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

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

**If you have sold or transferred** all your shares in Sino-i Technology Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**SINO-I TECHNOLOGY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 250)**

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
AMENDMENTS TO ARTICLES OF ASSOCIATION  
AND  
RE-ELECTION OF DIRECTORS**

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A notice convening an annual general meeting of the Company to be held at Chater Room I, Function Room Level (B1), The Ritz-Carlton, 3 Connaught Road Central, Hong Kong on 10 June 2005 at 11:00 a.m. is set out on pages 11 to 16 of this circular. A form of proxy is also enclosed. Whether or not you are able to attend and vote at the annual general meeting, you are requested to complete and return the enclosed form of proxy to the share registrars of the Company, Abacus Share Registrars Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the annual general meeting or any adjourned meetings should you so wish.

29 April 2005

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Chater Room I, Function Room Level (B1), The Ritz-Carlton, 3 Connaught Road Central, Hong Kong on 10 June 2005 at 11:00 a.m., notice of which is set out on pages 11 to 16 of this circular or any adjournment thereof
“Articles”	the articles of association of the Company
“Board”	the board of Directors
“Company”	Sino-i Technology Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	26 April 2005, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Resolution”	the resolution to be proposed at the AGM for the granting to the Directors of a general mandate to repurchase Shares
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	holders of Shares
“Shares”	shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## LETTER FROM THE BOARD

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### SINO-I TECHNOLOGY LIMITED

*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 250)**

*Directors:*

YU Pun Hoi (*Chairman*)  
ZHANG Hong Ren  
LI Shilin<sup>#</sup>  
LUO Ning<sup>#</sup>  
LAM Bing Kwan<sup>#</sup>  
CHAN Lap Stanley\*  
FUNG Wing Lap\*  
QIN Tian Xiang\*

*Registered Office:*

39/F  
New World Tower I  
16-18 Queen's Road Central  
Hong Kong

<sup>#</sup> *Non-executive Directors*

\* *Independent Non-executive Directors*

29 April 2005

*To the Shareholders of the Company*

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
AMENDMENTS TO ARTICLES OF ASSOCIATION  
AND  
RE-ELECTION OF DIRECTORS**

#### **INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM for the approval of:

- (1) the granting to the Directors of general mandates to issue and repurchase Shares and the extension of the general mandate to issue Shares by adding to it the amount of Shares repurchased;
- (2) the proposed amendments to the Articles; and
- (3) the re-election of Directors.

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## LETTER FROM THE BOARD

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### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the AGM, ordinary resolutions will be proposed to grant to the Directors general mandates, in substitution for the general mandates to issue and repurchase Shares granted to the Directors at the annual general meeting held on 11 June 2004, to:

- (i) allot, issue or otherwise deal with Shares or convertible securities up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution;
- (ii) repurchase on the Stock Exchange Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution; and
- (iii) add to the general mandate given to the Directors under sub-paragraph (i) above any Shares repurchased pursuant to the general mandate under sub-paragraph (ii) above up to 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of the resolution.

The explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Resolution is set out in Appendix I to this circular. The explanatory statement contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the Repurchase Resolution at the AGM.

### AMENDMENTS TO ARTICLES

In view of the recent changes to the Listing Rules relating to the implementation of the Code on Corporate Governance Practices, the Board proposes to put forward a special resolution to the Shareholders for approval at the AGM such that the Articles will be amended in order to comply with the Code. These amendments will include provisions requiring all Directors appointed to fill a casual vacancy to be subject to election by Shareholders at the first general meeting after their appointment and every Director to be subject to retirement by rotation at least once every three years. In addition, to provide flexibility in the execution of documents by the Company, the Board also proposes that the Articles be amended to allow for documents requiring the seal of the Company to be signed by one Director and the secretary of the Company, or by two Directors or such other person or persons as the Directors shall from time to time appoint. The full text of the special resolution containing such proposed amendments (Resolution numbered 7) is set out in the notice of the AGM.

### RE-ELECTION OF DIRECTORS

In accordance with Article 87 of the Articles, Mr. Chan Lap Stanley, Mr. Fung Wing Lap and Mr. Qin Tian Xiang may hold office only until the AGM and, being eligible, will offer themselves for re-election at the AGM. In accordance with Article 94 of the Articles, Mr. Yu Pun Hoi and Mr. Lam Bing Kwan shall retire at the AGM and, being eligible, will offer themselves for re-election at the AGM. Particulars of these Directors are set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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### ANNUAL GENERAL MEETING

The Board has resolved to convene the AGM to consider and, if thought fit, by the Shareholders, to approve the proposed resolutions as set out in the notice of AGM on pages 11 to 16 of this circular. Whether or not you are able to attend and vote at the AGM, you are requested to complete and return the enclosed form of proxy to the share registrars of the Company, Abacus Share Registrars Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the AGM or any adjourned meetings should you so wish.

