

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

**If you have sold or transferred** all your shares in CNT Group Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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**CNT GROUP LIMITED**

**(北海集團有限公司)**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 701)**

**PROPOSALS FOR  
RE-ELECTION OF DIRECTORS  
AND  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
AND  
AMENDMENTS TO BYE-LAWS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the AGM of the Company to be held at 31st Floor, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong on Wednesday, 14 June 2006 at 11:30 a.m. at which the above proposals will be considered, is appended to this circular. Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's registrar in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not prevent shareholders from attending and voting at the meeting if they so wish.

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held on Wednesday, 14 June 2006, at 11:30 a.m., the notice of which is appended to this circular, or any adjournment thereof
“Board”	the board of directors of the Company
“Company”	CNT Group Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	22 April 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Share”	the ordinary share in the capital of the Company with a par value of HK\$0.1 each (or such other prevailing par value from time to time)
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	Hong Kong Code on Takeovers and Mergers
“%”	per cent.



**CNT GROUP LIMITED**  
**(北海集團有限公司)**

*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 701)**

*Directors:*

Tsui Tsin Tong (*Honorary Chairman*)  
Lam Ting Ball, Paul (*Chairman*)  
Sir David Akers-Jones\* (*Deputy Chairman*)  
Tsui Ho Chuen, Philip (*Executive Deputy Chairman*)  
Tsui Yam Tong, Terry (*Managing Director*)  
Li Hui Yan\*  
Hung Ting Ho, Richard\*\*  
Danny T Wong\*

\* *independent non-executive director*

\*\* *non-executive director*

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Principal place of business:*

31st Floor and Units E & F  
on 28th Floor  
CNT Tower  
338 Hennessy Road  
Wanchai  
Hong Kong

28 April 2006

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR  
RE-ELECTION OF DIRECTORS  
AND  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
AND  
AMENDMENTS TO BYE-LAWS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with the notice of the AGM and information on certain matters to be dealt with at the AGM which will be held on Wednesday, 14 June 2006 at 11:30 a.m.. They are: (i) re-election of Directors at the AGM; (ii) granting of general mandates to issue and repurchase Shares; and (iii) amendments to the Company's bye-laws.

### 2. RE-ELECTION OF DIRECTORS

In accordance with the Company's bye-laws, Sir David Akers-Jones and Mr. Hung Ting Ho, Richard will retire at the AGM and, being eligible, will offer themselves for re-election. Pursuant to the Code on Corporate Governance Practices (the "CG Code") of the Listing Rules which provides that every director shall be subject to re-election at least once every three years, Messrs. Lam Ting Ball, Paul, Tsui Ho Chuen, Philip and Tsui Yam Tong, Terry, having held office for more than three years since their last re-election or appointment, offer themselves for re-election at the AGM. Details of the Directors proposed for re-election are set out in the Appendix I to this circular.

### 3. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The existing general mandates granted to the Directors to issue and repurchase Shares will expire at the conclusion of the AGM. To renew these general mandates, ordinary resolutions are proposed at the AGM that: (i) the Directors be granted a general mandate to allot and issue new Shares up to an amount of not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue and fully paid-up at the date of passing of such resolution; (ii) the Directors be granted a general mandate to exercise all the powers of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue and fully paid-up at the date of passing of such resolution; and (iii) the allotment mandate be extended by adding the nominal amount of all the Shares repurchased by the Company pursuant to the repurchase mandate to the aggregate nominal amount of the share capital of the Company to be issued and allotted pursuant to the allotment mandate.

The Directors wish to state that, as at the date hereof, they have no immediate plans to issue any new Share or to repurchase any existing Share.

An explanatory statement as required under the Listing Rules to provide the requisite information concerning the repurchase mandate is set out in the Appendix II to this circular.

### 4. AMENDMENTS TO BYE-LAWS

Pursuant to the recent amendment to the Listing Rules which came into effect on 1 March 2006, the Company is required to amend its bye-laws to provide that a director may be removed by an ordinary resolution of the Shareholders. At the AGM, amendment to the Company's bye-laws in this regard will be proposed for the shareholders' approval.

