
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 a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Hopson Development Holdings Limited (the “Company” and together with its subsidiaries, the “Group”), you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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合生創展集團有限公司*

HOPSON DEVELOPMENT HOLDINGS LIMITED

(Stock Code: 00754)

(Incorporated in Bermuda with limited liability)

website: <http://www.irasia.com/listco/hk/hopson>

**PROPOSALS FOR
RE-ELECTION OF RETIRING DIRECTORS
GENERAL MANDATE FOR THE REPURCHASE
BY THE COMPANY OF ITS OWN SHARES
AND
AMENDMENT TO BYE-LAWS**

A notice convening an annual general meeting (the “AGM” or the “Meeting”) of the shareholders (the “Shareholders”) of the Company to be held at Chater Room III, Function Room Level, The Ritz-Carlton, 3 Connaught Road Central, Hong Kong on Monday, 6th June, 2005 at 10:00 a.m. is set out on pages 9 to 12 of this circular. Whether or not you are able to attend the Meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the principal place of business of the Company at 19th Floor, Wyndham Place, 40-44 Wyndham Street, Central, 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 adjourned meeting thereof).

12th May, 2005

* *for identification purpose only*

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RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) for the purpose of giving information with regard to the Company. The directors (the “Directors”) of the Company collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

LETTER FROM THE BOARD



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HOPSON DEVELOPMENT HOLDINGS LIMITED

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Executive Directors:

CHU Mang Yee (*Chairman*)

XIANG Bin (*Deputy Chairman*)

WU Jiesi

TAM Lai Ling (*Deputy Managing Director*)

AU Wai Kin

CHEN Chang Ying

XIAO Yan Xia

Principal Office:

19th Floor

Wyndham Place

40-44 Wyndham Street

Central

Hong Kong

Registered Office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Independent Non-executive Directors:

YUEN Pak Yiu, Philip

LEE Tsung Hei, David

WONG Shing Kay, Oliver

12th May, 2005

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
RE-ELECTION OF RETIRING DIRECTORS
GENERAL MANDATE FOR THE REPURCHASE
BY THE COMPANY OF ITS OWN SHARES
AND
AMENDMENT TO BYE-LAWS**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM to, inter alia, re-elect the retiring Directors, renew the Repurchase Mandate (as defined below) and to approve the proposed amendment to the Bye-laws of the Company (the "Bye-laws").

* *for identification purpose only*

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Bye-law 87(1) of the Bye-laws, Mr. Au Wai Kin (“Mr. Au”) and Miss Xiao Yan Xia (“Miss Xiao”) will retire by rotation at the AGM and, being eligible, have offered themselves for re-election.

In accordance with Bye-law 86(2) of the Bye-laws, any Director appointed by the Board after the annual general meeting of the Company held on 24th May, 2004 will retire at the AGM. Accordingly, Mr. Wu Jiesi (“Mr. Wu”) and Mr. Tam Lai Ling (“Mr. Tam”) will retire from office and, being eligible, have offered themselves for re-election at the AGM.

Information of Mr. Au, Miss Xiao, Mr. Wu and Mr. Tam as required to be disclosed pursuant to rule 13.51(2) of the Listing Rules is set out below for the Shareholders’ consideration.

Mr. Au, aged 50, joined the Group in 1995 and is a director of various subsidiaries of the Company. He graduated from Zhongshan University, Guangzhou, the People’s Republic of China (“PRC”) and has over 20 years’ experience in building construction, town planning, real estate investment and property development. Mr. Au did not hold any directorship in other listed companies in the last 3 years.

Mr. Au has a service contract with the Company for an initial term of 3 years (subject to the termination provisions of the service contract) commencing from 1st January, 1998 and will continue thereafter until terminated by notice given by either party. Subject to the terms of Mr. Au’s service contract, after his re-election at the AGM, Mr. Au will continue to serve on the Board until he becomes due to retire by rotation again in accordance with the Bye-laws. Pursuant to Mr. Au’s service contract, he is entitled to, among other things, a salary of HK\$240,000 per annum and an annual discretionary bonus as determined by the Board, subject to the limit that the aggregate discretionary bonus payable to the Executive Directors in respect of any financial year shall not exceed 3 per cent. of the audited consolidated profit of the Group after taxation but before extraordinary items and the Executive Directors’ discretionary bonus for the relevant financial year.