### PROCEDURES BY WHICH A POLL MAY BE DEMANDED

Pursuant to Articles 68 and 69 of the Articles, a resolution put to the vote of a general meeting shall be decided on a show of hands unless (before or upon the declaration of the result of the show of hands) a poll is demanded by:

- (i) the Chairman of the meeting; or
- (ii) at least three members present in person or by proxy having the right to vote on the resolution; or
- (iii) a member or members present in person or by proxy representing in aggregate not less than one-tenth of the total voting rights of all the members having the right to attend and vote at the meeting; or
- (iv) a member or members present in person or by proxy holding Shares conferring the right to attend and vote at the meeting 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;

and a demand for a poll by a person as proxy for a member shall be as valid as if the demand were made by the member himself.

### RECOMMENDATION

The Directors consider that all the resolutions proposed in respect of the above are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend all Shareholders to vote in favour of all the resolutions set out in the notice of the AGM.

Yours faithfully,  
By order of the Board of  
**Sino-i Technology Limited**  
**Zhang Hong Ren**  
*Director*

*This is an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of shares of up to a maximum of 10 per cent. of the issued share capital of the Company as at the date of passing of the Repurchase Resolution. For the purpose of this explanatory statement, "shares" is defined in the Hong Kong Code on Share Repurchases to mean shares of all classes and securities which carry a right to subscribe or purchase shares.*

#### **SHAREHOLDERS' APPROVAL**

The Listing Rules provide that all securities repurchases on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, which may be by way of a general mandate, or by a specific approval in relation to a specific transaction. All the Shares proposed to be repurchased by the issuer are fully paid up.

#### **SHARE CAPITAL**

As at the Latest Practicable Date, there were in issue an aggregate of 19,914,504,877 Shares. Subject to the passing of the Repurchase Resolution and on the basis that no further Shares will be issued and repurchased prior to the date of the AGM, exercise in full of the mandate will allow the Company to repurchase a maximum of 1,991,450,487 Shares during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or the Articles and the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

#### **REASONS FOR REPURCHASE**

As at the Latest Practicable Date, the Directors have no intention to repurchase any Shares but consider that the mandate will provide the Company the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases may enhance the net asset value and/or earnings per share of the Company. As compared with the financial position of the Company as at 31 December 2004 (being the date to which its latest audited accounts were made up), the Directors consider that there would not be a material adverse impact on the working capital and on the gearing position of the Company in the event that the mandate granted pursuant to the passing of the Repurchase Resolution was to be exercised in full during the proposed repurchase period. No repurchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company which, in the opinion of the Directors, are from time to time appropriate for the Company.

#### **FUNDING OF REPURCHASE**

In repurchasing any Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles and the applicable laws of Hong Kong.

**DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

To the best of the knowledge of the Directors having made all reasonable enquiries, none of the Directors nor any associates of the Directors has a present intention, in the event that the Repurchase Resolution is passed by the Shareholders, to sell Shares to the Company.

As at the Latest Practicable Date, no connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she has an intention to sell Shares to the Company nor has any connected person of the Company undertaken not to sell any of the Shares held by him/her to the Company, in the event that the Repurchase Resolution is passed.

**UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchases pursuant to the Repurchase Resolution in accordance with the Listing Rules, the applicable laws of Hong Kong and the Articles.

**EFFECT OF TAKEOVERS CODE**

If on the exercise of the power to repurchase Shares pursuant to the mandate granted by the passing of the Repurchase Resolution, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of rule 32 of the Hong Kong Code on Takeovers and Mergers (the "Code"). As a result, a shareholder or group of shareholders acting in concert could obtain or consolidate control of the Company and, depending on the level of increase of the shareholder's interest, may become obliged to make a mandatory offer in accordance with rule 26 of the Code.

As at the Latest Practicable Date, Mr. Yu Pun Hoi, the chairman of the Company, CITIC Group and parties acting in concert with them are beneficially interested in approximately 68.50% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Resolution, the shareholding of Mr. Yu Pun Hoi, CITIC Group and parties acting in concert with them would be increased to approximately 76.11% of the issued share capital of the Company. However, the shareholding interests in the Company held by Mr. Yu Pun Hoi and companies controlled by him (including Macro Resources Limited) alone will be increased from approximately 43.70% to about 48.55% of the issued share capital of the Company. As described in note 6 to rule 26.1 of the Code, such an increase of more than 2% would normally trigger an obligation on the part of Mr. Yu Pun Hoi to make a mandatory general offer for all the Shares other than those acquired by Mr. Yu Pun Hoi, CITIC Group and parties acting in concert with them. The Directors have no present intention to exercise the mandate to repurchase Shares to such an extent as would result in insufficient public float or any mandatory general offer obligations under the Code.