In addition, the Directors also proposed certain amendments to the Company's bye-laws to bring it in line with the CG Code. The principal amendments include: (i) every Director shall be subject to re-election at least once every three years; (ii) the Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the Listing Rules; and (iii) the voting by poll can be demanded by the Director(s) attending the meeting holding proxies of shares representing 5% or more of the total voting rights at the meeting.

The full text of the proposed amendments to the bye-laws is set out in Resolution 7 in the notice of the AGM as appended to this circular.

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## LETTER FROM THE CHAIRMAN

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### 5. AGM

A notice convening the AGM to be held on Wednesday, 14 June 2006 at 11:30 a.m. at 31st Floor, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong is appended to this circular.

A form of proxy for use at the AGM is enclosed. The form of proxy, in order to be valid, must be deposited in accordance with the instructions printed thereon not less than 48 hours before the time for holding the AGM. Completion and delivery of the form of proxy will not prevent the Shareholders from attending and voting at the AGM if they wish.

### 6. RIGHT TO DEMAND POLL

Pursuant to bye-law 66 of the bye-laws of the Company, every resolution submitted to a general meeting shall be determined in the first instance by a show of hands of the Shareholders present in person or by proxy, but a poll may be demanded (before or on the declaration of the results of the show of hands or on the withdrawal of any other demand for a poll) by the Chairman of such meeting or by:

- (a) at least three Shareholders present in person or by proxy for the time being entitled to vote at the meeting; or
- (b) a Shareholder or Shareholders present in person or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (c) a Shareholder or Shareholders present in person 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 Shares conferring that right.

### 7. RECOMMENDATION

The Directors consider that the re-election of Directors, the granting of general mandates to issue and repurchase Shares and the amendments to the Company's bye-laws are in the interests of the Company and the Shareholders as a whole, and accordingly recommend the Shareholders to vote in favour of each of the ordinary resolutions and the special resolution in respect of the above proposals on terms set out in the notice of the AGM.

Yours faithfully,  
**Lam Ting Ball, Paul**  
*Chairman*

*Stated below are the details of the Directors proposed to be re-elected at the AGM.*

**1. Mr. Lam Ting Ball, Paul, aged 64, Chairman**

Mr. Lam joined the Group in May 1973. He has more than 33 years' experience in the paint industry. Mr. Lam has an existing service agreement with the Company expiring on 2 May 2011. Under the agreement, Mr. Lam is entitled to the payment of a monthly salary of HK\$89,000 and an accommodation allowance of not more than HK\$60,000 per month and other fringe benefits. The agreement provides that the Company may terminate the agreement by giving Mr. Lam not less than six months' notice in writing and in the event that the Company shall terminate Mr. Lam's employment, Mr. Lam is entitled to receive a compensation that equals to the total amount of Mr. Lam's remuneration including salary and year-end payment of one month's salary (exclusive of fringe benefits) for the remaining term of his employment. For the year ended 31 December 2005, the total remuneration paid to Mr. Lam, including the director's fee of HK\$100,000, was HK\$2,083,000.

**2. Sir David Akers-Jones, aged 79, Deputy Chairman and Independent Non-executive Director**

Sir David has been the Deputy Chairman of the Company since April 1991. He was formerly the Chief Secretary of Hong Kong specialising in land planning and housing development. Sir David is also an independent non-executive director of China Everbright International Limited, Hysan Development Company Limited and K. Wah International Holdings Limited (all being listed companies in Hong Kong). There is no service agreement between Sir David and the Company and he is not appointed for a specific term but is subject to retirement by rotation and re-election in accordance with the Company's bye-laws. For the year ended 31 December 2005, the remuneration paid to Sir David, being the director's fee, was HK\$200,000.

