
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Premium Land Limited, you should at once hand this circular together with the accompanying 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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PREMIUM LAND LIMITED **(上海策略置地有限公司) ***

(Incorporated in Bermuda with limited liability)

(Stock Code: 164)

PROPOSALS FOR GENERAL MANDATES TO REPURCHASE SHARES AND ISSUE NEW SHARES, AMENDMENTS TO BYE-LAWS, RE-ELECTION OF RETIRING DIRECTORS, REFRESHMENT OF SCHEME LIMIT UNDER SHARE OPTION SCHEME AND NOTICE OF ANNUAL GENERAL MEETING

The notice convening the 2006 annual general meeting of Premium Land Limited (the "Company") to be held at Regus, 2/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on Thursday, 31st August, 2006 at 10:00 a.m. at which the above proposals will be considered is set out on pages 10 to 15 of this circular.

A form of proxy for the 2006 annual general meeting is also enclosed with this circular. Whether or not you intend to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Branch Share Registrars in Hong Kong, Secretaries Limited, at 26th Floor, Tesbury Centre, 28 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 meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.

31st July, 2006

* For identification purpose only

LETTER FROM THE BOARD



PREMIUM LAND LIMITED

(上海策略置地有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 164)

Executive Directors:

Mr. Dong Bo, Frederic (*Chairman*)

Mr. Gao Feng

Mr. Ma Kwok Hung, Warren

Registered Office:

Clarendon House

Church Street

Hamilton HM11

Bermuda

Independent Non-Executive Directors:

Mr. Wong Hoi Kuen, Edmund

Mr. Pang Haiou

Mr. Zuo Guang

Mr. Chan Chi Yuen

Mr. Chow Siu Ngor

Principal Place of Business

in Hong Kong:

Unit 2203, 22/F.

Sino Plaza

255-257 Gloucester Road

Causeway Bay

Hong Kong

31st July, 2006

To the shareholders

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE SHARES AND ISSUE NEW SHARES,
AMENDMENTS TO BYE-LAWS,
RE-ELECTION OF RETIRING DIRECTORS,
REFRESHMENT OF SCHEME LIMIT UNDER SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the 2006 annual general meeting of the Company to be held on Thursday, 31st August, 2006 (the "2006 AGM"), as required by the relevant rules set out in the Rules Governing the

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LETTER FROM THE BOARD

Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). These include i) ordinary resolutions relating to the granting to the directors of the Company (the “Directors”) general mandates for the repurchase of the Company’s shares of HK\$0.01 each (the “Shares”) and the issue of its Shares; ii) special resolution relating to the amendments to the Bye-laws of the Company (the “Bye-laws”); iii) ordinary resolutions relating to the re-election of the retiring Directors; and iv) ordinary resolution relating to further refreshment of scheme limit under the share option scheme of the Company.

GENERAL MANDATE TO REPURCHASE SHARES

At the 2006 AGM, an ordinary resolution will be proposed that the Directors be granted a general and unconditional mandate to exercise all powers of the Company to repurchase on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares may be listed, Shares up to a maximum of 10 per cent. of the issued share capital of the Company as at the date of passing of the relevant resolution (the “Repurchase Mandate”).

GENERAL MANDATE TO ISSUE SHARES

An ordinary resolution will also be proposed that the Directors be granted a general and unconditional mandate to issue, allot and deal with Shares up to a maximum of 20 per cent. of the issued share capital of the Company as at the date of passing of the relevant resolution (the “Issue Mandate”).

In addition, an ordinary resolution will be proposed at the 2006 AGM adding any Shares repurchased under the Repurchase Mandate to the Issue Mandate. The Repurchase Mandate and the Issue Mandate would continue in force until the conclusion of the next annual general meeting of the Company unless they are renewed at such meeting or until revoked or varied by ordinary resolutions of the shareholders of the Company (the “Shareholders”) in a general meeting held prior to the next annual general meeting of the Company.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed general mandate to repurchase Shares is set out in Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the 2006 AGM.

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AMENDMENTS TO BYE-LAWS

The Directors proposed to amend the Bye-laws which include, inter alia, the following to cope with the new Code on Corporate Governance Practices which, subject to certain transitional arrangements, became effective for accounting periods commencing on or after 1st January, 2005, and the minor and housekeeping amendments to the Listing Rules which took effect on 1st March, 2006:

- i) requiring directors appointed by Directors to fill casual vacancy to hold office until the first general meeting held after their appointments; and
- ii) allowing the removal of Directors by ordinary resolution.

