

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

If you have sold or transferred all your shares in Hopewell Highway Infrastructure Limited (the “Company”), you should at once hand this circular together with the form of proxy enclosed with this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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## **Hopewell Highway Infrastructure Limited**

**合和公路基建有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 737)**

### **PROPOSALS FOR RE-ELECTION OF DIRECTORS, GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES AND NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an Annual General Meeting of the Company to be held at King Palace Chinese Restaurant, 7th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong on Thursday, the 19th day of October, 2006 at 10:00 a.m. is set out on pages 11 to 14 of this circular. If you do not propose to attend the meeting, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or adjourned meeting should you so desire.

\* For identification only

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## DEFINITIONS

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

|                                    |  |
|------------------------------------|--|
| “AGM”                              | the annual general meeting of the Company to be held at King Palace Chinese Restaurant, 7th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong on Thursday, the 19th day of October, 2006 at 10:00 a.m.  |
| “Articles of Association”          | the articles of association of the Company as amended, supplemented or modified from time to time  |
| “Company”                          | Hopewell Highway Infrastructure Limited, a company incorporated in the Cayman Islands with limited liability, with its Shares listed on the Stock Exchange   |
| “Directors”                        | the directors of the Company for the time being  |
| “Group”                            | the Company and its subsidiaries   |
| “Hong Kong”                        | the Hong Kong Special Administrative Region of The People’s Republic of China  |
| “Latest Practicable Date”          | 19th September, 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular   |
| “Listing Rules”                    | The Rules Governing the Listing of Securities on the Stock Exchange  |
| “Ordinary Resolution(s)”           | the proposed ordinary resolution(s) as referred to in item 5 of the notice of the AGM  |
| “Repurchase Mandate”               | a general mandate proposed to be granted to the Directors to exercise the powers of the Company to repurchase during the period as set out in the Repurchase Resolution, Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the Repurchase Resolution |
| “Repurchase Resolution”            | the Ordinary Resolution no. 5(1)   |
| “Securities and Futures Ordinance” | Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong   |
| “Share(s)”                         | share(s) of HK\$0.10 each in the share capital of the Company  |

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## DEFINITIONS

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|--------------------------|--|
| “Share Issue Mandate”    | a general mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with Shares during the period as set out in the Ordinary Resolution no. 5(2) up to a maximum of 20% of the issued share capital of the Company as at the date of passing of the resolution approving the Share Issue Mandate |
| “Share Repurchase Code”  | The Hong Kong Code on Share Repurchases  |
| “Share Repurchase Rules” | the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on Stock Exchange of their own securities on Stock Exchange   |
| “Shareholder(s)”         | registered holder(s) of Shares   |
| “Stock Exchange”         | The Stock Exchange of Hong Kong Limited  |
| “Takeovers Code”         | The Hong Kong Code on Takeovers and Mergers  |
| “HK\$”                   | Hong Kong dollars, the lawful currency of Hong Kong  |
| “U.S.”                   | United States  |
| “%”                      | per cent.  |



## Hopewell Highway Infrastructure Limited

合和公路基建有限公司\*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 737)

*Directors:*

Sir Gordon Ying Sheung WU GBS, KCMG, FICE

(Chairman)

Mr. Eddie Ping Chang HO

(Vice Chairman)

Mr. Thomas Jefferson WU

(Managing Director)

Mr. Alan Chi Hung CHAN

(Deputy Managing Director)

Ir. Leo Kwok Kee LEUNG

Mr. Lijia HUANG

Mr. Cheng Hui JIA

Mr. Philip Tsung Cheng FEI<sup>#</sup>

Mr. Lee Yick NAM<sup>#</sup>

Mr. Kojiro NAKAHARA<sup>#</sup>

Dr. Gordon YEN<sup>#</sup>

Mr. Barry Chung Tat MOK

*Registered office:*

P.O. Box 309GT

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

British West Indies

*Head office and principal  
place of business:*

Room 64-02

64th Floor

Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

<sup>#</sup> Independent Non-Executive Directors

25th September, 2006

*To the Shareholders*

Dear Sir or Madam,

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

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding the proposed re-election of Directors, the Repurchase Mandate, the Share Issue Mandate and the proposed extension of the Share Issue Mandate, and to seek your approval of the resolutions relating to these matters at the AGM.