**3. Mr. Tsui Ho Chuen, Philip, aged 42, Executive Deputy Chairman**

Mr. Tsui joined the Group in September 1985. He is a qualified lawyer of Hong Kong. Mr. Tsui is the son of Mr. Tsui Tsin Tong and the nephew of Mr. Tsui Yam Tong, Terry. He is also a discretionary beneficiary of a discretionary trust of which Rapid Growth Ltd. ("RGL"), a substantial shareholder of the Company, is the trustee. Mr. Tsui has a service agreement (not having a fixed term of service) with the Company which entitles him to the payment of a monthly salary of HK\$115,000 and an accommodation allowance of not more than HK\$45,000 per month and other fringe benefits. For the year ended 31 December 2005, the total remuneration paid to Mr. Tsui, including the director's fee of HK\$500,000, was HK\$2,825,000.

**4. Mr. Tsui Yam Tong, Terry, aged 60, Managing Director**

Mr. Tsui joined the Group in July 1987. He has more than 33 years' experience in administration and management. Mr. Tsui is the brother of Mr. Tsui Tsin Tong and the uncle of Mr. Tsui Ho Chuen, Philip. He is also the sole director and shareholder of RGL and a discretionary beneficiary of a discretionary trust of which RGL is the trustee. Mr. Tsui has an existing service agreement with the Company expiring on 2 May 2011. Under the agreement, he is entitled to the

payment of a monthly salary of HK\$110,000 and an accommodation allowance of not more than HK\$100,000 per month and other fringe benefits. The agreement provides that the Company may terminate the agreement by giving Mr. Tsui not less than six months' notice in writing and in the event that the Company shall terminate Mr. Tsui's employment, Mr. Tsui is entitled to receive a compensation that equals to the total amount of Mr. Tsui's remuneration including salary and year-end payment of one month's salary (exclusive of fringe benefits) for the remaining term of his employment. For the year ended 31 December 2005, the total remuneration paid to Mr. Tsui, including the director's fee of HK\$500,000, was HK\$2,505,000.

**5. Mr. Hung Ting Ho, Richard, aged 52, Non-executive Director**

Mr. Hung was appointed the Non-executive Director in June 2002. Mr. Hung is a fellow member of the Hong Kong Institute of Certified Public Accountants and an associate member of The Hong Kong Institute of Chartered Secretaries. He has a business relationship with Chuang's China Investments Limited, a substantial shareholder of the Company, by providing business consultancy service to its property subsidiary. There is no service agreement between Mr. Hung and the Company and he is not appointed for a specific term but is subject to retirement by rotation and re-election in accordance with the Company's bye-laws. For the year ended 31 December 2005, the remuneration paid to Mr. Hung, being the director's fee, was HK\$50,000.

The interests of the Directors in the Shares within the meaning of Part XV of the Securities and Future Ordinance are provided in the "Report of the Directors" in the Company's 2005 annual report.

The remuneration of the Directors are determined by the Board by reference to their duties and responsibilities, performance, experiences and the market conditions.

In December 1999, the Stock Exchange had publicly censured Messrs. Tsui Ho Chuen, Philip and Tsui Yam Tong, Terry for breaches of the then Listing Rules as a result of dealings in the shares of the Company by the trustee of a discretionary trust, in which they were the discretionary beneficiaries, during the dealing prohibition period. The Stock Exchange considered that they had obligation to inform the trustee not to deal when necessary.



Information disclosed pursuant to Rule 13.51(2)(1) of the Listing Rules is as follows:

<i>Name of company</i>	Champion Rich Investment Limited	Oriental Property Maintenance Limited (in liquidation)
<i>Place of incorporation</i>	Hong Kong	Hong Kong
<i>Nature of then business</i>	Property holding and investment	Provision of property maintenance service
<i>Nature of proceeding</i>	Appointment of receivers over charged properties (due to financial difficulty of the company's another 50% owned shareholder)	Winding up by court
<i>Date of commencement of proceeding</i>	25 May 1999	8 January 2003
<i>Amount involved</i>	HK\$64,803,777.28 plus costs of interests	HK\$370,000 and fixed costs of HK\$1,500
<i>Outcome or current position of the proceeding</i>	Settlement and cessation of receiverships on 29 December 1999	Liquidators in a position to finalise the liquidation
<i>Director(s) of the company</i>	Tsui Ho Chuen, Philip Tsui Yam Tong, Terry	Tsui Yam Tong, Terry

Save for the information disclosed above, there is no other information required to be disclosed pursuant to any of the requirements of the Rules 13.51(2)(i)(j)(k)(m) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

*This Appendix serves as an explanatory statement required by the Listing Rules to provide the Shareholders with the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the repurchase mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,532,970,193 Shares.