The proposed amendments to the Bye-laws are subject to the approval of the Shareholders by way of a special resolution to be proposed at the 2006 AGM. Shareholders should refer to the special resolution set out in the notice of the 2006 AGM as Appendix II to this circular for the details of the proposed amendments to the Bye-laws.

RE-ELECTION OF RETIRING DIRECTORS

In relation to item no. 2 as set out in the notice of the 2006 AGM, Mr. Dong Bo, Frederic, Chairman and Executive Director, will retire as Director at the 2006 AGM pursuant to Bye-law 87.(2) and Messrs. Gao Feng and Ma Kwok Hung, Warren, Executive Directors; Messrs. Wong Hoi Kuen, Edmund, Chan Chi Yuen and Chow Siu Ngor, Independent Non-Executive Directors, will retire as Directors at the 2006 AGM pursuant to Bye-law 86.(2).

All of the above retiring Directors, being eligible, will offer themselves for re-election at the 2006 AGM.

Details of the retiring Directors, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix III to this circular.

REFRESHMENT OF THE SHARE OPTION SCHEME LIMIT

The Company adopted the share option scheme on 24th April, 2002 (the "Share Option Scheme"). Apart from the Share Option Scheme, the Company has no other share option scheme. Under the rules of the Share Option Scheme, the total number of Shares which may be issued upon the exercise of all options granted under the Share Option Scheme is limited to 10 per cent. of the issued share capital of the Company as at the date of adoption of the Share Option Scheme (the "Scheme Limit").

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The Company may seek approval from the Shareholders in general meeting for “refreshing” the Scheme Limit under the Share Option Scheme. However, the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other option schemes of the Company (or its subsidiaries) under the limit as refreshed must not exceed 10 per cent. of the relevant class of shares in issue as at the date of approval of the Scheme Limit.

The existing Scheme Limit is 16,196,179 Shares, being 10 per cent. of the Shares in issue as at the date of approval of the refreshment of the Scheme Limit at the special general meeting of the Company held on 30th August, 2002, and as adjusted as a result of the capital reorganization of the Company (detail as set out in the circular of the Company dated 14th March, 2005) effective on 7th April, 2005.

As at 27th July, 2006, being the latest practicable date prior to the printing of this circular (the “Latest Practicable Date”), options carrying the rights to subscribe for 14,040,000 Shares were granted under the existing Scheme Limit under the Share Option Scheme, representing approximately 8.67 per cent. of the issued share capital of the Company as at the date of refreshment of the Scheme Limit on 30th August, 2002, and approximately 4 per cent. of the issued share capital of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, there are 14,040,000 outstanding options.

It is proposed that subject to the Listing Committee granting the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of options granted under the Scheme Limit as further “refreshed” and the passing of the relevant resolution at the 2006 AGM, the Scheme Limit be refreshed so that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme pursuant to the Scheme Limit as further refreshed and any other option schemes of the Company (or its subsidiaries), shall not exceed 10 per cent. of the Shares in issue as at the date of approval of the relevant resolution by the Shareholders at the 2006 AGM. Options previously granted under the Share Option Scheme (including without limitation those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme) will not be counted for the purpose of calculating the Scheme Limit as further “refreshed”.

As at the Latest Practicable Date, the Company had 351,186,298 Shares in issue. Pursuant to the terms of the Share Option Scheme and in compliance with the Listing Rules, the maximum number of Shares which may be issued upon the exercise of all the options to be granted under the Share Option Scheme pursuant to the Scheme Limit as further “refreshed” and any other option schemes of the Company (or its subsidiaries) should be 35,118,629 Shares (assuming no further issue or repurchase of Shares prior to the 2006 AGM).

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Pursuant to the Listing Rules, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other option schemes of the Company (or its subsidiaries) at any time shall not exceed 30 per cent. of the Shares in issue from time to time. No options shall be granted under the Share Option Scheme and any other option schemes of the Company (or its subsidiaries) if this will result in the 30 per cent. limit being exceeded.

The proposed refreshment of the Scheme Limit is conditional upon:

- (i) the passing of the ordinary resolution by the Shareholders at the 2006 AGM to approve the proposed refreshment of the Scheme Limit; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Shares to be allotted and issued pursuant to the exercise of the options granted under the Scheme Limit as further “refreshed”.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of options granted under the Scheme Limit as further “refreshed”.