**SHARE PRICES**

The highest and lowest traded prices for Shares on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

	<b>PER SHARE</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2004</b>		
April	0.167	0.145
May	0.170	0.135
June	0.197	0.139
July	0.185	0.152
August	0.157	0.106
September	0.148	0.141
October	0.165	0.140
November	0.178	0.149
December	0.178	0.147
<b>2005</b>		
January	0.182	0.154
February	0.162	0.152
March	0.161	0.131
April (up to and including the Latest Practicable Date)	0.149	0.131

**SHARE REPURCHASE MADE BY THE COMPANY**

The Company has not repurchased any Shares on the Stock Exchange in the six months preceding the Latest Practicable Date.

**PARTICULARS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED:****Mr. YU Pun Hoi** – *Chairman*

Mr. Yu Pun Hoi, aged 46. He is the Chairman and a substantial shareholder of the Company. Mr. Yu has extensive experience in various industries including internet technology, properties investment and development, and media. Mr. Yu was a Director of the Company from October 1991 to October 1994 and re-joined the Board on 31 January 1997. Mr. Yu is also the Chairman of South Sea Holding Company Limited (“South Sea”) (a subsidiary of the Company, the shares of which are listed on the main board of the Stock Exchange) and also an executive director of all the subsidiaries of the Company. Save as disclosed, Mr. Yu has not held any other directorship in listed public companies for the last three years. Mr. Yu receives a director’s fee of HK\$480,000 per annum determined with reference to his duties and responsibilities within the Company and is entitled to receive discretionary bonus payments. Mr. Yu has not entered into any service contract with the Company, nor been appointed for a specific term, but will be subject to retirement by rotation in accordance with the Articles. Save as disclosed, Mr. Yu does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Yu has an interest in 8,702,325,316 shares and holds a short position in 8,658,325,316 shares of the Company and is deemed to have an interest in 20,266,720,000 shares and 29,872,779,948 underlying shares in South Sea, an associated corporation of the Company within the meaning of Part XV of the SFO. Save as disclosed, he does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

**Mr. LAM Bing Kwan** – *non-executive Director*

Mr. Lam Bing Kwan, aged 55, graduated from the University of Oregon in the United States of America with a Bachelor of Business Administration degree in 1974. Mr. Lam has been in management positions in the banking and financial industry for more than 10 years. Mr. Lam joined the Board on 14 October 1991 and was re-designated as a non-executive Director on 2 April 2002. Mr. Lam is currently a non-executive director of South Sea (a subsidiary of the Company) and an independent non-executive director of Lai Sun Development Company Limited, Lai Fung Holdings Limited and eForce Holdings Limited. The shares of all of these companies are listed on the main board of the Stock Exchange. Save as disclosed, Mr. Lam does not hold any other positions with the Company or its subsidiaries, and has not held any other directorship in listed public companies for the last three years. Mr. Lam receives a director’s fee of HK\$300,000 per annum determined with reference to his duties and responsibilities within the Company, but he is not entitled to receive bonus payments, whether fixed or discretionary in nature. Mr. Lam has not entered into any service contract with the Company, nor been appointed for a specific term, but will be subject to retirement by rotation in accordance with the Articles. Save as disclosed, Mr. Lam does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lam has an interest in 18,000,000 underlying shares of the Company. Save as disclosed, Mr. Lam does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

**Mr. CHAN Lap Stanley** – *independent non-executive Director*

Mr. Chan Lap Stanley, aged 50, graduated from medical school of Zhejiang University in 1983 and also holds a Master's degree in Psychology. Mr. Chan has been an Assistant Professor in Zhejiang University in the People's Republic of China, and a researcher and chief secretary of a Research Centre for Taiwan, Macau and Hong Kong in Zhejiang University since 1997. Mr. Chan is also a business consultant in Ningbo Free Trade Zone in Zhejiang. Mr. Chan joined the Board on 30 September 2004. Mr. Chan was an independent non-executive director and an audit committee member of South Sea (a subsidiary of the Company, the shares of which are listed on the main board of the Stock Exchange) during the period from 15 January 2003 to 30 September 2004. Save as disclosed, Mr. Chan does not hold any other positions with the Company or its subsidiaries, and has not held any other directorships in listed public companies for the last three years. Mr. Chan receives a director's fee of RMB150,000 per annum determined with reference to his duties and responsibilities within the Company, but is not entitled to receive any bonus payments, whether fixed or discretionary in nature. Mr. Chan has not entered into any service contract with the Company, nor been appointed for a specific term, but will be subject to retirement by rotation in accordance with the Articles. Mr. Chan does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Chan does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

