
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 2004 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.



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**

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 Friday, 29 April 2005 at 11:00 a.m. is set out on pages 13 to 16 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 in person if you so wish.

30 March 2005

* the Chinese name of the Company is for reference only

DEFINITIONS

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

| | |
|---------------------------|--|
| “Annual General Meeting” | the annual general meeting of the Company to be held on 29 April 2005 at 11:00 a.m. the notice of which is set out on pages 13 to 16 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” | 30 March 2005, 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, G/F, BEA Harbourview Centre, 56 Gloucester Road, Wanchai, 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 |

DEFINITIONS

| | |
|--------------------------|--|
| “Share(s)” | share(s) of HK\$0.10 each in the share capital of the Company |
| “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 |

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Rui Xiaowu (*Chairman*)

Mr. Wang Xiaodong (*Vice-chairman and Managing Director*)

Mr. Zhou Xiaoyun

Mr. Han Jiang

Mr. Guo Xianpeng

Mr. Xu Jian Hua

Registered Office:

Ugland House

South Church Street

P.O. Box 309, George Town

Grand Cayman, Cayman Islands

British West Indies

Non-executive Directors:

Mr. Zhu Shixiong (*Independent*)

Mr. Moh Kwen Yung (*Independent*)

Mr. Yiu Ying Wai (*Independent*)

Mr. Wong Fai, Philip (*Independent*)

Mr. Ma Yucheng

Principal Place of Business

in Hong Kong:

Suite 4701, 47th Floor

Central Plaza

18 Harbour Road

Wanchai

Hong Kong

30 March 2005

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 Friday, 29 April 2005, the notice of which is set out on pages 13 to 16 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*

LETTER FROM THE BOARD

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 Tuesday, 26 April 2005 to Friday, 29 April 2005 (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, Standard Registrars Limited of G/F, BEA Harbourview Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration by no later than 4:00 p.m. on Monday, 25 April 2005.

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.

LETTER FROM THE BOARD

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 13 to 16 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.

LETTER FROM THE BOARD

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

Managing 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 2004 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> |
| 2004 | | |
| March | 0.550 | 0.405 |
| April | 0.470 | 0.400 |
| May | 0.430 | 0.345 |
| June | 0.380 | 0.350 |
| July | 0.405 | 0.390 |
| August | 0.430 | 0.380 |
| September | 0.430 | 0.390 |
| October | 0.410 | 0.345 |
| November | 0.455 | 0.360 |
| December | 0.430 | 0.385 |
| 2005 | | |
| January | 0.445 | 0.380 |
| February | 0.450 | 0.395 |
| March to the Latest Practicable Date | 0.415 | 0.390 |

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.

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

The particulars of the directors proposed to be re-elected at the Annual General Meeting to be held on 29 April, 2005 are as follows:

(1) **Mr. Zhou Xiaoyun**, aged 56, *Executive Director*

Mr. Zhou Xiaoyun, aged 56, is an Executive Director and Deputy Managing Director of the Company. He is also a director of Tin Shun Industrial Limited, Hung Nien Electronics Limited, Castel Intelligent Transportation System Limited, Magicsound Company Limited, Casil Telecommunications (BVI) Limited, Castel Intelligent Transportation System (BVI) Limited, Castel Holdings Limited, Lauder Agents Limited, Castel Broadband Limited, Castel Intelligent Transportation System (Hong Kong) Limited, Castel Qihua Hi-Tech Investments Limited, Castel Broadband (Hong Kong) Limited, Castel Videotec (Hong Kong) Limited, and Castel Qihua (Hong Kong) Communications Company Limited, all of which are subsidiaries of the Company as at the Latest Practicable Date. Mr. Zhou graduated from Changsha Engineering Institute in the PRC in 1975. He has around 30 years of experience in engineering research and industrial management. He was appointed as an Executive Director of the Company in May 1997.

Mr. Zhou has entered into a service agreement with the Company but with no agreed term of his service 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 is entitled to terminate the service agreement at any time by giving the Company not less than 2 months' notice in writing. The salary, bonus, housing allowance and other allowance paid to Mr. Zhou during the year ended 31 December 2004 was HK\$584,700, HK\$58,650, HK\$92,000 and HK\$37,200 respectively. The amount of salary, bonus and allowance payable to Mr. Zhou is subject to review by the Board each year. The emoluments of Mr. Zhou are determined by reference to his duties and responsibilities within the Group.

Mr. Zhou 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. Mr. Zhou is not connected with any other directors, senior management, substantial or controlling shareholders of the Company. Mr. Zhou has not held directorship or major appointment in any other listed public companies in the past three years and there is no any other matters that need to be brought to the attention of Shareholders of the Company.