Subject to the passing of the relevant resolution and on the basis that no further Share is issued or repurchased prior to the AGM, the Company would be allowed under the repurchase mandate to repurchase a maximum of 153,297,019 Shares representing 10% of the Shares in issue as at the date of the AGM. The Shares proposed to be repurchased by the Company must be fully-paid up.

The repurchase mandate may continue in force until the earliest of: (i) the conclusion of the next annual general meeting of the Company for the year of 2007; (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and (iii) the revocation or variation of the repurchase mandate by ordinary resolution of the Shareholders in general meeting.

## **2. REASONS FOR REPURCHASES**

The Directors believe that the repurchase mandate is in the interests of the Company and the Shareholders as a whole. Such 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 and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

## **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association and bye-laws of the Company and the laws of Bermuda. It is presently proposed that any repurchase under the repurchase mandate would be repurchased out of the capital paid up on the repurchased Shares, the profits of the Company which would otherwise be available for dividend, the Company's share premium account and/or contributed surplus account in each case to the extent as permitted by the laws of Bermuda.

There might be material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated accounts contained in the Company's most recently published annual report for the year ended 31 December 2005 in the event that the repurchase mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the repurchase mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

#### 4. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months before the printing of this circular were as follows:

	Share price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2005</b>		
April	0.178	0.145
May	0.180	0.136
June	0.160	0.140
July	0.160	0.134
August	0.150	0.130
September	0.148	0.115
October	0.136	0.115
November	0.135	0.112
December	0.125	0.100
<b>2006</b>		
January	0.125	0.110
February	0.129	0.112
March	0.123	0.110
April (up to the Latest Practicable Date)	0.125	0.102

#### 5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchases in accordance with the Listing Rules and the applicable laws of Bermuda so far as the same may be applicable and in accordance with the regulations set out in the memorandum of association and bye-laws of the Company.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates (as defined in the Listing Rules) have any present intention to sell Shares to the Company under the repurchase mandate if such is approved by the Shareholders.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company, nor has undertaken not to do so, in the event that the repurchase mandate is approved by the Shareholders.

**6. TAKEOVER CODE**

If on exercise of the powers to repurchase Shares pursuant to the repurchase mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Takeover Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeover Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, RGL is the single largest shareholder of the Company beneficially interested in 337,473,906 Shares, representing approximately 22.01% of the issued share capital of the Company. In the event that the repurchase mandate is exercised in full and no further share is issued during the proposed repurchase period, the beneficial interest of RGL in the issued share capital of the Company will increase to approximately 24.46%. Accordingly, the Directors are not aware of any consequences which would arise under the Takeover Code as a result of any repurchase of Shares pursuant to the repurchase mandate.

**7. SHARE REPURCHASES MADE BY THE COMPANY**

The Company has not repurchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months prior to the printing of this circular.



**CNT GROUP LIMITED**  
**(北海集團有限公司)**

*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 701)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of CNT Group Limited (the “Company”) will be held at 31st Floor, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong on Wednesday, 14 June 2006 at 11:30 a.m. for the following purposes:

**Ordinary business**

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31 December 2005.
2. To re-elect directors and to authorise the directors to fix the directors’ remuneration.
3. To re-appoint auditors and to authorise the directors to fix their remuneration.