**RE-ELECTION OF DIRECTORS**

The Board of Directors currently consists of twelve Directors, namely Sir Gordon Ying Sheung WU, Mr. Eddie Ping Chang HO, Mr. Thomas Jefferson WU, Mr. Alan Chi

\* For identification only

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## LETTER FROM THE CHAIRMAN

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Hung CHAN, Ir. Leo Kwok Kee LEUNG, Mr. Lijia HUANG, Mr. Cheng Hui JIA, Mr. Philip Tsung Cheng FEI, Mr. Lee Yick NAM, Mr. Kojiro NAKAHARA, Dr. Gordon YEN and Mr. Barry Chung Tat MOK.

Pursuant to Article 112 of the Articles of Association, Mr. Philip Tsung Cheng FEI, Mr. Lee Yick NAM and Dr. Gordon YEN shall retire from office at the AGM. The retiring Directors, being eligible, offer themselves for re-election.

Brief biographical details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix I to this circular.

### **GENERAL MANDATE TO REPURCHASE SHARES**

At the annual general meeting of the Company held on 19th October, 2005, a general mandate was given by the Company to the Directors to exercise the powers of the Company to repurchase Shares. Such general mandate will lapse at the conclusion of the AGM.

An ordinary resolution will be proposed at the AGM to grant to the Directors the Repurchase Mandate, details of which are set out in the Repurchase Resolution.

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,968,026,283 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of passing the Repurchase Resolution, the Company would be allowed to repurchase a maximum of 296,802,628 Shares pursuant to the Repurchase Mandate as at the date of passing the Repurchase Resolution.

An explanatory statement, as required under the Share Repurchase Rules to provide the requisite information of the Repurchase Mandate is set out in Appendix II to this circular.

### **GENERAL MANDATE TO ISSUE SHARES**

At the annual general meeting of the Company held on 19th October, 2005, a general mandate was given by the Company to the Directors to exercise the powers of the Company to issue Shares. Such general mandate will lapse at the conclusion of the AGM.

It will be proposed at the AGM the following two ordinary resolutions respectively: (i) granting to the Directors the Share Issue Mandate; and (ii) authorising an extension of the limit of the Share Issue Mandate so granted by adding to it the number of Shares repurchased by the Company under the Repurchase Mandate, if granted.

Details of the Share Issue Mandate and the extension of the Share Issue Mandate are set out in Ordinary Resolutions nos. 5(2) and 5(3) respectively.

### **ANNUAL GENERAL MEETING**

At the AGM, resolutions will be proposed to the Shareholders in respect of ordinary businesses to be considered at the AGM, including the re-election of Directors, and the Ordinary Resolutions proposed to approve the Repurchase Mandate, the Share Issue Mandate and the extension of the Share Issue Mandate. The notice of AGM is set out on pages 11 to 14 of this circular and is expected to be despatched to Shareholders together with this circular.

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## LETTER FROM THE CHAIRMAN

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If you do not propose to attend the AGM, you are requested to complete the form of proxy enclosed with this circular and return it to the principal place of business of the Company in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting if you so desire.

### RIGHT TO DEMAND A POLL

Pursuant to Article 76 of the Articles of Association, a resolution put to the vote of a meeting shall be decided on a show of hands unless a poll is taken as may from time to time be required under the Listing Rules or any other applicable laws, rules or regulations or unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded:

- (i) by the Chairman of the meeting; or
- (ii) by at least five Shareholders present in person (or in the case of a corporation, by its duly authorized representative) or by proxy and entitled to vote; or
- (iii) by any Shareholder or Shareholders present in person (or in the case of a corporation, by its duly authorized representative) or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or
- (iv) by any Shareholder or Shareholders present in person (or in the case of a corporation, by its duly authorized representative) or by proxy and holding Shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

Pursuant to Article 81 of the Articles of Association, on a show of hands, every Shareholder who (being an individual) is present in person or (being a corporation) is present by a representative duly authorised shall have one vote only. Notwithstanding this, on a show of hands, where more than one proxy or representative is appointed or authorised by a member which is a clearing house (or its nominee), each such proxy or representative shall have one vote. On a poll, every Shareholder present in person or by proxy shall have one vote for every Share held by him. On a poll, a Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

### RECOMMENDATION

The Directors consider that the proposed re-election of Directors, the Repurchase Mandate, the Share Issue Mandate and the extension of the Share Issue Mandate are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions to be proposed at the AGM to give effect to them.