**Mr. FUNG Wing Lap** – *independent non-executive Director*

Mr. Fung Wing Lap, aged 45, graduated from The Hong Kong Polytechnic University in 1992. Mr. Fung is a fellow member of Association of International Accountants and a Certified Public Accountant (Practising) of Hong Kong Institute of Certified Public Accountants. Mr. Fung has been a partner of Fung Lau & Company, Certified Public Accountants since October 2000. Mr. Fung joined the Board on 30 September 2004. Save as disclosed, Mr. Fung does not hold any other positions with the Company or its subsidiaries, and has not held any other directorship in listed public companies for the last three years. Mr. Fung receives a director's fee of HK\$100,000 per annum determined with reference to his duties and responsibilities within the Company, but he is not entitled to receive any bonus payments, whether fixed or discretionary in nature. Mr. Fung has not entered into any service contract with the Company, nor been appointed for a specific term, but will be subject to retirement by rotation requirements in accordance with the Articles. Mr. Fung does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Fung has an interest in 10,000 shares of the Company. Save as disclosed, he does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

**Mr. QIN Tian Xiang** – *independent non-executive Director*

Mr. Qin Tian Xiang, aged 39, graduated from the National University of Defense Technology, Electronics Technique Department. Mr. Qin has been the president of Beijing Xin Shen Jian Economic & Technique Development Company since 1994. Mr. Qin was the chairman and chief executive officer of Hongkong Broad Communication Limited Corporation during the period from 1999 to 2003. Mr. Qin was the director and senior vice-president of Wool Worth Limited Corporation and the chairman and general manager of Beijing Jing Wei Real Estate Limited Corporation during the period from 1995 to 2001. Mr. Qin joined the Board on 30 September 2004. Mr. Qin is currently an independent non-executive director and audit committee member of South Sea (a subsidiary of the Company, the shares of which are listed on the main board of the Stock Exchange). Save as disclosed, Mr. Qin does not hold any other positions with the Company or its subsidiaries, and has not held any other directorship in listed public companies for the last three years. Mr. Qin receives a director's fee of RMB120,000 per annum determined with reference to his duties and responsibilities within the Company, but he is not entitled to receive any bonus payments, whether fixed or discretionary in nature. Mr. Qin has not entered into any service contract with the Company, nor been appointed for a specific term, but will be subject to retirement by rotation requirements in accordance with the Articles. Save as disclosed above, Mr. Qin does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Qin does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Save for the foregoing, the Board are not aware of any other matters that need to be brought to the attention of the Shareholders in relation to the re-election of the above Directors.

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## NOTICE OF ANNUAL GENERAL MEETING

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### SINO-I TECHNOLOGY LIMITED

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 250)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Sino-i Technology Limited (the “**Company**”) will be held at Chater Room I, Function Room Level (B1), The Ritz-Carlton, 3 Connaught Road Central, Hong Kong on 10 June 2005 at 11:00 a.m. for the following purposes:–

1. To receive and adopt the audited financial statements and the Reports of the Directors and Auditors for the year ended 31 December 2004.
2. To re-elect the retiring Directors and to authorize the Board of Directors to fix the remuneration of the Directors.
3. To re-appoint the retiring Auditors and to authorize the Board of Directors to fix their remuneration.

### ORDINARY RESOLUTIONS

4. As Special Business, to consider and, if thought fit, pass with or without modification, the following resolution as an Ordinary Resolution:

“**THAT:**

- (a) subject to paragraph (c) of this Resolution, 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 allot, issue or grant securities convertible into such shares, or options, warrants or similar rights to subscribe for any such shares or such convertible securities and to make or grant offers, agreements and options which might require the exercise of such power whether during or after the end of the Relevant Period be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall be in addition to any other authorizations given to the directors of the Company and shall authorize such directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval given in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time; (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iv) an issue of shares pursuant to the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares in the Company, shall not exceed 20% of the nominal amount of the issued share capital of the Company at the date of passing of this Resolution and the said approval shall be limited accordingly;
- (d) subject to the passing of each of paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which had been granted to the directors of the Company and which are still in effect be and are hereby revoked; and
- (e) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier 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 articles of association of the Company 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 the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusion 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 recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

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## NOTICE OF ANNUAL GENERAL MEETING

