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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you have sold** all your shares in CASIL Telecommunications Holdings Limited, you should at once hand this document and the accompanying 2005 Annual Report and form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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

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**CASIL TELECOMMUNICATIONS HOLDINGS LIMITED**  
**(航天科技通信有限公司)\***

*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 1185)

**PROPOSALS FOR GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of CASIL Telecommunications Holdings Limited to be held at Hall 1B, G/F., No.1 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong on Tuesday, 30 May 2006 at 11:00 a.m. is set out on pages 14 to 17 of this document.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's Principal Place of Business in Hong Kong at Suite 4701, 47th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting. Completion of a form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting in person if you so wish.

26 April 2006

\* the Chinese name of the Company is for reference only

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held on 30 May 2006 at 11:00 a.m. the notice of which is set out on pages 14 to 17 of this document
“Board” or “Directors”	the board of Directors of the Company, or where the context so admits, the directors of the Company
“Company”	CASIL Telecommunications Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the Stock Exchange
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	25 April 2006, being the latest practicable date prior to the printing of this document for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Registrar”	the Company’s share registrar in Hong Kong, Standard Registrars Limited, Share Registration Public Office, 26/F., Tesbury Centre, 28 Queen’s Road East, Hong Kong
“Repurchase Mandate”	a general and unconditional mandate to exercise all powers of the Company to repurchase Shares during the period as set out in the Repurchase Resolution up to a maximum of 10 per cent. of the issued share capital of the Company at the date of the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution as referred to in resolution number 5 of the notice of Annual General Meeting
“SFO”	Securities and Futures Ordinance
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company

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## DEFINITIONS

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“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

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## LETTER FROM THE BOARD

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# CASIL TELECOMMUNICATIONS HOLDINGS LIMITED (航天科技通信有限公司)\*

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 1185)

*Non-executive Directors:*

Mr. Wu Yansheng (*Chairman*)

Mr. Liang Xiaohong (*Vice-chairman*)

Mr. Tang Guohong

*Executive Directors:*

Mr. Han Shuwang (*Vice-chairman*)

Mr. Wang Xiaodong

Mr. Li Guang

*Independent Non-executive Directors:*

Mr. Yiu Ying Wai

Mr. Wong Fai, Philip

Mr. Zhu Shixiong

Mr. Moh Kwen Yung

*Registered Office:*

Ugland House

South Church Street

P.O. Box 309, George Town

Grand Cayman, Cayman Islands

British West Indies

*Principal Place of Business in*

*Hong Kong:*

Suite 4701, 47th Floor

Central Plaza

18 Harbour Road

Wanchai

Hong Kong

26 April 2006

*To Shareholders of the Company*

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

It is proposed that at the Annual General Meeting of CASIL Telecommunications Holdings Limited to be held on Tuesday, 30 May 2006, the notice of which is set out on pages 14 to 17 of this document, ordinary resolutions will be proposed to grant the Directors general mandates to issue and repurchase shares of HK\$0.10 each in the capital of the Company and the re-election of directors.

\* *the Chinese name of the Company is for reference only*

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## **LETTER FROM THE BOARD**

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### **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the entitlements of Shareholders to vote at the Annual General Meeting, the register of members of the Company will be closed from Friday, 26 May 2006 to Tuesday, 30 May 2006 (both days inclusive).

In order to attend and vote at the forthcoming Annual General Meeting, Shareholders must lodge any transfers of Shares (with the relevant share certificates) with the Company's Registrar in Hong Kong, Share Registration Public Office of Standard Registrars Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong for registration by no later than 4:00 p.m. on Thursday, 25 May 2006.

### **GENERAL MANDATE TO REPURCHASE SHARES**

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given the Repurchase Mandate to repurchase Shares as at the date of the Repurchase Resolution.

The Repurchase Mandate would continue in force until the conclusion of the next annual general meeting of the Company unless it is renewed at such meeting or until revoked or varied by ordinary resolution of the shareholders in general meeting prior to the next annual general meeting.

An explanatory statement to provide you with all the information reasonably necessary for you to make an informed decision in relation to this proposed resolution as required by the Listing Rules concerning the Repurchase Mandate to be given to you is set out in Appendix I to this document.