Yours faithfully,  
**Sir Gordon Ying Sheung WU** GBS, KCMG, FICE  
*Chairman*

The biographical details of the three Directors proposed to be re-elected at the AGM are set out as follows:

**Mr. Philip Tsung Cheng FEI**

Aged 64, Mr. FEI was appointed an Independent Non-Executive Director of the Company on 10th July, 2003 and is also a member of the Audit Committee of the Company. He was awarded a Bachelor of Architectural Engineering degree from Cheng-Kung University in Taiwan in 1962, a Bachelor of Architecture degree from North Carolina State University in 1965 and a Master of Science degree in City Planning from Pratt Institute in the U.S. in 1974. He is currently the managing partner at Fei & Cheng Associates, an architectural and planning firm. He has over 30 years' experience in planning and architectural projects. Prior to establishing Fei & Cheng Associates, he worked for a number of architecture firms in the U.S.

Mr. FEI has not held any directorship in other listed public company during the three years preceding the Latest Practicable Date. He does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. FEI does not have any interest in Shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. FEI's term of service with the Company is up to 9th July, 2009 but is subject to retirement by rotation and re-election at the AGM and vacation of office in accordance with the provisions of the Articles of Association. His Director's fee is to be determined by the Shareholders at the AGM with reference to the prevailing market practice, the Company's remuneration policy, his duties and responsibilities with the Group. For the year ended 30th June, 2006, he received a Director's fee of HK\$200,000.

Save as disclosed above, there are no other matters in relation to the re-election of Mr. FEI as a director of the Company that need to be brought to the attention of the Shareholders and there is no information required to be disclosed under Rule 13.51(2)(h) to (v) of the Listing Rules.

**Mr. Lee Yick NAM**

Aged 59, Mr. NAM was appointed an Independent Non-Executive Director of the Company on 10th July, 2003 and is also an Independent Non-Executive Director of Hopewell Holdings Limited ("HHL"). He is the Chairman of the Audit Committees and a member of the Remuneration Committees of both the Company and HHL. He holds a certificate in management studies from Carnegie Mellon University of the United States in 1977. He has over 30 years' experience in the banking, investment and finance industry. He was an Executive Director of Liu Chong Hing Bank from 1990 to 2001. Prior to that, he was a Vice President at Citibank, Mellon Bank and American Express Bank. He was appointed as a member of the Hong Kong Deposit Protection Board on 1st July, 2004 and Chairman of its Investment Committee since July 2006.



Mr. NAM has not held any directorship in other listed public company during the three years preceding the Latest Practicable Date. He does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. NAM does not have any interest in Shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. NAM's term of service with the Company is up to 9th July, 2009 but is subject to retirement by rotation and re-election at the AGM and vacation of office in accordance with the provisions of the Articles of Association. His Director's fee is to be determined by the Shareholders at the AGM with reference to the prevailing market practice, the Company's remuneration policy, and his duties and responsibilities within the Group. For the year ended 30th June, 2006, he received a Director's fee of HK\$200,000.

Save as disclosed above, there are no other matters in relation to the re-election of Mr. NAM as a director of the Company that need to be brought to the attention of the Shareholders and there is no information required to be disclosed under Rule 13.51(2)(h) to (v) of the Listing Rules.

#### **Dr. Gordon YEN**

Aged 36, Dr. YEN was appointed an Independent Non-Executive Director of the Company on 10th July, 2003 and is also a member of the Remuneration Committee of the Company. He was awarded a Bachelor of Manufacturing Engineering degree from Boston University, U.S. in 1990, a Master of Business Administration degree from McGill University, Canada in 1992 and a Doctorate degree in Business Administration from The Hong Kong Polytechnic University, Hong Kong in 2005. He is currently an Executive Director of Fountain Set (Holdings) Limited.

Dr. YEN has not held any directorship in other listed public company during the three years preceding the Latest Practicable Date. He does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Dr. YEN does not have any interest in Shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Dr. YEN's term of service with the Company is up to 9th July, 2009 but is subject to retirement by rotation and re-election at the AGM and vacation of office in accordance with the provisions of the Articles of Association. His Director's fee is to be determined by the Shareholders at the AGM with reference to the prevailing market practice, the Company's remuneration policy, his duties and responsibilities with the Group. For the year ended 30th June, 2006, he received a Director's fee of HK\$200,000.