The purpose of the Share Option Scheme is to recognize the contribution of employees and consultants of the Group. Given that the existing Scheme Limit has almost reached its maximum, it will be difficult for the Share Option Scheme to continue to serve its intended purpose for the benefits of the Company and its Shareholders unless the Scheme Limit is further refreshed in accordance with the rules of the Share Option Scheme. The Directors consider that the proposed refreshment of the Scheme Limit will enable the Company to grant further options to eligible participants so as to provide opportunities and incentives to them to work towards enhancing the values of the Company and Shares for the benefit of the Company and Shareholders as a whole.

NOTICE OF ANNUAL GENERAL MEETING

Notice of the 2006 AGM is set out in Appendix II to this circular. A proxy form for appointing proxy is despatched with this circular and published on the website of the Stock Exchange (www.hkex.com.hk). Whether or not you intend to attend the 2006 AGM, you are requested to complete the proxy form and return it to the Company’s Branch Share Registrars in Hong Kong, Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the 2006 AGM or the adjourned meeting. Completion and return of a proxy form will not preclude you from attending and voting at the meeting and at any adjournment thereof if you so wish.

LETTER FROM THE BOARD

PROCEDURE FOR DEMANDING A POLL

Pursuant to Bye-law 66 of the Bye-laws, a resolution put to the vote of a meeting of the Shareholders 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 members present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) a member or members present in person 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.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors 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.

RECOMMENDATION

The Directors consider that the proposed granting of the general mandates to the Directors to repurchase Shares and to issue Shares, the amendments to the Bye-laws, the re-election of the retiring Directors and the refreshment of the Scheme Limit are in the best interests of the Company and the Shareholders. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the notice of the 2006 AGM.

Yours faithfully,
For and on behalf of the Board
Dong Bo, Frederic
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide certain information to you for your consideration of the Repurchase Mandate.

1. SHARE CAPITAL

As at 27th July, 2006, being the latest practicable date prior to the printing of this circular (the “Latest Practicable Date”), there was a total of 351,186,298 Shares in issue.

Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the 2006 AGM, the Company will be allowed to repurchase a maximum of 35,118,629 Shares.

2. REASONS FOR REPURCHASES

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

3. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Bye-laws and the applicable laws of Bermuda. Under the laws of Bermuda, the repurchased shares will be cancelled and the Company’s issued share capital will be reduced by the nominal value of those repurchased shares accordingly. However, the aggregate amount of the Company’s authorised capital will not be reduced.

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 for the year ended 31st March, 2006) 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 do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels of the Company.

4. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the 12 months preceding the Latest Practicable Date:–

Month	Share prices per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2005		
July	0.255	0.166
August	0.185	0.150
September	0.160	0.146
October	0.150	0.120
November	0.136	0.109
December	0.150	0.121
2006		
January	0.330	0.135
February	0.420	0.250
March	0.415	0.405
April	0.350	0.270
May	0.340	0.265
June	0.315	0.229
July (up to the Latest Practicable Date)	0.295	0.250

5. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda, and in accordance with the regulations set out in the Bye-laws.

The Company has not been notified by any connected person (as defined in the Listing Rules) that such a person has a present intention to sell, or has undertaken not to sell, any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

If, as a 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 Rule 32 of The Codes on Takeovers and Mergers and Share Repurchases issued by the Hong Kong Securities and Futures Commission (the "Code"). Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, the Company's largest holder of Shares, Mr. Dong Bo, Frederic, beneficially owned 51,523,417 Shares, representing approximately 14.67 per cent. of the issued share capital of the Company. Based on such shareholding and in the event that the Directors exercised in full the power to repurchase Shares under the Repurchase Mandate, (if the present shareholding otherwise remained the same) the shareholding of Mr. Dong Bo, Frederic would be increased to approximately 16.30 per cent. of the reduced issued share capital of the Company. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Code nor reduce the amount of Shares held by the public to less than 25 per cent. of the issued capital of the Company.

Save as disclosed above, the Directors are currently not aware of any consequences which will arise under the Code as a result of any purchase made under the Repurchase Mandate.

No Shares had been repurchased by the Company, whether on the Stock Exchange or otherwise, in the last six months preceding the Latest Practicable Date.