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

(2) **Mr. Ma Yucheng**, aged 62, *Non-executive Director*

Mr. Ma Yucheng, aged 62, is a Non-executive Director of the Company and is also a director of Hung Nien Electronics Limited, which is a subsidiary of the Company. He graduated from Nanjing University of Aeronautics and Astronautics, majoring in Electronics Engineering. He has extensive experience in the telecommunication industry. He had held senior managerial position in various national and multinational telecommunication companies and had participated in the research, development and introduction of advanced technologies and products including products of mobile communication system and programmable switching systems. He had been awarded prizes for the Advancement of National Technology and many other prizes by the State, provincial and municipal governments for his achievements in scientific research. He joined the Company in April 2000 and was appointed as a Non-executive Director of the Company in September 2001.

Mr. Ma has entered into a service agreement with Hung Nien Electronics Limited with agreed term of his service up to 31 January 2006 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 is entitled to terminate the service agreement at any time by giving the Company not less than 1 month's notice in writing. The salary and bonus paid to Mr. Ma during the year ended 31 December 2004 was HK\$290,000 and HK\$20,000 respectively. The amount of salary and bonus payable to Mr. Ma is subject to review by the Board each year. The emoluments of Mr. Ma are determined by reference to his duties and responsibilities within the Group.

Mr. Ma 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. Mr. Ma is not connected with any other directors, senior management, substantial or controlling shareholders of the Company. Mr. Ma has not held directorship or major appointment in any other listed public companies in the past three years and there is no any other matters that need to be brought to the attention of Shareholders of the Company.

(3) **Mr. Yiu Ying Wai**, aged 52, *Independent Non-executive Director*

Mr. Yiu Ying Wai, Alex, aged 52, was appointed an Independent Non-executive Director and the Chairman of the Audit Committee of the Company on 30 September 2004. He held a Bachelor's degree in Architectural Studies from the University of Hong Kong. He was a fellow member of the Association of Chartered Certified Accountants, a registered member of Certified Management Accountants of Alberta, Canada and also a practising member of the Hong Kong Institute of Certified Public Accountants in Hong Kong. Mr. Yiu is currently a senior consultant of W. T. Wong and Company. He has over 20 years of experience in auditing, accounting and financial management in Hong Kong and overseas.

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Mr. Yiu has not entered into a service agreement with the Company and with no agreed term of his service 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. The director's fee for Mr. Yiu is HK\$50,000 each year without any other emolument including bonus, which are determined by the Board in accordance with the duties of the directors and market conditions.

Mr. Yiu 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. Mr. Yiu is not connected with any other directors, senior management, substantial or controlling shareholders of the Company. Mr. Yiu has not held directorship or major appointment in any other listed public companies in the past three years and there is no any other matters that need to be brought to the attention of Shareholders of the Company.

(4) **Mr. Wong Fai, Philip**, aged 48, *Independent Non-executive Director*

Mr. Wong Fai, Philip, aged 48, was appointed the Company's Independent Non-executive Director on 30 September 2004 and its member of the Audit Committee on 14 March 2005 respectively. Mr. Wong had over 20 years' experience in the IT industry. He was highly involved in many social activities of IT industry in Hong Kong and the PRC as well as public service to the business community. He was awarded the Hong Kong Ten Outstanding Young Person, and was the founder of Hong Kong IT Charity Fund and the Council Member of Hong Kong Polytechnic University. Presently, he is the President of ValenceTech Ltd., the Advisor of Shanghai Jiao Tong University and the Advisory Member of China National Committee for Pacific Economic Cooperation under Pacific Economic Cooperation Council.

Mr. Wong has not entered into a service agreement with the Company and with no agreed term of his service 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. The director's fee for Mr. Wong is HK\$50,000 each year without any other emolument including bonus, which are determined by the Board in accordance with the duties of the directors and market conditions.

Mr. Wong 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. Mr. Wong is not connected with any other directors, senior management, substantial or controlling shareholders of the Company. Mr. Wong has not held directorship or major appointment in any other listed public companies in the past three years and there is no any other matters that need to be brought to the attention of Shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING



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 Friday, 29 April 2005 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 2004.
2. To consider the re-election of the retiring directors, including Mr. Zhou Xiaoyun, Mr. Ma Yucheng, Mr. Yiu Ying Wai and Mr. Wong Fai, Philip, whose biographical details will be disclosed in the circular, 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*

NOTICE OF ANNUAL GENERAL MEETING

- (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).”

NOTICE OF ANNUAL GENERAL MEETING

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.”

NOTICE OF ANNUAL GENERAL MEETING

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, 30 March 2005

Notes:

1. The register of Members of the Company will be closed from 26 April 2005 (Tuesday) to 29 April 2004 (Friday) (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.