Mr. Au does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders. As at 9th May, 2005 (the “Latest Practicable Date”), Mr. Au was interested in 37,500,000 shares of HK\$0.10 each in the capital of the Company (the “Shares”) within the meaning of Part XV of the Securities & Futures Ordinance (“SFO”). The said Shares were held as at the Latest Practicable Date through a company wholly-owned and controlled by him.

Miss Xiao, aged 43, joined the Group in 1995. She is presently the deputy general manager of the Company and a director of various subsidiaries of the Company. She holds a Master degree in Economics from Zhongshan University, Guangzhou, PRC. Miss Xiao has over 15 years’ experience in investment research and capital management. Miss Xiao did not hold any directorship in other listed companies in the last 3 years.

LETTER FROM THE BOARD

Miss Xiao has a service contract with the Company for an initial term of 3 years (subject to the termination provisions of the service contract) commencing from 18th April, 2004 and will continue thereafter until terminated by notice given by either party. Subject to the terms of Miss Xiao's service contract, after her re-election at the AGM, Miss Xiao will continue to serve on the Board until she becomes due to retire by rotation again in accordance with the Bye-laws. Pursuant to Miss Xiao's service contract, she is entitled to, among other things, a salary of HK\$240,000 per annum and an annual discretionary bonus as determined by the Board.

Miss Xiao does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders. As at the Latest Practicable Date, Miss Xiao had personal interest in 100,000 Shares within the meaning of Part XV of the SFO.

Mr. Wu, aged 53, joined the Group on 29th April, 2005. Mr. Wu was the chairman of Guangdong Yue Gang Investment Holdings Company Limited and GDH Limited. He was also the honorary president of Guangdong Investment Limited and Guangdong Tannery Limited prior to joining the Group. At present, he is an independent non-executive director of Beijing Enterprises Holdings Limited and China Insurance International Holdings Company Limited. Mr. Wu holds a Doctorate degree in Economics. He conducted post-doctorate research in theoretical economics at the Nankai University of the PRC and was conferred the professorship qualification by the university in 2001. Save as disclosed, Mr. Wu did not hold any directorship in other listed companies in the last 3 years.

Mr. Wu was with the Industrial and Commercial Bank of China from 1984 to 1995 and he was the president of the Shenzhen branch of the bank prior to his appointment as the Deputy Mayor of the Shenzhen Municipal Government. In his capacity as the Deputy Mayor between 1995 and 1998, he was responsible for finance, taxation, public revenue, securities, banking and education affairs. Mr. Wu was the assistant to the Governor of Guangdong Province from 1998 to February 2000 and assisted the Governor in handling the GITIC bankruptcy, the restructuring of Guangdong Enterprises (Holdings) Limited and other financial issues.

As at the Latest Practicable Date, Mr. Wu was not a director of and did not hold any executive position in any member of the Group. Mr. Wu is contracted to provide consultancy services to Guangdong Zhujiang Investment Limited ("Zhujiang Investment") which is a connected person of the Company under the Listing Rules. Zhujiang Investment is a substantial shareholder of certain subsidiaries of the Company and its indirect majority shareholder, Mr. Chu Hing Yee, is a brother of Mr. Chu Mang Yee, chairman of the Board. Save as disclosed, Mr. Wu does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders. Pursuant to the terms of Mr. Wu's service contract mentioned below, Mr. Wu is entitled to options to subscribe for 20,000,000 Shares. Options to subscribe for 10,000,000 Shares have already been granted to Mr. Wu. Save as disclosed, as at the Latest Practicable Date, Mr. Wu did not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Wu has a service contract with the Company for a term of 3 years (subject to the termination provisions of the service contract) commencing from 29th April, 2005. Subject to the terms of Mr. Wu's service contract and his re-election at the AGM and in accordance with the Bye-laws, Mr. Wu will serve on the Board for a period of approximately 3 years.

LETTER FROM THE BOARD

Pursuant to Mr. Wu's service contract, he is entitled to, among other things, an annual salary of HK\$5,000,000 and options to subscribe for 20,000,000 Shares.

