
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 you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **CITIC RESOURCES HOLDINGS LIMITED**, you should at once hand this circular with the accompanying 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.

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CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

Website: www.citicresources.com

(Stock Code: 1205)

**PROPOSALS FOR
GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES,
AMENDMENT TO THE EXISTING BYE-LAWS OF THE COMPANY,
RE-ELECTION OF DIRECTORS AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Citic Resources Holdings Limited to be held at Pacific Place Conference Centre, Tien Room, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Tuesday, 28 June 2005 at 3:00 p.m. is set out on pages 13 to 16 of this circular. Whether or not you propose to attend the Annual General Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the head office and principal place of business of the Company at Suites 3001-3006, 30/F, One Pacific Place, 88 Queensway, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof.

Hong Kong, 29 April 2005

DEFINITIONS

In this circular, 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 at Pacific Place Conference Centre, Tien Room, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Tuesday, 28 June 2005 at 3:00 p.m.
“Bye-laws”	the bye-laws of the Company as amended, supplemented or modified from time to time
“Companies Act”	the Companies Act 1981 of the laws of Bermuda
“Company”	CITIC Resources Holdings Limited, a company incorporated in Bermuda, the Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	26 April 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Repurchase Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to repurchase during the period as set out in the Repurchase Resolution Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution as referred to in resolution No.4A of the notice of the Annual General Meeting set out in this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company

DEFINITIONS

“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

LETTER FROM THE CHAIRMAN



CITIC RESOURCES HOLDINGS LIMITED

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Website: www.citicresources.com

(Stock Code: 1205)

Executive Directors:

Mr. KWOK Viem, Peter *(Chairman)*

Mr. MA Ting Hung *(Vice Chairman)*

Ms. LI So Mui

Mr. MI Zengxin

Mr. QIU Yiyong

Mr. SUN Xinguo

Mr. ZENG Chen

Mr. ZHANG Jijing

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent Non-executive Directors:

Mr. CHAN Mo Po, Paul

Mr. FAN Ren Da, Anthony

Mr. TSANG Link Carl, Brian

Head Office and

Principal Place of Business:

Suites 3001-3006

30/F, One Pacific Place

88 Queensway

Hong Kong

Hong Kong, 29 April 2005

To the shareholders

Dear Sir or Madam

**PROPOSALS FOR
GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES,
AMENDMENT TO THE EXISTING BYE-LAWS OF THE COMPANY,
RE-ELECTION OF DIRECTORS 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 Annual General Meeting relating to (i) the granting to the Directors of general mandates to repurchase Shares and allot and issue Shares up to 10% and 20% respectively of the issued share capital of the Company as at the date of the resolutions; (ii) an amendment to the existing Bye-laws and (iii) the re-election of Directors.

LETTER FROM THE CHAIRMAN

GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 30 June 2004, a general mandate was given by the Company to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. The Directors propose to seek your approval of the Repurchase Resolution to be proposed at the Annual General Meeting. An explanatory statement as required under the Share Repurchase Rules to provide the requisite information in respect of the Repurchase Proposal is set out in Appendix I to this circular.

GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 30 June 2004, a general mandate was given by the Company to the Directors to allot, issue and deal with Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. It is therefore proposed to renew such general mandate at the Annual General Meeting.

Two ordinary resolutions will be proposed at the Annual General Meeting respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the resolution and adding to such general mandate so granted to the Directors any Shares repurchased by the Company after the granting of the general mandate to repurchase up to 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution.

AMENDMENT TO THE EXISTING BYE-LAWS OF THE COMPANY

In addition, your attention is drawn to the special resolution set out in the notice convening the Annual General Meeting to approve an amendment to Bye-law 87(1) of the existing Bye-laws.

The Stock Exchange has recently amended the Listing Rules for the purpose of implementing the Code on Corporate Governance Practices (“the Code”). Pursuant to paragraph A.4.2 of the Code, every director should be subject to retirement by rotation at least once every three years. It is proposed that Bye-law 87(1) be amended to comply with the said paragraph A.4.2 of the Code.

RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the executive Directors of the Company are Mr. Kwok Viem, Peter; Mr. Ma Ting Hung; Ms. Li So Mui; Mr. Mi Zengxin; Mr. Qiu Yiyong; Mr. Sun Xinguo; Mr. Zeng Chen and Mr. Zhang Jijing and the independent non-executive Directors of the Company are Mr. Chan Mo Po, Paul; Mr. Fan Ren Da, Anthony and Mr. Tsang Link Carl, Brian.