PREMIUM LAND LIMITED
(上海策略置地有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 164)

NOTICE OF 2006 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2006 annual general meeting (the “Meeting”) of Premium Land Limited (the “Company”) will be held at Regus, 2/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on Thursday, 31st August, 2006 at 10:00 a.m. for the following purposes:–

1. To adopt the audited financial statements and the reports of the Directors and auditors for the year ended 31st March, 2006.
2. To re-elect the retiring Directors and to authorise the board of Directors to fix the Directors’ remuneration.
3. To re-appoint auditors and to authorise the board of Directors to fix their remuneration.

As **special business**, to consider and if thought fit, pass with or without amendments, the following resolutions:–

ORDINARY RESOLUTIONS

4. **“THAT**
 - (a) the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all powers and authority of the Company to purchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with paragraph (b) of this Resolution, all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time) or of any other stock exchange, be and is hereby generally and unconditionally approved and authorised;

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- (b) the aggregate nominal amount of the shares of the Company to be purchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal share capital of the Company in issue as at the date of passing of this Resolution and the authority pursuant to paragraph (a) of this Resolution 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 expiry 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 to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the approval and authority given to the Directors by this Resolution.”

5. **“THAT**

- (a) a general mandate be and is hereby unconditionally given to the directors of the Company (the “Directors”) to exercise all the powers of the Company during the Relevant Period (as hereinafter defined) to issue, allot and deal with shares in the capital of the Company (including making and granting offers agreements and options which would or which might require shares to be issued, allotted or dealt with, whether during the Relevant Period or thereafter) otherwise than pursuant to:–
 - (i) a rights issue;
 - (ii) any share option scheme or similar arrangement established by the Company and approved by The Stock Exchange of Hong Kong Limited;
 - (iii) any issue of shares in the Company upon the exercise of subscription rights attaching to any warrants, bonds, debentures, notes and other securities of the Company which may be issued from time to time; or

- (iv) any scrip dividend scheme or similar arrangement implemented in accordance with the bye-laws of the Company;
 - (b) the aggregate nominal amount of the share capital issued, allotted or disposed of pursuant to paragraph (a) of this Resolution shall not exceed 20 per cent. of the aggregate of the nominal amount of the issued share capital of the Company as at the date of passing of this Resolution; and
 - (c) 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 expiry 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 to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the approval and authority given to the Directors by this Resolution.”
6. “**THAT** conditional upon Resolutions Number 4 and 5 as set out in the notice convening this Meeting being passed, the general mandate granted to the directors of the Company (the “Directors”) to exercise the powers of the Company to allot shares pursuant to Resolution Number 5 set out in the notice convening this Meeting be and is hereby extended by the addition to the aggregate nominal value of the share capital which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution Number 4 set out in the notice convening this Meeting provided that such amount shall not exceed 10 per cent. of the aggregate nominal value of the issued share capital of the Company as at the date of passing of this Resolution.”

7. **“THAT** subject to and conditional upon the granting by the Listing Committee of the Stock Exchange of Hong Kong Limited of the listing of, and permission to deal in, the shares in the share capital of the Company (the Shares”) to be allotted and issued pursuant to the exercise of options which may be granted under the Refreshed Scheme Limit (as defined below) under the share option scheme adopted on 24th April, 2002 by the Company (the “Share Option Scheme”),
- (a) the refreshed scheme limit refreshed by the shareholders on 30th August, 2002 in respect of the grant of options to subscribe for Shares under the Share Option Scheme be further refreshed provided that the total number of Shares which may be allotted and issued pursuant to the exercise of options granted or to be granted under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme) shall not exceed 10 per cent. of the Shares of the Company in issue as at the date of passing of this Resolution (the “Refreshed Scheme Limit”); and
- (b) the directors of the Company be and are hereby authorized to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the Refreshed Scheme Limit.”

SPECIAL RESOLUTION

8. **“THAT** the Bye-laws of the Company be and are hereby amended in the following manner:–
- (a) by deleting the last sentence of Bye-law 86.(2) and substituting therefor the following:–
- ‘Any Director so appointed shall hold office only until the next general meeting of the Company (in the case of filling a casual vacancy) or until the next annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting provided that any Director who so retires shall not be taken into account in determining which particular Directors or the number of Directors who are to retire at such meeting by rotation pursuant to Bye-law 87.(2).’;
- (b) by deleting the word ‘special’ in Bye-law 86.(4) and substituting therefor the word ‘ordinary’;

- (c) by deleting the existing Bye-law 87.(2) in its entirety and substituting therefor the following new Bye-law 87.(2):-