Mr. Tam, aged 41, joined the Group on 29th April, 2005. He was a managing director (investment banking department) of ICEA Capital Limited prior to joining the Group. At present, he is an independent non-executive director of Tsingtao Brewery Company Limited. Mr. Tam graduated from the University of London with a Bachelor of Science degree in Mechanical Engineering. He also received a Doctorate degree from University of Cambridge. Mr. Tam is a U.S. Chartered Financial Analyst. Save as disclosed, Mr. Tam did not hold any directorship in other listed companies in the last 3 years.

Mr. Tam has extensive experience in corporate finance transactions in Hong Kong and the PRC. During his employment with ICEA Capital Limited from March 1998 to April 2005, Mr. Tam executed a wide variety of corporate finance transactions, including mergers and acquisitions, debt and equity financing, divestitures and debt restructuring. Prior to that he was an associate director of YTL Power International Berhad from April 1996 to January 1998. In that capacity he was involved in the listing of YTL Power on the Kuala Lumpur Stock Exchange and the execution of infrastructure projects.

As at the Latest Practicable Date, Mr. Tam was not a director of and did not hold any executive position in any member of the Group. Mr. Tam does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders. Pursuant to the terms of Mr. Tam's service contract mentioned below, Mr. Tam has been granted with options to subscribe for 10,000,000 Shares. Save as disclosed, as at the Latest Practicable Date, Mr. Tam did not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Tam has a service contract with the Company for a term of 3 years (subject to the termination provisions of the service contract) commencing from 29th April, 2005. Subject to the terms of Mr. Tam's service contract and his re-election at the AGM and in accordance with the Bye-laws, Mr. Tam will serve on the Board for a period of approximately 3 years.

Pursuant to Mr. Tam's service contract, he is entitled to, among other things, an annual salary of HK\$3,600,000 and options to subscribe for 10,000,000 Shares.

The emoluments of the Directors are determined by the Board (as authorised by the Shareholders at the annual general meeting) with reference to the Directors' duties and responsibilities, the Company's performance, as well as remuneration benchmark in the industry and the prevailing market conditions.

REPURCHASE MANDATE

At the last annual general meeting of the Company held on 24th May, 2004, a general mandate was given to the Directors to exercise the power of the Company to repurchase Shares (the "Repurchase Mandate"). Pursuant to the Listing Rules, the Repurchase Mandate will lapse at the conclusion of the AGM. It is therefore proposed to seek your approval of ordinary resolution No. 6.B. as set out in the notice of the AGM to renew the Repurchase Mandate. The explanatory statement required to be sent to Shareholders under the Listing Rules in connection with the proposed resolution for the approval of the renewal of the Repurchase Mandate is set out in Appendix I hereto.

LETTER FROM THE BOARD

AMENDMENT TO THE BYE-LAWS

The Stock Exchange has recently amended the Listing Rules for the purpose of implementing the Code on Corporate Governance Practices (the “Code”). In the Listing Rules, the Code replaces the Code of Best Practice in Appendix 14 of the Listing Rules. Pursuant to paragraph A.4.2 of the Code, every director should be subject to retirement by rotation at least once every 3 years. In order to ensure compliance with the said paragraph A.4.2 of the Code, the Directors therefore propose the special resolution as set out in the notice of the AGM to amend the existing Bye-law 87(1). The amendment has the affect of requiring every Director to be subject to retirement by rotation at the annual general meetings of the Company.

AGM AND POLL PROCEDURES

The notice convening the AGM is set out in Appendix II to this circular. At the AGM, amongst others, ordinary resolutions will be proposed to approve the re-election of the retiring Directors and the Repurchase Mandate and a special resolution will be proposed to approve the amendment to the Bye-laws. Shareholders should note that the English text of the proposed resolution to amend the Bye-laws contained in the AGM notice shall prevail over the Chinese text.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company’s principal place of business at 19th Floor, Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM should you so wish.

Details of the poll procedures are set out in Appendix III to this circular.

RECOMMENDATION

The Directors consider that the proposals for the re-election of the retiring Directors, and approval of the Repurchase Mandate and the proposed amendment to the Bye-laws are all in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend you to vote in favour of the relevant resolutions in the terms as set out in the notice of the AGM.