Pursuant to Bye-law 86(2) of the Bye-laws, Mr. Chan Mo Po, Paul will retire and, being eligible, will offer himself for re-election at the Annual General Meeting. Pursuant to Bye-laws 87(1) & (2) of the Bye-laws, Mr. Kwok Viem, Peter; Mr. Qiu Yiyong and Mr. Zhang Jijing will retire by rotation and, being eligible, will offer themselves for re-election at the Annual General Meeting. The details and brief biography of each of Mr. Chan Mo Po, Paul; Mr. Kwok Viem, Peter; Mr. Qiu Yiyong and Mr. Zhang Jijing, are set out in Appendix II to this circular.

LETTER FROM THE CHAIRMAN

ANNUAL GENERAL MEETING

At the Annual General Meeting, resolutions will be proposed to the shareholders in respect of ordinary business to be considered at the Annual General Meeting, including re-election of Directors, and special business to be considered at the Annual General Meeting, being the ordinary resolutions proposed to approve the Repurchase Proposal, the general mandate for Directors to issue new Shares and the extension of the general mandate to issue new Shares and the special resolution proposed to approve the amendment to the existing Bye-laws.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to the head office and principal place of business of the Company at Suites 3001-3006, 30/F, One Pacific Place, 88 Queensway, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting if you so desire.

RIGHT TO DEMAND A POLL

Pursuant to Bye-law 66 of the Bye-laws, at any general meeting of the Company, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is required under the Listing Rules or any other applicable laws, rules or regulations or 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:

- (a) by the chairman of the meeting; or
- (b) by 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 entitled to vote at the meeting; or
- (c) by 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 the shareholders having the right to vote at the meeting; or
- (d) by a shareholder or shareholders present in person (or in the case of a shareholder being a corporation by its duly authorised representative) or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

On a show of hands, every shareholder present in person (or being a corporation, is present by a representative duly authorized under Section 78 of the Companies Act) or by proxy shall have one vote. On a poll, every shareholder present in person or by proxy or, in the case of a shareholder being a corporation, by its duly authorised representative shall have one vote for every Share held by him. On a poll, a shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

LETTER FROM THE CHAIRMAN

RECOMMENDATION

The Directors believe that all the above-mentioned resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors recommend that all shareholders should vote in favour of the resolutions set out in the notice of Annual General Meeting contained in this circular.

By Order of the Board
Peter Kwok Viem
Chairman

This Appendix I 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 passing of the Repurchase Resolution.

1. SHARE REPURCHASE RULES

The Share Repurchase Rules permit companies whose primary listing is on the Stock Exchange to repurchase their fully paid up shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(a) Shareholders' Approval

The Share Repurchase Rules provide that all on-market share repurchases by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a specific approval in relation to specific transactions or by a general mandate to the directors of the company to make such repurchase.

(b) Source of Funds

Share repurchases must be made out of funds which are legally available for the purpose and in accordance with the company's constitutive documents and the laws of the jurisdiction in which the company is incorporated or otherwise established.

(c) Maximum Number of Shares to be Repurchased and Subsequent Issue

The Shares to be repurchased by a company must be fully-paid up. A maximum of 10% of the existing issued share capital of a company as at the date of passing the relevant resolution may be repurchased on the Stock Exchange and a company may not, without the prior approval of the Stock Exchange, issue new Shares or announce a proposed new issue of Shares for a period of 30 days immediately following a share repurchase whether on the Stock Exchange or otherwise (other than an issue of securities pursuant to the exercise of warrants, share options or similar instruments requiring the company to issue securities, which were outstanding prior to the repurchase).

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,316,884,381 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Resolution to repurchase a maximum of 431,688,438 Shares representing not more than 10% of the issued share capital of the Company as at the Latest Practicable Date.

3. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its shareholders as a whole. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets 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 its shareholders as a whole.

4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association, Bye-laws and the applicable law of Bermuda. Pursuant to the Companies Act, the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant Shares, the profits that would otherwise be available for dividend or distribution or the proceeds of a fresh issue of Shares made for the purpose. The amount of premium payable on a share repurchase may only be paid out of either the profits that would otherwise be available for dividend or distribution or out of the share premium or contributed surplus accounts of the Company.

