
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, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Beijing Development (Hong Kong) Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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北京發展（香港）有限公司

BEIJING DEVELOPMENT (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 154)

**PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION
OF THE COMPANY
AND
PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES OF THE COMPANY**

A notice convening an annual general meeting of Beijing Development (Hong Kong) Limited to be held at Taishan Room, Level 5, The Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Tuesday, 23 May 2006 at 10:00 a.m. is set out on pages 13 to 17 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk).

Whether or not you are able to attend the annual general meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Share Registrar, Tengis Limited, at Level 25, Three Pacific Place, 1 Queen's Road East, 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 or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

26 April 2006

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DEFINITIONS

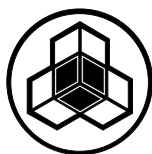
In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Annual General Meeting”	an annual general meeting of the Company to be held at Taishan Room, Level 5, The Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Tuesday 23 May 2006 at 10:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 13 to 17 of this circular, or any adjournment thereof;
“Articles of Association”	the articles of association from time to time adopted by the Company;
“Board”	the board of Directors;
“Buyback Mandate”	as defined in paragraph 2(a) of the Letter from the Board;
“Company”	Beijing Development (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance, the Shares of which are listed on the main board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Issuance Mandate”	as defined in paragraph 2(b) of the Letter from the Board;
“Latest Practicable Date”	21 April 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;

DEFINITIONS

“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$1.00 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong;

LETTER FROM THE BOARD



北京發展（香港）有限公司

BEIJING DEVELOPMENT (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 154)

Executive Directors:

Mr. Zhang Honghai (*Chairman*)

Mr. Li Kangying

Mr. E Meng

Mr. Wang Yong

Mr. Cao Wei

Dr. Yu Xiaoyang

Mr. Ng Kong Fat, Brian

Independent Non-Executive Directors:

Mr. Cao Guixing

Prof. Liu Wei

Dr. Jin Lizuo

Registered Office:

Mezzanine Floor

Yardley Commercial Building

3 Connaught Road West

Sheung Wan

Hong Kong

Effective from 1 May 2006:

Room 3401, West Tower

Shun Tak Centre

200 Connaught Road Central

Hong Kong

26 April 2006

To the Shareholders

Dear Sir/Madam,

**PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION
OF THE COMPANY
AND
PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES OF THE COMPANY**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the granting of the Buyback Mandate to the Directors; (ii) the granting of the Issuance Mandate to the Directors; and (iii) the extension of the Issuance Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Buyback Mandate.

LETTER FROM THE BOARD

2. PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION

The current Articles of Association were adopted by the Company on 27 June 1990 and the latest amendment was made on 9 June 2004. In accordance with Article 104(a) of the current Articles of Association, the executive chairman and managing director of the Company are not subject to retirement by rotation, which deviates from the requirement of Code Provision A.4.2 of Appendix 14 “Code on Corporate Governance Practices” of the Listing Rules. In order to ensure full compliance with Code Provision A.4.2, the Directors therefore propose to amend Article 104 (a) of the current Articles of Association, so that every director shall be subject to retirement by rotation at least once three years.

The proposed amendment to the current Articles of Association is stated in the proposed special resolution no. 10 in the notice convening the Annual General Meeting as set on pages 13 to 17 of this circular. A copy of the current Articles of Association will be available for inspection at the registered office of the Company during normal business hours from the date hereof up to and including the date of the Annual General Meeting.

3. BUYBACK AND ISSUANCE MANDATES

At the annual general meeting of the Company held on 31 May 2005, general mandates were given to the Directors to exercise the powers of the Company to repurchase shares of the Company and to issue new shares of the Company respectively. Such mandates will lapse at the conclusion of the Annual General Meeting.

Ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to purchase Shares on the Stock Exchange of an aggregate nominal amount of up to 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing of such resolution (the “Buyback Mandate”);
- (b) to allot, issue or deal with Shares of an aggregate nominal amount of up to 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution (the “Issuance Mandate”); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

LETTER FROM THE BOARD

The Buyback Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in ordinary resolutions nos. 7 and 8 set out in the notice of the Annual General Meeting. With reference to the Buyback Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase or issue any Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Buyback Mandate. The explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in the Appendix I to this circular.

4. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 13 to 17 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the granting of the Buyback Mandate and the Issuance Mandate and the extension of the Issuance Mandate by the addition thereto of the number of Shares repurchased pursuant to the Buyback Mandate.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange (www.hkex.com.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's Share Registrar, Tengis Limited, at Level 25, Three Pacific Place, 1 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

5. PROCEDURE BY WHICH THE SHAREHOLDERS MAY DEMAND A POLL AT A GENERAL MEETING PURSUANT TO THE ARTICLES OF ASSOCIATION

According to Article 75 of the Articles of Association, 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 demanded 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

LETTER FROM THE BOARD

- (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 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.

6. RECOMMENDATION

The Directors consider that the granting of the Buyback Mandate and the granting/extension of the Issuance Mandate are in the interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

7. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix I (Explanatory Statement on the Buyback Mandate) and Appendix II (Details of Directors proposed to be re-elected at the Annual General Meeting) to this circular.