Yours faithfully,
By order of the Board
CHU Mang Yee
Chairman

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE

This explanatory statement includes information required under rule 10.06(1)(b) of the Listing Rules to be given to Shareholders in connection with the proposed resolution for the approval of the renewal of the Repurchase Mandate.

NUMBER OF SHARES WHICH MAY BE REPURCHASED

At the AGM to be held on 6th June, 2005, an ordinary resolution will be proposed for the renewal of the Repurchase Mandate. The Company's authority is restricted as regards purchases made on the Stock Exchange in accordance with the Listing Rules. The Listing Rules provide that the shares proposed to be repurchased by a company must be fully paid-up and all repurchases of shares by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders either by way of general mandate to the directors of the company to make such repurchases or by specific approval of a particular transaction. Under the Repurchase Mandate, the number of issued Shares that the Company is authorized to repurchase on the Stock Exchange may not exceed 10 per cent. of the issued share capital of the Company as at the date of passing the resolution granting the general mandate.

As at the Latest Practicable Date, there were in issue 1,003,000,000 Shares. Exercise in full of the Repurchase Mandate, if approved by the Shareholders at the AGM, on the basis that no further Shares are issued or repurchased prior to the date of the AGM, the Company has the authority to repurchase its own Shares up to 100,300,000 Shares during the period ending on the earliest 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 its Bye-laws or any applicable law or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company.

REASONS FOR REPURCHASES

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the flexibility to make such repurchases when appropriate and beneficial to the Company and its Shareholders. Such repurchases may enhance the net asset value of the Company and its assets and/or its earnings per Share.

FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum of Association of the Company and the Bye-laws and the applicable laws of Bermuda. The Company is empowered under its Memorandum of Association to repurchase Shares and the same authority is given under section 42A of the Companies Act 1981 of Bermuda. The Bye-laws supplement the Company's Memorandum of Association by providing that this power is exercisable by the Directors upon such terms and subject to such conditions as they think fit. The Companies Act 1981 of Bermuda provides that the funds permitted to be utilized in connection with a share repurchase may only be paid out of either the capital paid up on the relevant repurchased shares, or the funds of the company that would otherwise be available for dividend or distribution, or the proceeds of a fresh issue of shares made for such purpose. The amount of premium payable on redemption may only be paid out of either the funds of the company that would otherwise be available for dividend or distribution, or out of the share premium account of the company.

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE

There might be an adverse impact on the working capital and/or gearing position of the Company as compared with the position disclosed in its latest published audited accounts for the year ended 31st December, 2004 in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors would consider the Company's financial position at times in exercising the Repurchase Mandate and would not propose to exercise any repurchases to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels.

DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best knowledge and belief of the Directors, having made all reasonable enquiries, any of their associates have any present intention, in the event that the Repurchase Mandate is approved by Shareholders, to sell Shares to the Company or its subsidiaries.

No connected persons (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to do so in the event that the Company is authorized to make purchases of Shares.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of Bermuda, and in accordance with the regulations set out in the Memorandum of Association of the Company and the Bye-laws.

TAKEOVERS CODE CONSEQUENCES

If as the result of a repurchase of Shares a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). As a result, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. A waiver of this provision would not normally be given except in extraordinary circumstances. As at the Latest Practicable Date, Mr. Chu Mang Yee and his wholly-owned company, Sounda Properties Limited and its nominee company, HKSCC Nominees Limited; Mr. Au Wai Kin and his wholly-owned company, Yield Plentiful Incorporated; Miss Xiao Yan Xia; and Mr. Xiang Bin held approximately 63.56%, 3.74%, 0.01% and 0.10% respectively of the issued share capital of the Company. The Directors are not aware of any Shareholder, or group of Shareholders acting in concert, who will become obliged to make a mandatory offer as a result of repurchases of Shares.

SHARE REPURCHASES MADE BY THE COMPANY

During the six months preceding the Latest Practicable Date no Shares have been repurchased by the Company.