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 accounts contained in the 2004 Annual Report of the Company in the event that the Repurchase Proposal 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 Proposal to an 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. SHARES PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	Shares Price	
	Highest HK\$	Lowest HK\$
2004		
April	1.40	0.96
May	1.03	0.74
June	0.97	0.78
July	1.05	0.88
August	1.01	0.90
September	1.12	0.94
October	1.39	1.02
November	1.92	1.27
December	1.58	1.27
2005		
January	1.64	1.38
February	1.63	1.46
March	1.63	1.41
April (Up to the Latest Practicable Date)	1.50	1.17

6. 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 Bermuda.

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 Proposal 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 Proposal is approved by the shareholders.

7. TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Proposal, 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, the following interests in the Shares were recorded in the register kept by the Company pursuant to Section 336(1) of the SFO:

Name of substantial shareholders	Number of Shares held	Percentage of existing issued share capital of the Company	Percentage of existing issued share capital of the Company if Repurchase Proposal was exercised in full
CITIC Group	2,610,594,381 ⁽¹⁾	60.47	67.19
CITIC Projects Management (HK) Limited	1,860,180,588 ⁽²⁾	43.09	47.88
Keentech Group Limited	1,860,180,588	43.09	47.88
CITIC Australia Pty Limited	750,413,793	17.38	19.31
Mr. Kwok Viem, Peter	572,966,000 ⁽³⁾	13.27	14.75
Mr. Ma Ting Hing	572,966,000 ⁽⁴⁾	13.27	14.75
United Star International Inc. ("USI")	572,966,000	13.27	14.75

Notes :

- (1) The figure represents an attributable interest of CITIC Group through its interest in CITIC Projects Management (HK) Limited, Keentech Group Limited and CITIC Australia Pty Limited.
- (2) The figure represents an attributable interest of CITIC Projects Management (HK) Limited through its interest in Keentech.
- (3) The figure represents an attributable interest of Mr. Kwok Viem, Peter as the beneficial owner of 50% of USI.
- (4) The figure represents an attributable interest of Mr. Ma Ting Hung as the beneficial owner of 50% of USI.

The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Proposal. The Company may not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

8. SHARES REPURCHASE MADE BY THE COMPANY

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

The following are the particulars (as required by the Listing Rules) of the Directors who will retire by rotation and, being eligible, will offer themselves for re-election at the Annual General Meeting:

Mr. Kwok Viem, Peter, aged 56, is the Chairman of the Company. He has been an Executive Director of the Company since 2000. He is responsible for the strategic planning and corporate development of the Group. He received a Master of Philosophy Degree in Management Studies from the University of Hong Kong and a Doctoral Degree in Finance from the University of California at Berkeley. Mr. Kwok has over 29 years' experience in the banking and finance industry and has held senior management positions with various financial institutions. In February 1998, he became a member of the Chinese People's Political Consultative Conference.

There is a service contract between the Company and Mr. Kwok. He has no fixed term of service with the Company but will be subject to retirement by rotation and re-election at annual general meetings in accordance with the Bye-laws. His remuneration is fixed in the service contract with reference to the prevailing market practice, his contribution to the Company and the performance of the Company. He received a remuneration of HK\$1,200,000 for the year ended 31 December 2004.

As at the Latest Practicable Date, Mr. Kwok has a corporate interest of 572,966,000 Shares within the meaning of Part XV of the SFO which represents approximately 13.27% of the total issued Shares of the Company. The 572,966,000 Shares are held by USI, a company which is beneficially owned as to 50% by Mr. Kwok and as to 50% by Mr. Ma Ting Hung. Mr. Kwok is taken to be interested in the Shares held by USI under the SFO. Save as disclosed above, Mr. Kwok does not have any other interests in Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Kwok is not connected with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Qiu Yiyong, aged 48, joined in 2002 as an Executive Director of the Company. He is responsible for the corporate development of the Group. He holds a Bachelor of Economics Degree from Xiamen University and is a qualified senior statistician in the PRC. He is the managing director of CITIC United Asia Investments Limited and a director of Keentech Group Limited, both wholly-owned subsidiaries of CITIC Group. He also holds directorships in several other subsidiaries of CITIC Group. Before joining CITIC Group, he was a director of two companies listed on the Stock Exchange. Mr. Qiu has over 23 years' experience in investment management.

There is no service contract between the Company and Mr. Qiu. He has no fixed term of service with the Company but will be subject to retirement by rotation and re-election at annual general meetings in accordance with the Bye-laws. There is no agreement on the amount of the remuneration payable to Mr. Qiu. His remuneration is fixed in accordance with the performance of the Company. He received a discretionary payment of HK\$100,000 for the year ended 31 December 2004.