Yours faithfully,
By Order of the Board
Zhang Honghai
Chairman

APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE

The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Buyback Mandate.

1. REASONS FOR SHARE BUYBACK

The Directors believe that the granting of the Buyback Mandate is in the interests of the Company and the Shareholders.

Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Buyback Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 493,981,150 Shares.

Subject to the passing of the ordinary resolution no. 8 set out in the notice of the Annual General Meeting in respect of the granting of the Buyback Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the date of the Annual General Meeting, the Directors would be authorised under the Buyback Mandate to repurchase a maximum of 49,398,115 Shares (representing 10% of the Shares in issue as at the Latest Practicable Date) during the period in which the Buyback Mandate remains in force.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association, the Articles of Association, the laws of Hong Kong and/or any other applicable laws.

APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE

The Company is empowered by its memorandum of association and the Articles of Association to repurchase Shares. The laws of Hong Kong provide that the amount of capital paid in connection with a share repurchase by a company may only be paid out of either the capital paid up on the relevant shares, or the funds of the company which 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 repurchase may only be paid out of funds of the company which would otherwise be available for dividend or distribution or out of the share premium account of the company before the shares are repurchased.

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2005) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Buyback 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.

5. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Buyback 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 the Takeovers Code. Accordingly, 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 Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, Idata Finance Trading Limited, the Company's controlling Shareholder, was interested in 275,675,000 Shares, representing approximately 55.81% of the total issued share capital of the Company. On the basis that no Shares are issued or repurchased prior to the date of the Annual General Meeting, in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the relevant ordinary resolution to be proposed at the Annual General Meeting, the interests of Idata Finance Trading Limited in the issued Shares would be increased to approximately 62.01% of the total issued share capital of the Company. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchases to be made under the Buyback Mandate.

APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE

6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Buyback Mandate in accordance with the Listing Rules and the laws of Hong Kong.

7. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange during each of the previous 12 months were as follows:

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2005		
April	0.970	0.780
May	0.800	0.700
June	1.010	0.800
July	0.900	0.800
August	0.850	0.700
September	0.780	0.610
October	0.750	0.590
November	0.780	0.600
December	0.770	0.650
2006		
January	0.750	0.550
February	0.860	0.495
March	1.020	0.850
April (up to the Latest Practicable Date)	1.000	0.710

APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE

8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the previous six months (whether on the Stock Exchange or otherwise).

Pursuant to the Listing Rules, the details of the Directors who will retire at the Annual General Meeting according to the Articles of Association and will be proposed to be re-elected at the Annual General Meeting are provided below.

1. EXECUTIVE DIRECTORS**Dr. YU Xiaoyang**

Dr. Yu, aged 52, received his bachelor and master degrees from Peking University in 1982 and 1984, and obtained his Ph.D and MBA degrees from Southern Illinois University, USA in 1991 and 1993. Dr. Yu worked for US consulting and telecommunication corporations in software development and information technology management and is currently the deputy general manager of Beijing Ever Source Science & Technology Development Co., Ltd., a subsidiary of Beijing Enterprises Holdings Limited (stock code: 392). Dr. Yu joined the Group in March 2005.

No service contract for the appointment of Dr. Yu has been or will be entered into. Dr. Yu has not been and will not be appointed with fixed terms of service, including length of services, but subject to retirement by rotation and re-election in accordance with the Articles of Association. Dr. Yu is not entitled to receive any remuneration from the Company.

Save as disclosed above, Dr. Yu is independent of any Directors, senior management, substantial or controlling shareholders of the Company, do not have any interest in Shares within the meaning of Part XV of the SFO, and do not hold any positions in the Company and hold or, in the last three years, held any other directorships or major appointments in listed public companies.

Mr. Ng Kong Fat, Brian

Mr. Ng, aged 50, graduated from the University of Stirling in Scotland in 1983 and is a member of the Institute of Chartered Accountants of Scotland. Mr. Ng has over 20 years' experience in corporate, investment and financial management. Mr. Ng is currently an executive director of Xteam Software International Limited (stock code: 8178, a subsidiary of the Company). Mr. Ng joined the Group in July 1993.

No service contract for the appointment of Mr. Ng has been or will be entered into. Mr. Ng has not been and will not be appointed with fixed terms of service, including length of services, but subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Ng is currently entitled to receive a monthly salary of HK\$110,000 from the Company, which is determined from time to time by the Board with reference to his duties and responsibilities.

Mr. Ng has corporate interests in 8,792,755 shares of the Company and has personal interests in options for subscription of 3,500,000 shares of the Company. The first portion of options for 2,300,000 shares were granted on 19 June 2001 at an exercise price of HK\$1 per share and is exercisable at any time up to 26 June 2006. The second portion of options for 1,200,000 shares were granted on 18 January 2002 at an exercise price of HK\$1 per share and is exercisable at any time up to 17 January 2007.