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE

MARKET PRICES

During each of the previous twelve months before the date of this circular, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Month	PER SHARE	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2004		
May	2.300	2.000
June	1.950	1.840
July	1.840	1.650
August	1.650	1.590
September	1.920	1.600
October	2.000	1.840
November	2.150	1.960
December	2.825	2.150
2005		
January	3.625	2.700
February	5.000	3.400
March	5.200	3.575
April	4.600	3.825



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HOPSON DEVELOPMENT HOLDINGS LIMITED

(Stock Code: 00754)

*(Incorporated in Bermuda with limited liability)**website: <http://www.irasia.com/listco/hk/hopson>*

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of Hopson Development Holdings Limited (the “Company”) will be held at Chater Room III, Function Room Level, The Ritz-Carlton, 3 Connaught Road Central, Hong Kong on Monday, 6th June, 2005 at 10:00 a.m. for the following purposes:–

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditors for the year ended 31st December, 2004.
2. To re-elect retiring directors and to authorize the board of directors to fix the remuneration of the executive directors.
3. To consider and, if thought fit, pass with or with modifications, the following resolution as an ordinary resolution:

“**THAT** a remuneration of HK\$100,000 be paid to each of the non-executive directors of the Company for the year ending 31st December, 2005, provided that such remuneration will be paid in proportion to the period of service in the case of a director who has not served a complete year.”

4. To declare a final dividend for the year ended 31st December, 2004.
5. To re-appoint auditors and to authorize the board of directors to fix their remuneration.
6. As special business to consider and, if thought fit, pass with or without modifications, the following resolutions as ordinary resolutions:

6.A. “**THAT:**

- (a) subject to paragraph (c), the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into such shares or warrants or similar rights to subscribe for any shares in the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;

* *for identification purpose only*

- (b) the approval in paragraph (a) shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to the shares of the Company issued as a result of a Rights Issue (as hereinafter defined) or pursuant to the exercise of options under the Share Option Scheme or similar arrangement, or any scrip dividend or similar arrangement providing for the allotment of shares of the Company in lieu of the whole or part of the dividend on the shares of the Company in accordance with the Company's Bye-laws, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws of Bermuda to be held; or
- (iii) revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company on the register on a fixed record date in proportion to their holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

6.B. **“THAT:**

- (a) subject to paragraph (b), the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission and the Stock Exchange for this purpose,

subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange on which the securities of the Company may be listed as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval mentioned in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) the expression "Relevant Period" shall for the purposes of this resolution have the same meaning as assigned to it under ordinary resolution 6.A.(d) of this notice."

6.C. "THAT conditional upon resolutions 6.A. and 6.B. above being passed, the aggregate nominal amount of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in resolution 6.B. above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution 6.A., provided that the amount of share capital repurchased by the Company shall not exceed 10 per cent. of the total nominal amount of the share capital of the Company in issue on the date of this resolution."

7. As special business to amend the Bye-laws of the Company by passing the following resolution as a special resolution:

"THAT the Bye-laws of the Company be and are hereby amended by deleting Bye-law 87(1) in its entirety and replacing it with the following:

87. (1) Subject to the manner of retirement by rotation of Directors as from time to time prescribed under the rules of the Designated Stock Exchange, and notwithstanding any contractual or other terms on which any Director may be appointed or engaged, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three(3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement at least once every three years."

By order of the Board
Mok Wai Kun, Barbara
Secretary

Hong Kong, 12th May, 2005

Principal office:

19th Floor, Wyndham Place
40-44 Wyndham Street
Central
Hong Kong

Notes:

1. A shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
2. In order to be valid, the instrument appointing a proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or other authority, must be deposited at the principal office of the Company at 19th Floor, Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong not less than 48 hours before the time appointed for holding the said meeting or adjourned meeting.
3. The register of members of the Company will be closed from Wednesday, 1st June, 2005 to Monday, 6th June, 2005, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend to be approved at the meeting and the right to attend and vote at the meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Tuesday, 31st May, 2005.
4. The translation into Chinese language of this notice (including the special resolution which contains the proposed amendment to the Company's Bye-laws) is for reference only. In case of any inconsistency, the English version shall prevail.

Pursuant to Bye-law 66 of the Bye-laws, a resolution put to the vote of a general meeting of the Shareholders shall be determined in the first instance by a show of hands of the Shareholders present in person or by proxy, but a poll may be demanded (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) by:

- (a) the chairman of such meeting; or
- (b) 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
- (c) 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 representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) 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 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.

A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Shareholder.