Mr. Qiu does not have any interests in Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Qiu is not connected with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Zhang Jijing, aged 49, joined in 2002 as an Executive Director of the Company. He is responsible for the corporate development of the Group. He holds a Bachelor of Engineering Degree from Hefei Polytechnic University and a Master's Degree in Economics from the Graduate School of Chinese Academy of Social Sciences in Beijing. He is a director of CITIC Group, the deputy chairman of CITIC Australia Pty Limited and a non-executive director of CITIC Australia Trading Limited, a company listed on the Australian Stock Exchange. Mr. Zhang has over 19 years' experience in corporate management, industrial investment, business finance and the aluminium industry. There is no agreement on the amount of the remuneration payable to Mr. Zhang. His remuneration is fixed in accordance with the performance of the Company. He received a discretionary payment of HK\$100,000 for the year ended 31 December 2004.

There is no service contract between the Company and Mr. Zhang. He has no fixed term of service with the Company but will be subject to retirement by rotation and re-election at annual general meetings in accordance with the Bye-laws.

As at the Latest Practicable Date, Mr. Zhang has family interest of 28,000 Shares within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Zhang does not have any other interests in Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Zhang is not connected with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Chan Mo Po, Paul, aged 50, joined in 2004 as an Independent Non-executive Director of the Company. He holds a Master's Degree in Business Administration from Chinese University of Hong Kong and is a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants ("HKICPA"), the Society of Chinese Accountants and Auditors, the Institute of Chartered Secretaries and Administrators, the Taxation Institute of Hong Kong and the Hong Kong Institute of Company Secretaries and a member of the Macau Society of Certified Practising Accountants. He is also the vice president of the HKICPA. He is the managing partner of Paul Chan & Partners, Certified Public Accountants (Practising) and an independent non-executive director of five other companies listed on the Stock Exchange. Mr. Chan has over 27 years' experience in the accounting and finance.

There is no service contract between the Company and Mr. Chan. He has no fixed term of service with the Company but will be subject to retirement by rotation and re-election at annual general meetings in accordance with the Bye-laws. Mr. Chan receives a director's fee of HK\$120,000 per annum. The fee is in line with that payable by the Company to other independent non-executive directors of the Company.

Mr. Chan does not have any interests in Shares within the meaning of Part XV of the SFO.

Mr. Chan is not connected with any directors, senior management or substantial or controlling shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING



CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

Website: www.citicresources.com

(Stock Code: 1205)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of the Company will be held at Pacific Place Conference Centre, Tien Room, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Tuesday, 28 June 2005 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and the auditors for the year ended 31 December 2004.
2. To re-elect directors and authorise the directors to fix their remuneration.
3. To re-appoint auditors and authorise the directors to fix their remuneration.
4. As special business to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

A. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.05 each (“Shares”) in the share capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on 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, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on 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 the directors of the Company are authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (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 law or the bye-laws of the Company (“Bye-laws”) to be held; and
 - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of shareholders of the Company in a general meeting.”

B. “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 share capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares; (iii) an issue of Shares as scrip dividends pursuant to the Bye-laws from time to time; or (iv) an issue of Shares under any option scheme or similar arrangement for the grant or issue of Shares or rights to acquire Shares, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purpose of the ordinary resolutions,

“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 law or the Bye-laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of shareholders of the Company in a general meeting; and

“Rights Issue” means an offer of Shares open for a period fixed by the directors of the Company to the existing shareholders of the Company on the register maintained by the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (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 outside Hong Kong applicable to the Company).”

- C. “**THAT** subject to the passing of the resolution Nos.4A and 4B set out in the notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional Shares in the share capital of the Company pursuant to resolution No.4B set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares repurchased by the Company under the authority granted pursuant to resolution No.4A set out in the notice convening this meeting, provided that such amount of Shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said resolution.”

NOTICE OF ANNUAL GENERAL MEETING

5. As special business to consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution of the Company:

SPECIAL RESOLUTION

“**THAT** the existing Bye-laws be and are hereby amended by deleting the existing Bye-law 87(1) in its entirety and substituting therefor the following:

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

By Order of the Board
Li So Mui
Company Secretary

Hong Kong, 29 April 2005

*Head Office and
Principal Place of Business:*
Suites 3001-3006
30/F, One Pacific Place
88 Queensway
Hong Kong

Notes:

1. Any member of the Company 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.
2. To be valid, a form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the head office and principal place of business of the Company at Suites 3001-3006, 30/F, One Pacific Place, 88 Queensway, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude you from attending and voting in person if you are subsequently able to be present.