Save as disclosed above, there are no other matters in relation to the re-election of Dr. YEN as a director of the Company that need to be brought to the attention of the Shareholders and there is no information required to be disclosed under Rule 13.51(2)(h) to (v) of the Listing Rules.

This Appendix serves as an explanatory statement, as required by Rule 10.06(1)(b) of the Listing Rules, to provide requisite information to Shareholders for their consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing of Ordinary Resolution no. (1). For the purpose of this Appendix, the term “shares” shall be as defined in Rule 10.06(6)(c) to mean shares of all classes and securities which carry a right to subscribe or purchase shares.

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,968,026,283 Shares.

Subject to the passing of Ordinary Resolution no. (1) set out in item 5 of the notice of AGM and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 296,802,628 Shares.

## **2. REASONS FOR REPURCHASE**

The Directors believe that it is in the best interest of the Company and its Shareholders to have a general authority from Shareholders to enable the Directors to repurchase Shares in the market. Repurchases of Shares will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or its earnings per Share.

## **3. FUNDING OF REPURCHASE**

In repurchasing shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association, the Listing Rules and the applicable laws and regulations of the Cayman Islands. Pursuant to the Repurchase Mandate, repurchases will be made out of funds of the Company legally permitted to be utilized in this connection, including profits of the Company or out of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the Companies Law of the Cayman Islands, out of capital and, in the case of any premium payable on the repurchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorised by the Articles of Association and subject to the Companies Law of the Cayman Islands, out of capital of the Company.

## **4. IMPACT OF REPURCHASE**

There might be material adverse impact on the working capital or gearing levels of the Company (as compared with the position disclosed in the audited accounts contained in the 2006 Annual Report) in the event that the Repurchase Mandate was to be exercised 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 its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

## 5. SHARE AND WARRANT PRICES

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

|             | Shares                 |                       | Warrants               |                       |
|-------------|------------------------|-----------------------|------------------------|-----------------------|
|             | Highest<br><i>HK\$</i> | Lowest<br><i>HK\$</i> | Highest<br><i>HK\$</i> | Lowest<br><i>HK\$</i> |
| <b>2005</b> |                        |                       |                        |                       |
| September   | 5.700                  | 5.300                 | 1.600                  | 1.330                 |
| October     | 5.600                  | 4.900                 | 1.520                  | 1.020                 |
| November    | 5.200                  | 4.975                 | 1.290                  | 1.000                 |
| December    | 5.400                  | 5.000                 | 1.150                  | 0.910                 |
| <b>2006</b> |                        |                       |                        |                       |
| January     | 5.550                  | 5.100                 | 1.310                  | 0.960                 |
| February    | 6.250                  | 5.400                 | 1.860                  | 1.210                 |
| March       | 6.500                  | 5.600                 | 2.050                  | 1.360                 |
| April       | 6.350                  | 5.600                 | 1.980                  | 1.400                 |
| May         | 6.450                  | 5.550                 | 2.050                  | 1.270                 |
| June        | 6.000                  | 5.000                 | 1.580                  | 1.060                 |
| July        | 5.900                  | 5.650                 | 1.580                  | 1.310                 |
| August      | 5.940                  | 5.600                 | 1.420                  | 1.400                 |

## 6. UNDERTAKINGS AND DIRECTORS' DEALINGS AND CONNECTED PERSONS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases of shares of the Company pursuant to Ordinary Resolution no. (1) set out in item 5 of the notice of Annual General Meeting and in accordance with the Listing Rules, the Memorandum and Articles of Association of the Company and the applicable laws and regulations of the Cayman Islands.

None of the Directors nor, to the best of their knowledge and belief, having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), has any present intention to sell any Shares to the Company or its subsidiaries if the Repurchase Mandate is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell any Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

## **7. HONG KONG CODE ON TAKEOVERS AND MERGERS**

If, as a 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 the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the interest of the Shareholder(s) but subject to the latitude provided by the 2% creeper provision under Rule 26 of the Takeovers Code, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Hopewell Holdings Limited is beneficially interested in 2,160,943,000 Shares (representing approximately 72.81% of the total issued share capital of the Company as at the Latest Practicable Date).

In the event that the Directors exercise in full the power of repurchase Shares under the Repurchase Mandate, then, assuming the present equity shareholdings remain the same, the equity interests of Hopewell Holdings Limited in the Company would be increased from 72.81% to approximately 80.90% of the total issued share capital of the Company. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate. However, the Directors have no present intention to exercise the Repurchase Mandate to such an extent that would result in the number of Shares which are in the hands of the public falling below 25% of the total issued share capital of the Company.

