidate proposed.

GENERAL MANDATES TO ISSUE SECURITIES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 7th June, 2004, ordinary resolutions were passed for the granting of general mandates to the Directors (i) to allot, issue and deal with additional securities of the Company up to 20% of the aggregate nominal amount of the share capital of the Company in issue at that date (“Existing Issue Mandate”) and (ii) to repurchase Shares up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at that date and 10% of the 2004 Warrants (“Existing Repurchase Mandate”).

The Existing Issue Mandate and the Existing Repurchase Mandate will expire upon the conclusion of the AGM. The Directors consider that the Existing Issue Mandate and the Existing Repurchase Mandate increase the flexibility in the Company’s affairs and are in the interests of the Shareholders, and that the same shall continue to be adopted by the Company.

New general mandates to allot, issue and deal with additional securities of the Company up to 20% of the issued share capital of the Company and to repurchase Shares up to 10% of the issued share capital of the Company as at the date of passing of the resolutions (“Share Repurchase Mandate”) as set out in Resolutions 6(A) and 6(B) respectively of the notice will be proposed at the AGM. Resolution authorising the extension of the general mandate to the Directors to issue securities to include the aggregate nominal amount of such Shares repurchased (if any) under the Share Repurchase Mandate is to be proposed as Resolution 6(C) at the AGM.

With reference to the proposed new general mandates, the Directors wish to state that they have no immediate plans to issue any new securities or repurchase any Shares pursuant to the relevant mandates.

An explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to make an informed view on whether to vote for or against Resolution 6(B) to be proposed at the AGM in relation to the proposed general mandates to repurchase Shares are set out in Appendix II to this circular.

LETTER FROM THE BOARD

AMENDMENTS TO ARTICLES

Since the Company amended the Articles by a special resolution dated 7th June, 2004, a number of amendments were made to the Listing Rules, which include, inter alia, the replacement of the Code of Best Practice in Appendix 14 by a new code on Corporate Governance Practices (“Corporate Governance Code”) and the addition of a new Appendix 23 on the requirement for a Corporate Governance Report to be included in annual reports of listed issuers. The Company has reviewed its corporate governance practices with reference to the Code Provisions of the Corporate Governance Code and the existing Articles and considers that it is necessary to bring the existing Articles in line with the latest amended Listing Rules, in particular, the Code Provision A.4.2 of Appendix 14 which recommends that (a) every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years; and (b) all Directors appointed to fill a casual vacancy should be subject to election by Shareholders at the first general meeting after their appointment.

To ensure compliance with the latest amended Listing Rules, the Board considers that it is in the interest of the Company to amend the existing Articles.

Under the existing Articles, the Company may by special resolution in general meeting at any time alter or amend its memorandum and articles of association in whole or in part. Details of the proposed amendments to the existing Articles are set out in Appendix III to this circular.

AGM

Accompanying this circular and the 2004 Annual Report is a notice convening the AGM to be held at Plaza 5, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 3rd June, 2005 at 9:00 a.m.. Ordinary resolutions in respect of the re-election of the Directors and the general mandates to issue securities and repurchase Shares and a special resolution in respect of the amendments to the Articles as referred to above will be proposed at the AGM.

A form of proxy for use at the AGM is also enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company’s registered office at 22nd Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude the Shareholders from attending and voting in person at the AGM or any adjournment thereof if they so wish.

LETTER FROM THE BOARD

Pursuant to Article 75 of the existing Articles, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded: (i) by the Chairman of the meeting; or (ii) by at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or (iii) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or (iv) by a Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

RECOMMENDATION

The Directors consider that the proposed ordinary resolutions for approval of the re-election of the retiring Directors, the grant of general mandates to issue securities and repurchase Shares, and to add the aggregate nominal amount of Shares that may be repurchased to the aggregate nominal amount of the Shares that may be allotted pursuant to the general mandate to issue securities, and the proposed special resolution for the amendments to the Articles are each in the best interests of the Company and the Shareholders as a whole, and accordingly, recommend all Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,
For and on behalf of the Board
ALLIED PROPERTIES (H.K.) LIMITED
Sir Gordon Macwhinnie
Chairman

The biographical details of the Directors proposed to be re-elected at the forthcoming AGM are set out as follows:

Mr. Li Chi Kong, aged 51, a member of the Institute of Chartered Accountants of Scotland and a fellow of the Hong Kong Institute of Certified Public Accountants, was appointed Financial Controller and Executive Director of the Company in August 1997 and October 1999 respectively. He has broad experience in the finance and accounting field, having worked in two major audit firms and as group financial controller for several sizeable listed companies in Hong Kong. He is also an executive director of Tian An China Investments Company Limited (“Tian An”) and Shanghai Allied Cement Limited (“SAC”), and the group financial controller of Allied Group. Tian An, SAC and Allied Group are associated corporations of the Company within the meaning of Part XV of the SFO and the securities of which are listed on the Stock Exchange. Save as disclosed above, Mr. Li did not hold any other directorships in listed public companies during the past three years.