Save as disclosed above, Mr. Ng is independent of any Directors, senior management, substantial or controlling shareholders of the Company, do not have any interest in Shares within the meaning of Part XV of the SFO, and none of them hold any positions in the Company and hold or, in the last three years, held any other directorships or major appointments in listed public companies.

2. INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Cao Guixing

Mr. Cao, aged 65, graduated from South China University in 1962 and has worked for the Liaoning Provincial Municipal Government for over 25 years. From 1995 to 2000, Mr. Cao served as the vice president and the general manager of China Unicom Group. Mr. Cao joined the Group in June 2001.

No service contract for the appointment of Mr. Cao has been or will be entered into. Mr. Cao has not been and will not be appointed with fixed terms of service, including length of services, but subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Cao is currently entitled to receive a director fee of HK\$100,000 per annum, which is determined from time to time by the Board with reference to his duties and responsibilities.

Save as disclosed above and except the relationship arising from his positions as members of the audit committee and remuneration committee of the Company, Mr. Cao is independent of any Directors, senior management, substantial or controlling shareholders of the Company, do not have any interest in Shares within the meaning of Part XV of the SFO, and neither of them holds any position within the Group and hold or, in the last three years, held any other directorships or major appointments in listed public companies,

Saved as disclosed above, there is no information which is discloseable pursuant to any of the requirements of the provisions under rule 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters in relation to the afore-proposed re-elections that needed to be brought to the attention of the Stock Exchange or the Shareholders.

NOTICE OF THE ANNUAL GENERAL MEETING



北京發展（香港）有限公司

BEIJING DEVELOPMENT (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 154)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of Beijing Development (Hong Kong) Limited (the “Company”) will be held at Taishan Room, Level 5, The Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Tuesday, 23 May 2006 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and of the auditors for the year ended 31 December 2005;
2. To re-elect Dr. Yu Xiaoyang as Director;
3. To re-elect Mr. Ng Kong Fat, Brian as Director;
4. To re-elect Mr. Cao Guixing as Director;
5. To authorise the board of directors to fix directors’ remuneration;
6. To re-appoint Messrs. Ernst & Young as the Company’s auditors and to authorise the board of directors to fix their remuneration;
7. To consider as special business and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraphs (b) and (c) of this resolution, the Directors be and are hereby granted an unconditional general mandate to allot, issue and deal with additional shares of the Company and to allot, issue or grant securities convertible into such shares, or options, warrants or similar rights to subscribe for any shares of the Company or such convertible securities and to make or grant offers, agreements and options in respect thereof;

NOTICE OF THE ANNUAL GENERAL MEETING

- (b) such mandate shall not extend beyond the Relevant Period save that the Directors may during the Relevant Period make or grant offers, agreements and options which 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 pursuant to paragraph (a) above, otherwise than pursuant to:
 - (i) a rights issue;
 - (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company;
 - (iii) the exercise of the subscription rights under options granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares of the Company or rights to acquire shares of the Company; or
 - (iv) any scrip dividend or similar arrangement providing for the allotment of shares of the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution; and

- (d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution up to:

- (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; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting,

whichever is the earliest; and

NOTICE OF THE ANNUAL GENERAL MEETING

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

8. To consider as special business and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) of this resolution, the Directors be and are hereby granted an unconditional general mandate to repurchase on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, shares of the Company and that the exercise by the Directors of all powers of the Company to repurchase shares of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution; and
- (c) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution up to:

- (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; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting,

whichever is the earliest.”; and

NOTICE OF THE ANNUAL GENERAL MEETING

9. To consider as special business and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“**THAT** subject to the passing of ordinary resolutions numbered 7 and 8 set out in the Notice, of which this resolution forms part, the aggregate nominal amount of share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the mandate granted under ordinary resolution numbered 7 set out in the Notice, of which this resolution forms part, be and is hereby increased and extended by the addition thereto of the aggregate nominal amount of the shares of the Company which may be repurchased by the Company pursuant to and in accordance with the mandate granted under ordinary resolution numbered 8 set out in the Notice, of which this resolution forms part, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution.”.

10. To consider as special business and, if thought fit, pass with or without amendments the following resolution as a special resolution:

“**THAT** Article 104.(a) of the Articles of Association of the Company shall be deleted in its entirety and replaced by the following:

104.(a) Notwithstanding any other provisions in these Articles and subject to any requirements on retirement of directors by rotation as may be otherwise provided under the Listing Rules, 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 but not less than one-third, shall retire from office by rotation and shall be eligible for re-election, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their appointment or 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. A retiring Director shall remain in office until the close of the meeting at which he retires.”

By Order of the Board
Wong Kwok Wai, Robin
Company Secretary

Hong Kong, 26 April 2006

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

- (i) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his stead. A proxy need not be a member of the Company. If more than one proxies is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

- (ii) In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed, or notarially certified copy of such power of attorney or authority, must be deposited at the Company's Share Registrar, Tengis Limited, at Level 25, Three Pacific Place, 1 Queen's Road East, Hong Kong at least 48 hours before the time appointed for holding the meeting or any adjourned meeting, or poll. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting, or poll.