### **GENERAL MANDATE TO ISSUE SHARES**

At the Annual General Meeting, an ordinary resolution will also be proposed that the Directors be given a general and unconditional mandate to issue 203,427,952 Shares representing up to 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the Latest Practicable Date. In addition, a resolution will be proposed to be passed to authorize the Directors to issue, allot and deal with Shares in an amount equal to the aggregate issued share capital purchased under the Repurchase Mandate.

### **RE-ELECTION OF DIRECTORS**

Details of the Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this document.

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## **LETTER FROM THE BOARD**

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### **ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting, which contains, inter alia, ordinary resolutions to approve the general mandate for Directors to issue new Shares and the Repurchase Mandate, is set out on pages 14 to 17 of this document. Shareholders are advised to read the notice and to complete and return the accompanying form of proxy for use at the Annual General Meeting in accordance with the instructions printed thereon.

### **PROCEDURES FOR DEMANDING A POLL**

Pursuant to Article 80 of the Articles of Association of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by :

- (i) the chairman of the meeting; or
- (ii) at least five members present in person or by proxy and entitled to vote; or
- (iii) any member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (iv) any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Pursuant to Article 85 of the Articles of Association of the Company, at any general meeting on a show of hands every member who is present in person or by proxy (or, in the case of a member being a corporation by its duly authorised representative) shall have one vote, and on a poll every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register. On a poll a member entitled to more than one vote is under no obligation to cast all his votes in the same way.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors consider that the granting of the mandates to issue new Shares and to repurchase Shares and the re-election of the retiring directors are all in the best interest of the Company and its shareholders and so recommend you to vote in favour of the resolutions at the Annual General Meeting.

Yours faithfully

For and on behalf of the Board of

**CASIL Telecommunications Holdings Limited**

**Wang Xiadong**

*Executive Director*

This appendix serves as an explanatory statement, as required by the Share Repurchase Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the Repurchase Resolution.

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,017,139,763 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares will be issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 101,713,976 Shares representing not more than 10% of the issued share capital of the Company as at the Latest Practicable Date.

### **2. REASONS FOR REPURCHASE**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders.

### **3. FUNDING OF REPURCHASE**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association, the Listing Rules and the law of the Cayman Islands. The law of the Cayman Islands provides that the amount to be repaid in connection with a share repurchase may be paid from the profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the repurchase or out of capital, if the Company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited financial statements contained in the annual report for the year ended 31 December 2005 in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate 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 which in the opinion of the Directors are from time to time appropriate for the Company.



#### 4. SHARE PRICES

During the 12 months preceding the Latest Practicable Date, the highest and lowest traded price of shares on the Stock Exchange were as follows:

Month	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2005		
April	0.400	0.360
May	0.405	0.360
June	0.400	0.360
July	0.400	0.360
August	0.425	0.355
September	0.425	0.350
October	0.390	0.330
November	0.360	0.310
December	0.350	0.265
2006		
January	0.385	0.270
February	0.375	0.335
March	0.450	0.350
April to the Latest Practicable Date	0.430	0.380

#### 5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Resolution and in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such is approved by the shareholders.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the shareholders.

## **6. TAKEOVERS CODE**

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, 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 Rule 32 of the Takeovers Code. As a result, a shareholder or group of shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, China Academy of Launch Vehicle Technology and their associates are interested in 449,244,000 Shares (representing approximately 44.17% of the total issued share capital of the Company as at the Latest Practicable Date). In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, then (if the present shareholdings remains the same) the attributable interests of China Academy of Launch Vehicle Technology and their associates would be increased to approximately 49.07% of the issued share capital of the Company. The Directors believe that such an increase will give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Mandate to such an extent that an obligation to make a mandatory offer under Takeovers Code may arise.

In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, the number of Shares held by the public may fall below 25%. However, the Directors have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Mandate to such an extent as to result in the number of Shares held by the public falling below 25%.