As at the Latest Practicable Date, Mr. Li had a personal interest in 600,000 underlying shares in SAC pursuant to the share option granted to him on 28th July, 2003 under the share option scheme of SAC adopted on 22nd May, 2002, which enabled the grantee to exercise the rights to subscribe for shares of SAC within the exercisable period from 28th January, 2004 to 27th July, 2013 at the exercise price of HK\$0.70 per share.

The term of Mr. Li’s appointment is subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles. Save as disclosed above, Mr. Li did not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company nor had he any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date. Mr. Li is not aware of any other matters that need to be brought to the attention of the holders of Shares.

Mr. Henry Lai Hin Wing, aged 48, was appointed an Independent Non-Executive Director of the Company in February 2001 and re-designated as a Non-Executive Director of the Company in September 2004. He is a partner of Messrs. P. C. Woo & Co., a firm of solicitors and notaries in Hong Kong, and has been practising in the legal field for more than twenty-two years. Graduated from the University of Hong Kong with a Bachelor of Law degree, Mr. Lai was admitted as a solicitor in Hong Kong, England and Wales and the State of Victoria, Australia. Mr. Lai is a Notary Public and a China Appointed Attesting Officer in Hong Kong. He also serves on the board of EVI Education Asia Limited, a company listed on the Stock Exchange. Mr. Lai was a director of Asia Telemedia Limited, G-Prop (Holdings) Limited and SAC, all are companies listed on the Stock Exchange. Save as disclosed above, Mr. Lai did not hold any other directorships in listed public companies during the past three years.

The term of Mr. Lai's appointment is subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles. There is a service agreement entered into between the Company and Mr. Lai, pursuant to which Mr. Lai is entitled to a consultancy fee of HK\$75,000 per annum. The emoluments of Mr. Lai are entirely based on the terms of his service agreement with the Company. Save as disclosed above, Mr. Lai did not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company nor had he any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date. Mr. Lai is not aware of any other matters that need to be brought to the attention of the holders of Shares.

Mr. Steven Lee Siu Chung, aged 57, was appointed a Non-Executive Director of the Company in September 2004. He is an associate member of the Chartered Institute of Bankers, London, U.K. He has over thirty-one years of working experience at senior management level in the banking and financial industry in Hong Kong and overseas. Mr. Lee is an employee of AG Capital Limited which is a wholly-owned subsidiary of Allied Group, a substantial shareholder of the Company within the meaning of Part XV of the SFO. He is also a non-executive director of SAC. Save as disclosed above, Mr. Lee did not hold any other directorships in listed public companies during the past three years.

As at the Latest Practicable Date, Mr. Lee had a personal interest in 200 shares in Allied Group and 1,000 shares in Sun Hung Kai & Co. Limited within the meaning of Part XV of the SFO.

The term of Mr. Lee's appointment is subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles. Save as disclosed above, he did not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company nor had he any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date. Mr. Lee is not aware of any other matters that need to be brought to the attention of the holders of Shares.

Mr. Steven Samuel Zoellner, aged 35, was appointed an Independent Non-Executive Director of the Company in September 2004. He graduated from the Scots College in Sydney, Australia and completed a real estate licensing course. Mr. Zoellner has been a real estate agent since 1987 and has extensive experience in the industry. Mr. Zoellner has been involved in some of the more prominent upper end residential sales and development sites in Australia. He has previously owned Elders Double Bay for the provision of a variety of real estate services which he sold in the year 2000. He is currently a senior sales executive of Laing & Simmons Double Bay which consistently sells the most exclusive real estate in Australia. Save as disclosed above, Mr. Zoellner did not hold any other directorships in listed public companies during the past three years.

The term of Mr. Zoellner's appointment is subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles. There is a service agreement entered into between the Company and Mr. Zoellner, pursuant to which Mr. Zoellner is entitled to a consultancy fee of HK\$40,000 per annum. Mr. Zoellner's emoluments as a Director of the Company are entirely based on the term of his service agreement with the Company. Save as disclosed above, Mr. Zoellner did not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company nor had he any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date. Mr. Zoellner is not aware of any other matters that need to be brought to the attention of the holders of Shares.

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the proposed Share Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK\$1,074,303,802 divided into 537,151,901 Shares.

Subject to the passing of the resolution granting the proposed mandate to repurchase Shares and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 53,715,190 Shares during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or earnings per share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and in circumstances where they consider that the Shares can be repurchased on the terms favourable to the Company. On the basis of the consolidated financial position of the Company as at 31st December, 2004, being the date to which the latest published audited financial statements of the Company were made up, the Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the currently prevailing market value, it may have a material adverse impact on the working capital position and gearing level of the Company. The Directors do not propose to exercise the mandate to repurchase Shares to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company as compared with the position disclosed in the latest published audited financial statements or the gearing level which, in the opinion of the Directors, are from time to time appropriate for the Company.