‘87.(2) Unless and until the Company in a general meeting shall otherwise determine, 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 to but not less than one-third shall retire from office by rotation provided that:

- (a) no Director holding office as Managing Director shall be subject to retirement by rotation or be taken into account in determining the number of Directors to retire; and
- (b) every Director (save for the Managing Director) including those appointed for a specific term or holding office as Chairman shall be subject to retirement by rotation at least once every three years or within such other period as the Designated Stock Exchange may from time to time prescribe.’; and

- (d) by deleting the existing Bye-law 87.(3) in its entirety and substituting therefor the following new Bye-law 87.(3):-

‘87.(3) The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election thereat. Any director appointed pursuant to Bye-law 86.(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.’”

On behalf of the Board

Dong Bo, Frederic

Chairman

Hong Kong
31st July, 2006

Notes:

- (1) A member entitled to attend and vote at the meeting is entitled to appoint one or more than one proxy, if holding two or more shares, to attend and vote instead of him. A proxy need not be a member of the Company.
- (2) In order to be valid, the form of proxy must be deposited with the Company's Branch Share Registrars in Hong Kong, Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjournment thereof.
- (3) The directors of the Company as at the date of this notice are Mr. Dong Bo, Frederic, Chairman and Executive Director; Mr. Gao Feng and Mr. Ma Kwok Hung, Warren, Executive Directors; and Mr. Wong Hoi Kuen, Edmund, Mr. Pang Haiou, Mr. Zuo Guang, Mr. Chan Chi Yuen and Mr. Chow Siu Ngor, Independent Non-Executive Directors.

The following directors are proposed for re-election at the 2006 AGM of the Company:–

1. Mr. Dong Bo, Frederic, Chairman and Executive Director

Mr. Dong Bo, Frederic, aged 40, was appointed as an Executive Director and Chairman of the Company in October 2001. Mr. Dong did not hold any directorship in other public listed company in the past three years or any other position with the Company or other members of the Group. He studied in Ireland and has more than 10 years of extensive management experience in The People's Republic of China. Mr. Dong does not have any relationship with the directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Dong has a deemed interest of 51,523,417 shares of the Company through his wholly owned company, United Jumbo Limited, a substantial shareholder of the company, representing approximately 14.67% of the existing issued share capital of the Company, within the meaning of Part XV of the Securities and Futures Ordinance.

No service contract was entered into between the Company and Mr. Dong. There is no fixed term of service with the Company but he is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Bye-laws of the Company. His emoluments are determined by the Board with reference to his duties and responsibilities with the Company. His total emoluments for the year ended 31st March, 2006 were HK\$320,000.

Save as disclosed above, Mr. Dong is not aware of any matter in relation to himself that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matter that need to be brought to the attention of the holders of securities of the Company in relation to his re-election.

2. Mr. Gao Feng, Executive Director

Mr. Gao Feng, aged 36, was appointed as an Executive Director of the Company in February 2006. Mr. Gao did not hold any directorship in other public listed company in the past three years or any other position with the Company or other members of the Group. He has over 10 years of experience in property development, project management, construction project and investments, in particular in The People's Republic of China. Mr. Gao does not have any relationship with the directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Gao has no interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

No service contract was entered into between the Company and Mr. Gao. There is no fixed term of service with the Company but he is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Bye-laws of the Company. His emoluments are determined by the Board with reference to his duties and responsibilities with the Company. His total emoluments for the year ended 31st March, 2006 were HK\$38,000.

Save as disclosed above, Mr. Gao is not aware of any matter in relation to himself that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matter that need to be brought to the attention of the holders of securities of the Company in relation to his re-election.

3. Mr. Ma Kwok Hung, Warren, Executive Director

Mr. Ma Kwok Hung, Warren aged 49, was appointed as an Executive Director of the Company in July 2006. Mr. Ma has over 20 years of accounting experience and 7 years as an executive director and company secretary of a Hong Kong listed company. He is an associate member of The Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. He did not hold any directorship in other public listed company in the past three years or any other position with the Company or other members of the Group. Mr. Ma does not have any relationship with other directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Ma has no interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

No service contract was entered into between the Company and Mr. Ma. There is no fixed term of service with the Company but he is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company. His remuneration are determined be the Board with reference to his duties and responsibilities with the Company.

Save as disclosed above, Mr. Ma is not aware of any matter in relation to himself that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matter that need to be brought to the attention of the holders of securities of the Company in relation to his re-election.