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5. As Special Business, to consider and, if thought fit, pass with or without modification, the following resolution as an Ordinary Resolution:

**“THAT:**

- (a) subject to paragraph (b) of this Resolution, 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 in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time be and is hereby generally and unconditionally approved;
  - (b) the aggregate nominal amount of shares in the Company which may be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the nominal amount of the share capital of the Company in issue at the date of passing of this Resolution and the said approval shall be limited accordingly;
  - (c) subject to the passing of each of paragraphs (a) and (b) of this Resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this Resolution which had been granted to the directors of the Company and which are still in effect be and are hereby revoked; and
  - (d) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier 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 articles of association of the Company 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 the shareholders of the Company in general meeting.”
6. As Special Business, to consider and, if thought fit, pass with or without modification, the following resolution as an Ordinary Resolution:

**“THAT** subject to the passing of Resolutions numbered 4 and 5 set out in the notice convening this Meeting, the general mandate granted to the directors of the Company to issue and dispose of additional shares pursuant to Resolution numbered 4 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 the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution numbered 5 set out in the notice convening this Meeting, provided that such amount of shares so repurchased shall not exceed 10% of the nominal amount of the share capital of the Company in issue at the date of passing of this Resolution.”

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## NOTICE OF ANNUAL GENERAL MEETING

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### SPECIAL RESOLUTION

7. As Special Business, to consider and, if thought fit, pass the following resolution as a Special Resolution:

“**THAT** the Articles of Association of the Company be and are hereby amended as follows:

- (a) by deleting the sentence “But any director so appointed shall hold office only until the next Annual General Meeting of the Company, and shall then be eligible for re-election.” in Article 87 and substituting therefor “Any Director so appointed to fill a casual vacancy shall hold office only until the next general meeting of the Company and any Director so appointed as an addition to the Board shall hold office only until the next Annual General Meeting of the Company, and in each case shall then be eligible for re-election.”;
- (b) by deleting the existing Article 94 in its entirety and substituting therefor the following:

“At each Annual General Meeting of the Company, and notwithstanding any contractual or other terms on which a Director may be appointed or engaged, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that, notwithstanding anything herein, every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retires.”;

- (c) by deleting the existing Article 95 in its entirety and substituting therefor the following:

“Subject to Article 94, the Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election; and any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed pursuant to Article 87 who may only hold office until any particular Annual General Meeting of the Company shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation at that Annual General Meeting pursuant to Articles 94 and 95.”;

- (d) by deleting the words “without notice in that behalf” in Article 97 and substituting therefor “subject to the requirements of Article 100”;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (e) by deleting the existing Article 98 and its side-note in their entirety and substituting therefor the following:

“Intentionally deleted.”;

- (f) by deleting the words “not, while he continues to hold that office” in Article 104 and substituting therefor “, notwithstanding any contractual or other terms on which he may be appointed or engaged” and by deleting the word “but” in Article 104 and substituting therefor “and”;

- (g) by deleting the sentence “A director who is at any time not in the Colony of Hong Kong shall not during such time be entitled to notice of any such meeting.” in Article 107;

- (h) by deleting the words “and unless otherwise determined, the chairman shall hold office for a period of three years or during his term of office as a director, whichever shall be the shorter, and shall be eligible for re-election” in Article 109 and substituting therefor “but, notwithstanding that he may be elected for a specific term, the chairman shall be subject to retirement by rotation as a Director under Articles 94 and 95”; and

- (i) by deleting the existing Article 119 in its entirety and substituting therefor the following:

“Subject as otherwise provided in Article 14, all deeds or instruments requiring the seal of the Company shall be signed by one Director and the secretary of the Company, or by two Directors, or by such other person or persons as the Directors shall from time to time appoint, either generally or in any particular case.””

By order of the Board  
**Watt Ka Po James**  
*Company Secretary*

Hong Kong, 25 April 2005

*Notes:*

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the share registrars of the Company, Abacus Share Registrars Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. The register of members will be closed from 6 June 2005 to 10 June 2005, both days inclusive, during which period no transfer of shares will be effected for the purpose of determining the identity of members who are entitled to attend and vote at the meeting. In order to register the transfers, all transfers accompanied by the

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## NOTICE OF ANNUAL GENERAL MEETING

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relevant share certificates must be lodged with the share registrars of the Company, Abacus Share Registrars Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on 3 June 2005.

4. At the date of this notice, the directors of the Company are Messrs. Yu Pun Hoi, Zhang Hong Ren, Li Shilin, Luo Ning, Lam Bing Kwan, Qin Tian Xiang, Chan Lap Stanley and Fung Wing Lap.