FUNDING OF REPURCHASES

Repurchases to be made pursuant to the proposed mandate to repurchase Shares would be financed out of funds legally available for the purpose in accordance with the Company's memorandum and articles of association and the applicable laws of Hong Kong and the Listing Rules. Such funds include, but are not limited to, profits available for distribution.

EFFECT OF THE TAKEOVERS CODE AND REPURCHASE CODE

Upon the exercise of the power to repurchase Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code and Rule 6 of the Repurchase Code. Accordingly, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and, depending on the level of increase of the Shareholders' interests, may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date and save as disclosed below, the Directors are not aware of any other person who is, 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 the Company.

Name of Shareholders	Number of Shares held	Approximate % of the issued share capital	Notes	Approximate % of the issued share capital should the Share Repurchase Mandate be exercised in full
Allied Group	401,764,059	74.79%	1	83.10%
Lee and Lee Trust and parties acting in concert with it	401,764,059	74.79%	1, 2 and 3	83.10%

- The interest includes the holding of (i) 167,061,619 Shares held by Capscore Limited ("Capcore"), (ii) 4,186,632 Shares held by Citiwealth Investment Limited ("Citiwealth"); (iii) 134,177,783 Shares held by Sunhill Investments Limited ("Sunhill"); and (iv) 96,338,025 Shares held by Allied Group. Capcore, Citiwealth and Sunhill are all wholly-owned subsidiaries of Allied Group. Allied Group was therefore deemed to have an interest in the Shares in which Capcore, Citiwealth and Sunhill were interested.
- The figure refers to the same interest of Allied Group in 401,764,059 Shares.
- Mr. Lee Seng Hui, Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. They together owned approximately 39.18% interest of the issued share capital of Allied Group and were therefore deemed to have an interest in the Shares in which Allied Group was interested.

As at the Latest Practicable Date, Lee and Lee Trust and parties acting in concert with it (including Allied Group) were interested in an aggregate of 401,764,059 Shares, representing approximately 74.79% of the issued share capital of the Company.

Based on such interest in Shares and assuming that no further Shares are issued or repurchased prior to the AGM and in the event that the Directors exercise in full the power to repurchase Shares under the Share Repurchase Mandate, the interest of Lee and Lee Trust together with parties acting in concert with it (including Allied Group) will be increased to approximately 83.10% of the issued share capital of the Company. Although such increase of interest will not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code, the amount of Shares held by the public will be reduced to less than 25% of the total issued share capital of the Company. The Directors have no present intention to repurchase Shares to such extent which will result in the amount of Shares held by the public being reduced to less than 25% if the Share Repurchase Mandate is approved at the AGM.

PRICE OF THE SHARES AND 2004 WARRANTS

The following table shows the highest and lowest prices at which the Shares and 2004 Warrants have been traded on the Stock Exchange in each of the past twelve months:

	Shares		2004 Warrants*	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2004				
April	3.525	3.100	1.250	1.110
May	3.250	2.700	0.920	0.850
June	3.100	2.750	0.920	0.670
July	3.025	2.800	0.750	0.600
August	3.350	2.850	0.850	0.650
September	3.600	3.275	1.000	0.800
October	3.600	3.275	1.000	0.850
November	4.200	3.500	1.590	0.940
December	4.100	3.750	1.360	1.340
2005				
January	4.500	4.075	–	–
February	5.750	4.350	–	–
March	5.650	5.050	–	–
April (up to the Latest Practicable Date)	5.450	5.050	–	–

* The 2004 Warrants expired at the close of business on 6th December, 2004.

REPURCHASE OF SECURITIES

No securities of the Company have been repurchased by the Company or any of its subsidiaries during the six months immediately preceding the Latest Practicable Date.

GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company or its subsidiaries if the Share Repurchase Mandate is exercised by the Company.

No connected persons of the Company (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any Shares to the Company, or have undertaken not to do so in the event that the Company is authorised to make repurchases of the Shares.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate to repurchase Shares in accordance with the Listing Rules and applicable laws of Hong Kong.

Details of the proposed amendments to the Articles are set out as follows:

1. ARTICLE 96

The existing Article 96 be amended by:

- (i) deleting the following sentence at the end of Article 96:

“Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.”; and

- (ii) replacing therewith the following sentence:

“Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election.”

2. ARTICLE 105(A)

The existing Article 105(A) be amended by:

- (i) deleting the following sentence at the beginning of Article 105(A):

“At each annual general meeting one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office, provided that no Director holding office as executive chairman or as a managing director or as a chief executive shall be subject to retirement by rotation or taken into account in determining the number of Directors to retire.”; and

- (ii) replacing therewith the following sentence:

“Notwithstanding any other provisions in these Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office such that each Director (including those appointed for a specific term) will be subject to retirement by rotation at least once every three years at the annual general meeting, provided always that any Director appointed pursuant to Article 96 shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.”

3. ARTICLE 120

The existing Article 120 be amended by deleting the words “the proviso to Article 105(A) and” on the third line.