4. Mr. Wong Hoi Kuen, Edmund, Independent Non-Executive Director

Mr. Wong Hoi Kuen, Edmund, aged 45, was appointed as an Independent Non-Executive Director of the Company in February 2006. Mr. Wong is a member of both the audit committee and remuneration committee of the Company. Mr. Wong did not hold any directorship in other public listed company in the past three years or any other position with the Company or other members of the Group. He is a Practicing Certified Public Accountants in Hong Kong and a Chartered Accountant in the United Kingdom. Mr. Wong is a senior fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants, an associate member of the Institute of Chartered Accountants in England and Wales in the United Kingdom. He has over 20 years of experience in accounting and taxation and corporate finance. He is presently practicing as Edmund Wong & Co., a Certified Public Accountants firm in Hong Kong. Mr. Wong does not have any relationship with the directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Wong has no interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

There is a service contract entered into between the Company and Mr. Wong. He is entitled to an annual salary package of HK\$120,000 which is determined with reference to his duties and responsibilities with the Company, the Company's current standards for emolument and the market conditions. He is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Bye-laws of the Company.

Save as disclosed above, Mr. Wong is not aware of any matter in relation to himself that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matter that need to be brought to the attention of the holders of securities of the Company in relation to his re-election.

5. Mr. Chan Chi Yuen, Independent Non-Executive Director

Mr. Chan Chi Yuen, aged 39, was appointed as an Independent Non-Executive Director of the Company in April 2006. Mr. Chan is a member of both the audit committee and remuneration committee of the Company. Mr. Chan is currently a Chairman of New Times Group Holdings Limited, an Executive Director of New Times Group Holdings Limited and A-Max Holdings Limited, an Independent Non-Executive Director of China Sciences Conservational Power Limited and Town Health Medical Technology Holdings Company Limited, whose shares are listed on the Stock Exchange. In the past three years, he was a former Independent Non-Executive Director of Golden Resorts Group Limited. Save as disclosed herein, he did not hold any directorship in other

public listed company or any other position with the Company or other members of the Group in the past three years. Mr. Chan does not have any relationship with the directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr. Chan holds a bachelor degree with honors in Business Administration and is a fellow member of The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants. He is a practicing certified public accountant and has over 10 years of experience in accounting, taxation, financial management, corporate finance and corporate governance.

As at the Latest Practicable Date, Mr. Chan has no interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

No service contract was entered into between the Company and Mr. Chan. There is no fixed term of service with the Company but he is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Bye-laws of the Company. His emoluments are determined by the Board with reference to his duties and responsibilities with the Company.

Save as disclosed above, Mr. Chan is not aware of any matter in relation to himself that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matter that need to be brought to the attention of the holders of securities of the Company in relation to his re-election.

6. Mr. Chow Siu Ngor, Independent Non-Executive Director

Mr. Chow Siu Ngor, aged 51, was appointed as an Independent Non-Executive Director of the Company in April 2006. Mr. Chow is a member of both the audit committee and remuneration committee of the Company. Mr. Chow is an Independent Non-Executive Director of CCT Tech International Limited, eForce Holdings Limited, China Solar Energy Holdings Limited and REXCAPITAL Financial Holdings Limited, whose shares are listed on the Stock Exchange. In the past three years, he was a former Independent Non-Executive Director of Kim Eng Holdings (Hong Kong) Limited. Save as disclosed herein, he did not hold any directorship in other public listed company or any other position with the Company or other members of the Group in the past three years. Mr. Chow does not have any relationship with the directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr. Chow is a practicing solicitor in Hong Kong. He graduated from the Chinese University of Hong Kong in 1981 with an honors degree in Social Science. He then obtained an honors degree in Laws from the University of Birmingham in 1987. Mr. Chow was admitted as a solicitor of the Supreme Court of Hong Kong in 1990 and has been in private practice since then. Currently, Mr. Chow is a Partner of Arculli Fong & Ng, Solicitor.

As at the Latest Practicable Date, Mr. Chow has no interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

No service contract was entered into between the Company and Mr. Chow. There is no fixed term of service with the Company but he is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Bye-laws of the Company. His emoluments are determined by the Board with reference to his duties and responsibilities with the Company.

Save as disclosed above, Mr. Chow is not aware of any matter in relation to himself that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matter that need to be brought to the attention of the holders of securities of the Company in relation to his re-election.