## **8. SHARE REPURCHASES MADE BY THE COMPANY**

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



## Hopewell Highway Infrastructure Limited

合和公路基建有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 737)

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of Hopewell Highway Infrastructure Limited (the “Company”) will be held at King Palace Chinese Restaurant, 7th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong on Thursday, the 19th day of October, 2006 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited Financial Statements and the Reports of the Directors and Auditors for the year ended 30th June, 2006.
2. To declare a final dividend.
3. To re-elect Directors and to fix the Directors’ fees.
4. To re-appoint Auditors and authorise the Directors to fix their remuneration.
5. To consider and, if thought fit, pass with or without modifications, the following resolutions as Ordinary Resolutions:

#### Ordinary Resolutions

(1) “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

\* for identification only

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## NOTICE OF ANNUAL GENERAL MEETING

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(b) the aggregate nominal value of Shares of the Company repurchased by the Company pursuant to the approval granted in paragraph (a) above shall not exceed ten per cent. of the aggregate nominal value of the issued share capital of the Company as at the date of the passing of this Resolution; and the authority granted pursuant to paragraph (a) above shall be limited accordingly; and

(c) 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; or

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; or

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors of the Company by this Resolution.”

(2) **“THAT:**

(a) subject to paragraph (c) below and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, 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 unissued shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or 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 value of the share capital allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company, or (iii) an issue of shares under any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend in accordance with the Articles of Association of the Company from time to time; or (iv) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed twenty per cent. of the aggregate nominal value of the issued share capital of the Company as at the date of the passing of this Resolution, 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 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 the Articles of Association of the Company or any applicable laws to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors of the Company by this Resolution;

“Rights Issue” means an offer of shares of the Company or issue of options, warrants or other securities giving the right to subscribe for shares of the Company, open for a period fixed by the Directors of the Company to holders of shares of the Company on the register of members of the Company (or, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares (or, where appropriate, such other securities), subject in all cases to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company.”

(3) “**THAT** subject to the passing of the Resolution nos. (1) and (2) set out in item 5 of the notice convening this meeting, the general mandate granted to the Directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with unissued shares pursuant to Resolution no. (2) set out in item 5 of the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or

# NOTICE OF ANNUAL GENERAL MEETING

unconditionally to be allotted by the Directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution no. (1) set out in item 5 of the notice convening this meeting, provided that such extended amount shall not exceed ten per cent. of the aggregate nominal value of the issued share capital of the Company as at the date of the passing of this Resolution.”

By Order of the Board  
**Peter Yip Wah LEE**  
*Secretary*

Hong Kong, 25th September, 2006

*Notes:*

1. A member of the Company entitled to attend and vote at the above meeting is entitled to appoint not more than two proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the head office and principal place of business of the Company at Room 64-02, 64th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (as the case may be).
3. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding.
4. For the purpose of determining the entitlements to the proposed final dividend and the identity of shareholder who are entitled to attend and vote at the meeting, the register of members of the Company will be closed from Monday, 16th October, 2006 to Thursday, 19th October, 2006, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Friday, 13th October, 2006.
5. With regard to the resolutions referred to in item 5 of this notice, the Directors propose to seek shareholders' approval of the general mandates to repurchase shares and to issue shares. A circular in connection with the proposals for re-election of Directors, general mandates to repurchase shares and to issue shares will be despatched to the shareholders together with the 2006 Annual Report of the Company.
6. As at the date of this notice, the Directors of the Company are Sir Gordon Ying Sheung WU, Mr. Eddie Ping Chang HO, Mr. Thomas Jefferson WU, Mr. Alan Chi Hung CHAN, Ir. Leo Kwok Kee LEUNG, Mr. Lijia HUANG, Mr. Cheng Hui JIA, Mr. Philip Tsung Cheng FEI<sup>#</sup>, Mr. Lee Yick NAM<sup>#</sup>, Mr. Kojiro NAKAHARA<sup>#</sup>, Dr. Gordon YEN<sup>#</sup> and Mr. Barry Chung Tat MOK.
7. In the case of any conflict between the Chinese translation and the English text hereof, the English text shall prevail.

<sup>#</sup> *Independent Non-Executive Directors*