**Special business**

4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (c) below, the exercise by the board of directors of the Company (the “Board”) during the Relevant Period of all the powers of the Company to allot, issue and otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Board during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Board pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of rights of subscription or conversion under the terms of any

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## NOTICE OF ANNUAL GENERAL MEETING

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warrant or other securities issued by the Company carrying a right to subscribe for shares of the Company; or (iii) the exercise of subscription rights under any share option scheme of the Company; or (iv) an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time, shall not exceed the aggregate of (i) 20% of the nominal amount of the share capital of the Company in issue as at the date of this resolution; and (ii) subject to the passing of resolution 6 below, all those number of shares which may from time to time be repurchased by the Company pursuant to the general mandate granted under resolution 5 below, and the said approval shall be limited accordingly; and

(d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until 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 to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means the allotment, issue or grant of shares of the Company pursuant to an offer open for a period fixed by the Board to holders of shares or any class thereof on the register of members of the Company on a fixed record date pro rata to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or having regard to any restriction or obligation under the laws of, or the requirements of any recognised regulatory body of any stock exchange in any territory outside Hong Kong).”

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (b) below, the exercise by the board of directors of the Company during the Relevant Period of all the powers of the Company to purchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange recognised for this purpose by the Securities and Futures Commission and the Stock Exchange, subject to and in accordance with all applicable laws and 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 of the Company to be purchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the shares of the Company in issue at the date of this resolution, and the said approval shall be limited accordingly; and

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- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until 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 to be held; and
  - (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

- 6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** the board of directors of the Company be and is hereby given a general mandate to add all those shares in the capital of the Company which may from time to time be repurchased by the Company pursuant to the approval granted under resolution 5 above to the general mandate granted under resolution 4 above.”

- 7. To consider and, if thought fit, pass the following resolution as a special resolution:

“**THAT** the bye-laws of the Company be and are hereby amended as follows:

- (a) bye-law 66

By deleting the existing bye-law 66 in its entirety and substituting therefor the following new bye-law 66:

“66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a show of hands every Member present in person (or being a corporation, is present by a representative duly authorised under Section 78 of the Act), or by proxy shall have one vote and on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. Notwithstanding anything contained in these Bye-laws, where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. A resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Designated Stock Exchange or (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 such meeting; or

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- (b) by at least three Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Member or Members present in person (or in the case of a Member 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 Members having the right to vote at the meeting; or
- (d) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or
- (e) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Member.”

(b) bye-law 68

By deleting the second sentence of the existing bye-law 68 in its entirety and substituting therefor the following:

“The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

(c) bye-law 86

- (i) By replacing the words “in accordance with the next following Bye-law unless the Statutes otherwise require in which case at the annual general meeting; and who” appearing in the existing bye-law 86(1) with the words “at the annual general meeting in accordance with Bye-law 87 or at any special general meeting and”.
- (ii) By deleting the word “special” and replacing therewith the word “ordinary” in the existing bye-law 86(4).



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(d) bye-law 87

- (i) By deleting the existing bye-law 87(2) in its entirety and substituting therefor the following:

“(2) Notwithstanding any other provisions in the Bye-laws, 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 but excluding those holding the office of Chairman or Managing Director) shall be subject to retirement by rotation at least once every three years.”

- (ii) By inserting the words “and shall continue to act as a Director throughout the meeting at which he retires” after the word “re-election” in the first sentence of the existing bye-law 87(3).

- (iii) By inserting the words “Every Director holding the office of Chairman or Managing Director shall be subject to re-election once every three years.” after the last sentence of the existing bye-law 87(3).

(e) bye-law 130

By replacing the letter “T” appearing at the start of the existing bye-law 130 with “Subject to these Bye-laws, t” and deleting the last sentence of the same existing bye-law.”

By order of the board

**Ma Lai King**

*Company Secretary*

Hong Kong, 28 April 2006

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power of attorney or authority shall be delivered to the Company’s registrar in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting at which the person named in the instrument proposes to vote.
3. The translation into Chinese language of this notice (including the special resolution which contains the proposed new bye-laws) is for reference only. In case of any inconsistency, the English version shall prevail.