## **7. SHARE REPURCHASES MADE BY THE COMPANY**

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

*The particulars of the directors proposed to be re-elected at the Annual General Meeting to be held on 30 May, 2006 are as follows:*

- (1) **Mr. Wu Yansheng**, Chairman of Remuneration Committee, Non-executive Director and Chairman

Mr. Wu Yansheng, professor, aged 42, earned his bachelor's degree in Electrical Engineering from Tsinghua University and master's degree in Space Vehicle Design from China Academy of Launch Vehicle Technology ("CALT"). Mr. Wu has obtained great honours, such as Special Allowance from State Council of the People's Republic of China, Specially Contributed Expert of China Aerospace Science and Technology Corporation ("CASC"), Excellent Contributor in Manned Space Project from CASC, Space Prize of CASC in 2000 and 2001, Labor Medal Winner from China Federation of Labor Unions, Senior Professional Manager from China Enterprise Confederation and China Entrepreneur Association, and Excellent Researcher from China Association of Science and Technology. Joined in the Astronautical Systems Engineering Institute of CALT in 1989, Mr. Wu has ever taken the following posts successively as designer, section chief, division chief and director. Since 2002, Mr. Wu has served as the 10th president of CALT (the youngest ever in CALT). He was appointed as the Chairman of Remuneration Committee, Non-executive Director and Chairman of the Company on 14 February 2006.

Mr. Wu has not entered into a written service agreement with the Company and with no specified length of his service but subject to the requirements in the Articles of Association of the Company in relation to resignation, re-election and rotation in the subsequent Annual General Meetings. He will not receive any director's fee.

Mr. Wu does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO. He is not connected with any other directors, senior management, substantial or controlling shareholders of the Company. He has not held directorship or major appointment in any other listed public companies in the past three years.

- (2) **Mr. Liang Xiaohong**, Chairman of Development and Investment Committee, Non-executive Director and Vice-chairman

Mr. Liang Xiaohong, senior engineer, aged 50, obtained his master's degree in World Economy from the Party School of the Communist Party of China ("CPC") Central Committee. He has been honoured with Specially Appointed Expert of school of Economics & Management of Beijing University. He started to work in Astronautical Systems Engineering Institute of CALT in 1987. He has ever been director of Administrative Office of CALT since 2000. Now he acts as vice president of CALT. With great efforts for years, he has accumulated rich experiences

and theories on human resource management and business administration. He was appointed as the Chairman of Development and Investment Committee, Non-executive Director and Vice-chairman of the Company on 14 February 2006.

Mr. Liang has not entered into a written service agreement with the Company and with no specified length of his service but subject to the requirements in the Articles of Association of the Company in relation to resignation, re-election and rotation in the subsequent Annual General Meetings. He will not receive any director's fee.

Mr. Liang does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO. He is not connected with any other directors, senior management, substantial or controlling shareholders of the Company. He has not held directorship or major appointment in any other listed public companies in the past three years.

- (3) **Mr. Han Shuwang**, Member of Development and Investment Committee, Executive Director and Vice-chairman

Mr. Han Shuwang, professor, aged 41, obtained bachelor's degree in Computer Science and master's degree in Economics & Management respectively from Tongji University and American Southwest University. He is a visiting professor of Tongji University and ever achieved Space Award. He served as deputy division chief, assistant director and deputy director in the Institute of Space Automation Control of CALT between 1988 and 1997, vice director of Political Division of CALT in 1997, director of Administrative Office of CALT in 1998, general manager of Wanyuan Industrial Company in 1999, president assistant of CALT in 2000. Since 2002, he has served as vice president of CALT. He has lots of experiences in strategic research and business administration. He was appointed as the Member of Development and Investment Committee, Executive Director and Vice-chairman of the Company on 14 February 2006.

Mr. Han has not entered into a written service agreement with the Company and with no specified length of his service but subject to the requirements in the Articles of Association of the Company in relation to resignation, re-election and rotation in the subsequent Annual General Meetings. He will not receive any director's fee.

Mr. Han does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO. He is not connected with any other directors, senior management, substantial or controlling shareholders of the Company. He has not held directorship or major appointment in any other listed public companies in the past three years.

- (4) **Mr. Tang Guohong**, Member of Development and Investment Committee and Non-executive Director

**Mr. Tang Guohong**, professor, aged 44, graduated from Beijing University of Aeronautics & Astronautics (“Beihang University”) with master’s degree in Engineering. He went to Germany in 1987 and obtained Ph.D from Max-Planck Institute for Metals Research. He had served as director of staff office, deputy dean and professor in the Material Science and Engineering Department of Beihang University, vice general manager and administrative vice general manager of China Aerospace Industry Supply & Marketing Corporation. He now acts as the chief of Business & Investment Dept. of CALT, with rich experiences in scientific research, business administration and capital operation. He was appointed as the Member of Development and Investment Committee and Non-executive Director of the Company on 14 February 2006.

