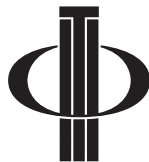


**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

If you have sold or transferred all your shares in CITIC Pacific Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the 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.



CITIC PACIFIC

**CITIC Pacific Limited**  
**中信泰富有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 267)**

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

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A notice convening the annual general meeting of CITIC Pacific Limited to be held at Island Ballroom, Level 5, Island Shangri-La Hotel, Two Pacific Place, Supreme Court Road, Hong Kong on Friday, 12 May 2006 at 10:30 a.m. is set out on pages 13 to 18 of this circular.

Whether or not you are able 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 it to the registered office of CITIC Pacific Limited at 32nd Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the Annual General Meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting should you so wish.

19 April 2006

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Island Ballroom, Level 5, Island Shangri-La Hotel, Two Pacific Place, Supreme Court Road, Hong Kong on Friday, 12 May 2006 at 10:30 a.m., the Notice of which is set out in Appendix IV to this circular or, where the context so admits, any adjournment thereof
“Articles of Association”	the articles of association of the Company as altered from time to time
“Company”	CITIC Pacific Limited
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Directors”	directors of the Company
“HK\$”	Hong Kong dollars
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Notice”	the notice convening the Annual General Meeting
“Share(s)”	share(s) of HK\$0.40 each in the share capital of the Company
“Shareholders”	holders of Shares in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE CHAIRMAN



CITIC PACIFIC

**CITIC Pacific Limited**  
**中信泰富有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 267)**

*Directors:*

Larry Yung Chi Kin (*Chairman*)  
Henry Fan Hung Ling (*Managing Director*)  
Peter Lee Chung Hing (*Deputy Managing Director*)  
Norman Yuen Kee Tong (*Deputy Managing Director*)  
Vernon Francis Moore (*Executive Director*)  
Li Shilin (*Executive Director*)  
Carl Yung Ming Jie (*Executive Director*)  
Liu Jifu (*Executive Director*)  
Leslie Chang Li Hsien (*Executive Director*)  
Chau Chi Yin (*Executive Director*)  
Milton Law Ming To (*Executive Director*)  
Wang Ande (*Executive Director*)  
Willie Chang\*  
Hamilton Ho Hau Hay\*\*  
Alexander Reid Hamilton\*\*  
Hansen Loh Chung Hon\*\*  
Norman Ho Hau Chong\*\*  
André Desmarais\*  
Peter Kruyt#

*Registered Office:*

32nd Floor  
CITIC Tower  
1 Tim Mei Avenue  
Central  
Hong Kong

\* *Non-executive Director*  
\*\* *Independent Non-executive Director*  
# *Alternate Director to André Desmarais*

19 April 2006

*To the Shareholders,*

Dear Sir or Madam,

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

**1. INTRODUCTION**

The purpose of this circular is to provide you with the Notice and the information in connection with the proposals to (i) grant the general mandates to issue Shares and to repurchase Shares, (ii) amend the Articles of Association of the Company and (iii) re-elect the retiring Directors at the Annual General Meeting.

## LETTER FROM THE CHAIRMAN

### **2. GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES**

At the annual general meeting of the Company held on 12 May 2005, ordinary resolutions were passed giving general mandates to the Directors (i) to allot, issue and dispose of additional Shares not exceeding twenty per cent of the aggregate nominal amount of the issued share capital of the Company as at 12 May 2005 and to extend the general mandate to allot Shares by adding repurchased securities to the twenty per cent general mandate; and (ii) to purchase or otherwise acquire Shares of the Company on the Stock Exchange not exceeding ten per cent of the aggregate nominal amount of the issued share capital of the Company as at 12 May 2005.

The purpose of the general mandate to issue Shares was to enable the Directors to issue additional Shares should the need arise. No Shares have been repurchased and no Shares have been allotted, issued or otherwise dealt with pursuant to the mandates. The Directors have no present intention to exercise the general mandates to issue Shares and to repurchase Shares of the Company.

Under the terms of the Companies Ordinance and the Listing Rules, these general mandates will lapse upon the conclusion of the forthcoming Annual General Meeting of the Company to be held on 12 May 2006, unless renewed at that meeting. To keep in line with current corporate practice, resolutions will be proposed to renew these mandates and the explanatory statement and memorandum regarding the repurchase resolution as required under the Listing Rules is set out in Appendix I to this circular.

### **3. AMENDMENTS TO ARTICLES OF ASSOCIATION**

According to the current Listing Rules regarding financial reporting, the Company, in accordance with the applicable laws of its place of incorporation and its constitutional documents, may offer the Shareholders the choice of receiving corporate communications in either the English language only, the Chinese language only or both the English language and the Chinese language in accordance with the wishes of its Shareholders provided that the Company has made adequate arrangements to ascertain the wishes of its Shareholders.

The Directors proposed to amend the Articles of Association to allow such flexibility. Some other amendments were proposed to bring the Articles of Association in line with current corporate practice. Full details of the proposed amendments to the Articles of Association are set out in the Notice under Appendix IV to this circular whereas a summary is set out in Appendix II.

### **4. RE-ELECTION OF DIRECTORS**

In accordance with Article 95 of the Articles of Association of the Company, Messrs. Chau Chi Yin, Milton Law Ming To and Wang Ande are Directors appointed by the Board since the last annual general meeting who shall hold office only until the forthcoming Annual General Meeting and shall be eligible for re-election. In accordance with Article 104(A) of the Articles of Association of the Company, Messrs. Henry Fan Hung Ling, Li Shilin, Carl Yung Ming Jie, Hamilton Ho Hau Hay, Alexander Reid Hamilton and Hansen

## LETTER FROM THE CHAIRMAN

Loh Chung Hon shall retire by rotation in the Annual General Meeting and, all being eligible, shall offer themselves for re-election. Details of the Directors who are proposed to be re-elected at the Annual General Meeting are set out in Appendix III to this circular.

### 5. ANNUAL GENERAL MEETING

The Notice is set out in Appendix IV to this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the general mandates to issue Shares and to repurchase Shares, the proposed amendments to the Articles of Association and the re-election of Directors.

Pursuant to Article 75 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 a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the Chairman of the meeting; or
- (ii) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

The results of the poll will be published in the local newspapers and on the websites of the Company and the Stock Exchange on the business day following the above meeting.

A proxy form for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's registered office at 32nd Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting. Completion and return of the proxy form will not preclude Shareholders from attending and voting at the Annual General Meeting if they so wish.

## LETTER FROM THE CHAIRMAN

### 6. RECOMMENDATION

The Directors believe that the general mandates to issue Shares and to repurchase Shares, the amendments to the Articles of Association and the re-election of Directors to be proposed at the Annual General Meeting are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders shall vote in favour of the resolutions in relation to the above proposals to be proposed at the Annual General Meeting.

Yours faithfully,  
**Larry Yung Chi Kin**  
*Chairman*

This is an explanatory statement and memorandum of the terms of the proposed repurchases given to the Shareholders relating to a resolution to approve the Company repurchasing its own Shares (“Buyback Mandate”) to be proposed at the Annual General Meeting.

This explanatory statement contains the information required under Rule 10.06(1)(b) of the Listing Rules. Its purpose is to provide Shareholders with all the information reasonably necessary for them to make an informed decision as to whether or not to vote in favour of the resolution approving the Buyback Mandate and it also forms the memorandum of the terms of the proposed repurchases given under Section 49BA(3)(b) of the Companies Ordinance.

**i. SHARE CAPITAL**

As at 10 April 2006, being the latest practicable date prior to the printing of this circular (“Latest Practicable Date”), the issued share capital of the Company was 2,193,385,160 Shares.

Subject to the passing of the resolution approving the Buyback Mandate 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 Buyback Mandate to repurchase a maximum of 219,338,516 Shares, representing 10% of the issued share capital of the Company.

**ii. SHAREHOLDER APPROVAL/TRADING RESTRICTIONS**

The Listing Rules provide that all proposed repurchases of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction.

**iii. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from Shareholders to enable the Directors to repurchase the Shares of the Company on the market.

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the value of the net assets and/or earnings and/or dividend per share.

**iv. FUNDING OF REPURCHASES**

Repurchases must be funded out of the funds legally available for the purpose in accordance with the Company’s constitutive documents, including memorandum and articles of association, and Hong Kong laws, being profits available for distribution and the proceeds of a fresh issue of shares made for the purpose of the repurchases. It is

envisaged that the funds required for any repurchase would be derived from profits available for distribution.

The Directors do not propose to exercise the Buyback Mandate to such 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. However, 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 as at 31 December 2005) in the event that the Buyback Mandate was exercised in full.

#### v. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the 12 months preceding the Latest Practicable Date, from 1 April 2005 to 31 March 2006, were as follows:

		<b>Shares</b>		
		<i>Highest HK\$</i>	<i>Lowest HK\$</i>	
2005	April	23.70	22.45	
	May	23.55	21.40	
	June	22.80	21.65	
	July	23.25	21.90	
	August	23.40	21.40	
	September	22.10	21.05	
	October	21.85	19.70	
	November	21.50	20.00	
	December	22.10	21.20	
	2006	January	23.05	21.35
		February	23.35	21.90
		March	24.00	22.70

#### vi. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates, have any present intention if the Buyback Mandate is exercised to sell any Shares to the Company or its subsidiaries.

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

If as the result of a repurchase of Shares a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for purposes of the Hong Kong Code on Takeovers and Mergers and Share Repurchases ("Takeover Code"). As a result, a shareholder, or group of shareholders acting in concert

depending on the level of increase of shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code. As at 10 April 2006, the Latest Practicable Date, CITIC Hong Kong (Holdings) Limited ("CITIC HK") together with its directors as parties acting in concert held approximately 49% of the issued share capital of the Company. In the event of full exercise of the Buyback Mandate and the maintenance by CITIC HK and its concert parties of their present shareholding, the percentage of the issued share capital of the Company held by CITIC HK and parties acting in concert would increase by more than 5%. An obligation to make a general offer to Shareholders under Rules 26 and 32 of the Takeover Code may accordingly arise. The Directors have no present intention to exercise the Buyback Mandate to such an extent as would result in such takeover obligation arising. CITIC HK is a wholly owned subsidiary of CITIC Group and thus both CITIC HK and CITIC Group are substantial shareholders of the Company. Save as disclosed, the Directors are not aware of any shareholder or group of shareholders acting in concert who will become obliged to make a mandatory offer as a result of a repurchase of Shares.

There have been no repurchases of any securities of the Company made in the previous six months (whether on the Stock Exchange or otherwise).

The Listing Rules prohibit the Company from knowingly repurchasing Shares of the Company on the Stock Exchange from a "connected person" (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling his/her Shares to the Company.

No connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Company is authorised to make repurchases of Shares.

This appendix sets out a summary of the proposed amendments.

Article 2	To make it clear that documents referred to in the Articles include those that are in electronic form
Article 4	To conform with Appendix 3 of the Listing Rules in respect of designation of different class of shares
Article 7	To conform with Appendix 3 of the Listing Rules in respect of the restriction on purchase of redeemable shares for redemption
Article 17	To provide for the possibility that share certificates shall be issued within the period as prescribed by the Stock Exchange from time to time
Article 86 Article 110	As minor drafting improvement
Article 172	To provide for the issue of notice or document either in English or Chinese only
Article 174	To provide for deemed service of notice or document served by newspapers advertisement
Article 175 Article 177 Article 178	As minor drafting improvement
Article 184(B) Article 184(C)	To be consistent with the provisions as prescribed by the Companies Ordinance as to the liability of auditors and the Company's ability to purchase liability insurance for auditors.

The following Directors are subject to retirement by rotation and re-election in accordance with the Company's Articles of Association. The interests in the securities of the Company of the retiring Directors apart from Messrs. Chau Chi Yin, Milton Law Ming To and Wang Ande are provided in the section "Directors' Report" in the 2005 Annual Report and the 2005 Summary Financial Report. The emoluments of the retiring Directors apart from Messrs. Chau Chi Yin, Milton Law Ming To and Wang Ande are set out in Note 11 to the accounts contained in the 2005 Annual Report and Note 3 to the summary financial statements contained in the 2005 Summary Financial Report. In general, the emoluments paid to the Directors are determined with reference to the market terms and their duties and responsibilities within the Group. In relation to the re-election of the following Directors, there is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

\* **Henry Fan Hung Ling**, aged 57, a Director since 1990 and became the Managing Director of the Company since 1992. Mr. Fan is a Deputy Chairman of Cathay Pacific Airways Limited ("Cathay"), a director of Hong Kong Dragon Airlines Limited ("Dragonair") and a Deputy Managing Director of CITIC Hong Kong (Holdings) Limited ("CITIC HK"). He is a non-official member of the Executive Council of the Hong Kong Special Administrative Region and a non-executive director of Hong Kong Exchanges and Clearing Limited. Before joining CITIC HK in 1987, Mr. Fan held senior management positions with a number of corporations and also practised law as a barrister. CITIC HK is a wholly owned subsidiary of CITIC Group, a substantial shareholder of the Company. Save as disclosed herein, he has no relationships with any directors, senior management or substantial or controlling shareholders of the Company.

\* **Li Shilin**, aged 56, a Director since 2000, is an Executive Director and a Vice President of CITIC Group. He is also the Chairman of CITIC Guoan Group, Xin De Telecom International Ventures Co., Ltd., CITIC Guoan Information Industry Co., Ltd. and CITIC Offshore Helicopter Co., Ltd. Save as the above, he has no relationships with any directors, senior management or substantial or controlling shareholders of the Company.

\* **Carl Yung Ming Jie**, aged 37, is the Chairman of CITIC Pacific China Holdings Limited. He is also a director of Cathay, Shanghai CITIC Square Co., Ltd., Shanghai New Westgate Garden Property Co. Ltd. and other Group companies concerned with property, infrastructure and industrial projects in the PRC. He joined CITIC Pacific in 1993. He is the son of Mr. Larry Yung Chi Kin who is the Chairman of the Company and the brother of Miss Frances Yung Ming Fong who is the director of Group Finance of the Company. Apart from this, he has no relationships with any directors, senior management or substantial or controlling shareholders of the Company.

# **Hamilton Ho Hau Hay**, aged 55, a Director since 1992, is a director of Dah Chong Hong Holdings Limited, New World Development Company Limited and King Fook Holdings Limited, an Executive Director of Honorway Investments Limited and Tak Hung (Holding) Company Limited. He is the brother of Mr. Norman Ho Hau Chong who is a director of the Company. Apart from this, he has no relationships with any directors, senior management or substantial or controlling shareholders of the Company.

#+Δ **Alexander Reid Hamilton**, aged 64, a Director since 1994, was a partner of PricewaterhouseCoopers where he practised for 16 years. He is a director of a number of Hong Kong companies including China Cosco Holdings Company Limited, Shangri-La Asia Limited, Esprit Holdings Limited and Octopus Cards Limited. He was previously a director of COSCO Pacific Limited, COSCO International Holdings Limited, Imagi International Holdings Limited and Man Sang International Limited. He has no relationships with any directors, senior management or substantial or controlling shareholders of the Company.

#+ **Hansen Loh Chung Hon**, aged 68, a Director since 1994, is the Managing Director of Wyler Textiles, Limited, Chairman of Farrington American Express Travel Services Limited and a director of CLP Holdings Limited. He was previously a director of The Hongkong and Shanghai Banking Corporation Limited. He has no relationships with any directors, senior management or substantial or controlling shareholders of the Company.

\* **Chau Chi Yin**, aged 50, is a Director with effect from 1 April 2006. Mr. Chau joined the Company in 1990, is a director of Hong Kong Resort Company Limited and certain Group companies concerned with industrial projects. He joined CITIC HK in 1987 after experience in public accounting and in financial management with a major Hong Kong listed company. Mr. Chau has no relationships with any directors, senior management or substantial or controlling shareholders of the Company, apart from being a director of some subsidiaries of CITIC HK. He is a member of the Hong Kong Institute of Certified Public Accountants. As at 10 April 2006, the Latest Practicable Date, he is interested in 236,000 shares and 800,000 share options of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Chau is entitled to receive a monthly salary of HK\$110,000 plus discretionary bonus that is subject to the performance of the Company and the individual.

\* **Milton Law Ming To**, aged 42, a Director with effect from 1 April 2006, is a director of Dragonair and other Group companies concerned with infrastructure, environment, industrial and property projects. Before joining the Company in 1992, he worked in the banking industry. Mr. Law has no relationships with any directors, senior management or substantial or controlling shareholders of the Company, apart from being a director of some subsidiaries of CITIC HK. He is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He is also qualified as an attorney at law in the PRC. As at the Latest Practicable Date, he is interested in 3,000 shares and 750,000 share options of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Law is entitled to receive a monthly salary of HK\$95,000 plus discretionary bonus that is subject to the performance of the Company and the individual.

\* **Wang Ande**, aged 55, a Director with effect from 1 April 2006, is the Managing Director of CITIC Pacific China Holdings Limited and a director of other Group companies concerned with property projects in the PRC. Before joining the Company in 2003, he served in the Shanghai Municipal Government and Pudong New Area Government

responsible for lands and property development of the city. Mr. Wang has no relationships with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, he is interested in 50,000 shares and 200,000 share options of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Wang is entitled to receive a monthly salary of RMB40,000 plus discretionary bonus that is subject to the performance of the Company and the individual.

- \* *Executive Director*
- # *Independent Non-executive Director*
- + *Member of the Audit Committee*
- Δ *Member of the Remuneration Committee*



CITIC PACIFIC

**CITIC Pacific Limited**  
**中信泰富有限公司***(Incorporated in Hong Kong with limited liability)***(Stock Code: 267)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at Island Ballroom, Level 5, Island Shangri-La Hotel, Two Pacific Place, Supreme Court Road, Hong Kong on Friday, 12 May 2006 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited accounts and the Reports of the Directors and the Auditors for the year ended 31 December 2005.
2. To declare a final dividend for the year ended 31 December 2005.
3. To re-elect retiring Directors.
4. To re-appoint Auditors and authorise the Board of Directors to fix their remuneration.
5. To consider as Special Business and, if thought fit, pass the following resolution as a Special Resolution:

**“THAT** the Articles of Association of the Company be altered in the following manner:

(a) in Article 2:

(i) by inserting the words “(including an electronic communication)” after the words “legible and non-transitory form” in the definition of “writing” or “printing”; and

(ii) by adding at the end thereof the following new paragraph:

“References to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.”;

- (b) in Article 4, by adding the words “provided always that where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares (other than those with the most favourable voting rights) must include the words “restricted voting” or “limited voting” immediately after the words “as the Board may determine)”;
- (c) in Article 7, by adding at the end thereof the following:
- “In the case of purchases of redeemable shares, (i) purchases not made through the stock market or by tender shall be limited to a maximum price, and (ii) if purchases are by tender, tenders shall be available to all members alike.”;
- (d) in Article 17, by deleting the words “or within such other period as the conditions of issue shall provide” and substituting therefor the words “or within such shorter period as the conditions of issue shall provide or as the Stock Exchange may from time to time prescribe under the Listing Rules”;
- (e) in Article 86, by adding the words “who is the holder of two or more shares” immediately after the words “A member” in the last sentence thereof;
- (f) in Article 110, by deleting the words “special resolution” in the marginal note thereto and substituting therefor the words “ordinary resolution”;
- (g) in Article 172, by adding at the end thereof the words “Any notice or document to be given or issued under these Articles may be either in English language or Chinese language only or in both English language and Chinese language, subject to due compliance with the Ordinance and other applicable laws, rules and regulations.”;
- (h) in Article 174:
- (i) by deleting the words “following that” in the last sentence thereof;  
and
- (ii) by adding at the end of Article 174 the following:
- “Any notice or document served by advertisement in newspapers in accordance with Article 172 shall be deemed to have been served on the day on which the notice or document is first published in newspapers.”;

- (i) by deleting the existing Article 175 in its entirety and substituting therefor the following as new Article 175:
- “175. A notice or document may be given by or on behalf of the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a member in such manner as provided in these Articles in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.”;
- (j) in Article 177, by deleting the words “by post to, or left at the registered address of any member” and substituting therefor the words “to any member in such manner as provided in these Articles”;
- (k) by deleting the existing Article 178 in its entirety and substituting therefor the following as new Article 178:
- “178. The signature to any notice or document to be given by the Company may be written, printed or made electronically.”;
- (l) in Article 184(B), by adding the words “, or any person employed by the Company as Auditor” immediately after the words “any Director or other officer of the Company”; and
- (m) in Article 184(C), by adding the words “, or any person employed by the Company as Auditor” immediately after the words “any Director or officer of the Company”. ”
6. To consider as Special Business the following resolution as an Ordinary Resolution:
- “THAT:**
- A. subject to paragraph (C), a general mandate be and is hereby unconditionally granted to the Directors of the Company to exercise during the Relevant Period all the powers of the Company to allot, issue and dispose of additional shares in the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers;
- B. the mandate in paragraph (A) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;

- C. the aggregate nominal value 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 mandate in paragraph (A), otherwise than pursuant to (i) Rights Issue or (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to the officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company or (iii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the Articles of Association of the Company from time to time, shall not exceed twenty per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution and the said mandate shall be limited accordingly;
- D. 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; or
- ii. the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- iii. the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

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

7. To consider as Special Business the following resolution as an Ordinary Resolution:

**“THAT:**

A. a general mandate be and is hereby unconditionally given to the Directors of the Company to exercise during the Relevant Period all the powers of the Company to purchase or otherwise acquire shares of the Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, provided that the aggregate nominal amount of shares so purchased or otherwise acquired shall not exceed ten per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution;

B. 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; or
- ii. the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- iii. the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”

8. To consider as Special Business the following resolution as an Ordinary Resolution:

**“THAT** conditional upon the passing of Resolutions (6) and (7) set out in the Notice convening this Meeting, the aggregate nominal amount of the shares which are purchased or otherwise acquired by the Company pursuant to Resolution (7) shall be added to the aggregate nominal amount of the shares which may be issued pursuant to Resolution (6).”

By Order of the Board  
**Alice Tso Mun Wai**  
*Company Secretary*

Hong Kong, 22 March 2006

*Registered Office:*  
32nd Floor, CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong

*Notes:*

- (i) The Register of Members will be closed from Thursday, 4 May 2006 to Friday, 12 May 2006, both days inclusive, during which period no transfer of shares will be effected.
- (ii) Any member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
- (iii) To be valid, the instrument appointing a proxy and 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 registered office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote.
- (iv) Concerning item 3 above, Messrs Chau Chi Yin, Milton Law Ming To and Wang Ande are Directors appointed by the Board since last annual general meeting who shall hold office only until the forthcoming Annual General Meeting and shall then be eligible for re-election pursuant to Article 95 of the Articles of Association of the Company. Messrs Henry Fan Hung Ling, Li Shilin, Carl Yung Ming Jie, Hamilton Ho Hau Hay, Alexander Reid Hamilton and Hansen Loh Chung Hon shall retire by rotation in the Annual General Meeting pursuant to Article 104(A) of the Articles of Association of the Company and they, all being eligible, shall offer themselves for re-election. Details of the above Directors are set out in Appendix III to this circular.
- (v) Concerning item 5 above, a special resolution to amend certain Articles in the Company's Articles of Association is proposed in order to allow the Company to have the flexibility to offer the Shareholders the choice to receive corporate communications in either English or Chinese language or both languages as permitted by the Listing Rules and to bring the Articles in line with current corporate practice.
- (vi) Concerning item 6 above, the approval is being sought from members for a general mandate to authorise allotment of shares under Section 57B of the Companies Ordinance and the Listing Rules, in order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to issue any shares of the Company up to twenty per cent of the issued share capital of the Company. The Directors wish to state that they have no immediate plans to issue shares in the Company.
- (vii) Concerning item 7 above, the approval is being sought from members for a general mandate to repurchase shares in the Company, in order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to repurchase any shares in the Company up to ten per cent of the issued share capital of the Company.
- (viii) Concerning item 8 above, the approval is being sought from members to extend the general mandate to allot shares by adding repurchased securities to the twenty per cent general mandate.