Mr. Tang has not entered into a written service agreement with the Company and with no specified length of his service but subject to the requirements in the Articles of Association of the Company in relation to resignation, re-election and rotation in the subsequent Annual General Meetings. He will not receive any director’s fee.

Mr. Tang does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO. He is not connected with any other directors, senior management, substantial or controlling shareholders of the Company. He has not held directorship or major appointment in any other listed public companies in the past three years.

- (5) **Mr. Li Guang**, Executive Director

Mr. Li Guang, senior engineer, aged 42, graduated from Tianjin University with master’s degree in Industrial Automation. He has ever been the designer of the 14th Institute of CALT between 1991 and 1996, division chief and general manager of Beijing Long March Hi-tech Corporation from 1996 to 2005. He has acted as vice manager of Beijing Wanyuan Industrial Company since 1998. Mr. Li Guang shows excellent talent in scientific research, product development and business administration. He was appointed as an Executive Director of the Company on 14 February 2006.

Mr. Li has not entered into a written service agreement with the Company and with no specified length of his service but subject to the requirements in the Articles of Association of the Company in relation to resignation, re-election and rotation in the subsequent Annual General Meetings. He will not receive any director's fee.

Mr. Li does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO. He is not connected with any other directors, senior management, substantial or controlling shareholders of the Company. He has not held directorship or major appointment in any other listed public companies in the past three years.

In relation to the above re-election of retiring directors, there is no information which is discloseable nor are/were they involved in any of the matter required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of Shareholders of the Company.

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## NOTICE OF ANNUAL GENERAL MEETING

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### CASIL TELECOMMUNICATIONS HOLDINGS LIMITED

(航天科技通信有限公司)\*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1185)

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting of CASIL Telecommunications Holdings Limited (the “Company”) will be held on Tuesday, 30 May 2006 at 11:00 a.m. at Hall 1B, G/F., No.1 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong for the following purposes:

1. To receive and adopt the audited financial statements of the Company and the reports of the directors and the auditors of the Company for the year ended 31 December 2005.
2. To consider the re-election of the retiring directors, including Messrs. Wu Yansheng, Liang Xiaohong, Han Shuwang, Tang Guhong and Li Guang whose biographical details will be disclosed in the circular dated 26 April 2006, and to authorise the board of directors to fix the directors’ remuneration.
3. To consider the re-appointment of Messrs. Deloitte Touche Tohmatsu as the auditors of the Company and to authorise the board of directors to fix their remuneration.

To consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

4. **“THAT:**
  - (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers after the end of the Relevant Period;

\* the Chinese name of the Company is for reference only

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## NOTICE OF ANNUAL GENERAL MEETING

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(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) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or any issue of shares of the Company on the exercise of subscription rights attaching to any warrants of the Company or on the exercise of any options granted under the share option scheme of the Company or on the exercise of the conversion rights attaching to any convertible notes of the Company, 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 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 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 applicable law or the Articles of Association of the Company to be held; and
- (iii) the passing of an ordinary resolution of the Company in general meeting revoking or varying the authority set out in this resolution;

“Right Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares whose names appear on the Register of Members of the Company on a fixed record date in proportion to their then 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 recognised regulatory body or any stock exchange in, any territory applicable to the Company).”



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## NOTICE OF ANNUAL GENERAL MEETING

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5. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued 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 which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares which are authorised to be repurchased by the directors of the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution:

“Relevant Period” means the period from the 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 any applicable law or the Articles of Association of the Company to be held; and
- (iii) the passing of an ordinary resolution of the Company in the general meeting revoking or varying the authority set out in this resolution.”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. “**THAT** conditional on the passing of the resolution no. 5 set out in the notice convening this meeting of which this resolution forms part, the general mandate granted to the directors of the Company to allot, issue and deal with new shares pursuant to the resolution no. 4 set out in the notice convening this meeting of which this resolution forms part be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to the resolution no. 5 set out in the notice convening this meeting of which this resolution forms part, provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution.”

By Order of the Board  
**Cheng Chai Fu**  
*Secretary*

Hong Kong, 26 April 2006

*Notes:*

1. The register of Members of the Company will be closed from 26 May 2006 (Friday) to 30 May 2006 (Tuesday) (both days inclusive) during which no share transfer will be registered.
2. Any member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. To be valid, a form of 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 or authority must be deposited at the Company's Principal Place of Business in Hong Kong at Suite 4701, 47th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting.