
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in **YU MING INVESTMENTS LIMITED**, you should at once hand this circular and the accompanying proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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YU MING INVESTMENTS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 666)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO REPURCHASE
SHARES AND TO ISSUE SHARES,
AMENDMENT TO THE COMPANY'S ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of Yu Ming Investments Limited to be held at 1001, 10th Floor, AON China Building, 29 Queen's Road Central, Hong Kong on Wednesday, 24th May, 2006, at 3:00 p.m. is set out on pages 13 to 16 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the share registrars of the Company, Secretaries Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting. Completion and deposit of the proxy form will not preclude you from attending and voting at the meeting if you so wish.

28th April, 2006

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at 1001, 10th Floor, AON China Building, 29 Queen’s Road Central, Hong Kong on Wednesday, 24th May, 2006 at 3:00 p.m., notice of which is set out on pages 13 to 16 of this circular
“Articles of Association”	the Articles of Association of the Company
“Companies Ordinance”	the Companies Ordinance (Chapter 32) of the Laws of Hong Kong
“Company”	Yu Ming Investments Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance, the securities of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	19th April, 2006 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“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 Annual General Meeting
“Repurchase Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to repurchase during the period as set out in the Repurchase Resolution Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution as referred to in item 5(I) of the notice of the Annual General Meeting

DEFINITIONS

“SFO”	The Securities and Future Ordinance (cap. 571 of the laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Share Buy Back Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange
“Special Resolution”	the proposed special resolution as referred to in item 6 of the notice of Annual General Meeting
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

LETTER FROM THE CHAIRMAN



YU MING INVESTMENTS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 666)

Executive Directors:

Tony FUNG Wing Cheung (*Chairman*)
Peter FUNG Yiu Fai (*Managing Director*)
Warren LEE Wa Lun
LI Shi Liang

Registered Office:

1001, 10th Floor
AON China Building
29 Queen's Road Central
Hong Kong

Non-Executive Directors:

LEE Seng Hui
Peter LEE Yip Wah

Independent Non-Executive Directors:

Ambrose SO Shu Fai
Alexander CHOW Yu Chun
Albert HO

28th April, 2006

To shareholders,

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO REPURCHASE
SHARES AND TO ISSUE SHARES,
AMENDMENT TO THE COMPANY'S ARTICLES OF ASSOCIATION
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, renewal of the general mandates to repurchase Shares and to allot and issue Shares and amendment to the Articles of Association, and to seek your approval of the Ordinary Resolutions relating to the said general mandates and a Special Resolution to amend the Articles of Association at the Annual General Meeting.

RE-ELECTION OF DIRECTORS

The board of Directors currently consists of nine directors, namely Mr. Tony FUNG Wing Cheung, Mr. Peter FUNG Yiu Fai, Mr. Warren LEE Wa Lun, Mr. LI Shi Liang, Mr. LEE Seng Hui, Mr. Peter LEE Yip Wah, Mr. Ambrose SO Shu Fai, Mr. Alexander CHOW Yu Chun and Mr. Albert HO.

LETTER FROM THE CHAIRMAN

In accordance with Article 101 of the Articles of Association, Mr. Tony FUNG Wing Cheung, Mr. Peter LEE Yip Wah and Mr. Ambrose SO Shu Fai retire and, being eligible, offer themselves for re-election at the Annual General Meeting.

Details of the retiring Directors who are proposed to be re-elected at the Annual General Meeting are set out in the Appendix I of this circular.

GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 13th May, 2005, a general mandate was given to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. The Directors propose to seek your approval of the Repurchase Resolution to be proposed at the Annual General Meeting. An explanatory statement as required under the Share Buy Back Rules to provide the requisite information of the Repurchase Proposal is set out in the Appendix II of this circular.

GENERAL MANDATE TO ISSUE SHARES

It will also be proposed at the Annual General Meeting two ordinary resolutions as referred to in items 5(II) and 5(III) of the notice of the Annual General Meeting respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the resolution and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the general mandate to repurchase up to 10% of the issued share capital of the Company as at the date of the Repurchase Resolution.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,691,171,989 Shares.

Subject to the passing of the Ordinary Resolution as referred to in items 5(II) of the notice of the Annual General Meeting and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed to allot, issue and deal with a maximum of 338,234,397 Shares representing not more than 20% of the issued share capital of the Company at the Latest Practicable Date.

AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

The Stock Exchange has recently amended the Listing Rules for the purpose of implementing the Code on Corporate Governance Practices (“the Code”). The Code replaces the Code of Best Practice in Appendix 14 of the Listing Rules. Pursuant to paragraph A.4.2 of the Code, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment.

In order to comply with the requirement provided by the above amendment of the Listing Rules, and to bring the Articles of Association up to date in line with the current practice in Hong Kong, the Directors propose to seek your approval for the Special Resolution to amend the Articles of Association.

LETTER FROM THE CHAIRMAN

Details of the proposed amendment to the Articles of Association are set out in the item 6 of the notice of the Annual General Meeting.

ANNUAL GENERAL MEETING

At the Annual General Meeting, resolutions will be proposed to the shareholders in respect of the ordinary business of the Company to be considered at the Annual General Meeting, being the approval and adoption of the audited financial statements, the directors' report and the auditors' report for the year ended 31st December, 2005, declaration of final dividend, the re-election of Directors and authorisation of the board to fix the remuneration of directors, and the re-appointment of auditors and fixing their remuneration, and the special business of the Company to be considered at the Annual General Meeting, being the proposed grant of the Repurchase Proposal, the general mandate for Directors to issue new Shares and the amendment to the Articles of Association. The notice of Annual General Meeting is set out on pages 13 to 16 of this circular.

PROCEDURES OF DEMANDING A POLL

Pursuant to Article 73 of the Articles of Association, 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 taken as may from time to time, be required under the listing rules of the designated stock exchange or unless a poll is (before or on the declaration of the result of the show of hands) demanded:

- (a) by the Chairman; or
- (b) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) 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
- (d) by any 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.

ACTION TO BE TAKEN

A proxy form for use at the Annual General Meeting is enclosed herein. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the proxy form and return it to the share registrars of the Company, Secretaries Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the proxy form will not prevent shareholders of the Company from attending and voting at the Annual General Meeting if they so wish.

LETTER FROM THE CHAIRMAN

RECOMMENDATION

The Directors believe that all resolutions set out in the notice of Annual General Meeting are all in the best interests of the Company and its shareholders. Accordingly, the Directors recommend that all shareholders of the Company should vote in favour of the resolutions set out in the notice of Annual General Meeting as the Directors intend to do so themselves in respect of their own holdings.

By Order of the Board
Tony FUNG Wing Cheung
Chairman

APPENDIX I DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

The followings are the particulars of the three retiring Directors proposed to be re-elected at the Annual General Meeting of the Company:

1. Tony FUNG Wing Cheung, aged 54, joined the Group since its inception in 1990 and is chairman of the Company. He is also a member of the executive committee. He has over 30 years of experience in the securities business, property development and investment in China and has extensive exposure in international finance, commodities, direct investment and fund management. Mr. FUNG is a General Committee Member of the Hong Kong General Chamber of Commerce. He is a director of a number of subsidiaries of the Group. He had not acted as director in any listed company in the past three years.

Being a director and a shareholder of Yu Ming Investment Management Limited (“YMIM”), Mr. FUNG has a direct interest in the investment management agreement between YMIM and the Company.

Goldfield Venture Limited (“Goldfield”) and Megaland Development Limited (“Megaland”) hold 245,000,000 and 479,926,258 Shares respectively. Since Goldfield is wholly owned by Megaland, Megaland is deemed to be interested in 724,926,258 Shares in total. Megaland is also wholly-owned by Oyster Services Limited, the trustee of the Oyster Unit Trust, which in turn Oyster Services Limited is deemed to be interested in 724,926,258 Shares.

The trust property of the Oyster Unit Trust comprises the entire issued capital of Megaland. The beneficiary of Oyster Unit Trust is HSBC International Trustee Limited which holds the trust property (including the beneficial interest under the Oyster Unit Trust) on trust for the beneficiaries of The Alyssa Js 1 Trust. The beneficiaries of The Alyssa Js 1 Trust are, inter alia, Mr. FUNG’s children under 18.

Accordingly, within the meaning of Part XV of the SFO, Mr. FUNG is deemed to be interested in 724,926,258 Shares in which his children under 18 have ultimate beneficial interest under the above arrangement as at the Latest Practicable Date. Save as aforesaid, Mr. FUNG does not have any other relationship with any director, senior management or substantial shareholder of the Company.

There is no proposed length of service of Mr. FUNG with the Company. He is subject to retirement by rotation and re-election provisions in the Articles of Association. His director’s fees is discretionary to be proposed by the Board with reference to his duties and responsibilities in the Company, the Company’s performance and the prevailing market situation and to be approved by shareholders of the Company at any annual general meeting. For the year ended 31st December, 2005, Mr. FUNG is proposed to entitle to a director’s fee amounting to HK\$20,000 subject to shareholders’ approval at the Annual General Meeting.

In relation to the re-election of Mr. FUNG as an executive director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51 (2)(h) to 13.51 (2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of shareholders of the Company.

APPENDIX I DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

2. Peter LEE Yip Wah, aged 64, joined the Group as director of the Company in 1998 and redesigned as non-executive director of the Company in September 2004. He is also the Secretary of the Company.

Mr. LEE was a graduate of the University of Hong Kong. He is a practicing solicitor and a consultant with Messrs. Woo Kwan Lee & Lo. He was admitted as a solicitor in Hong Kong in 1971, in England in 1974 and in Singapore in 1995. He is also a China Appointed Attesting Officer, appointed in Beijing in 1993. He has over 30 years' experience in the company management and secretarial fields.

Mr. LEE is also a non-executive director of the following listed public companies in Hong Kong: namely, China Merchants Holdings (International) Company Limited and Shenzhen Investment Limited. He was a non-executive director of the following listed public companies in Hong Kong: namely, China Investment Holdings Limited (resigned on 22nd September 2004), COSCO Pacific Limited (resigned on 30th September 2004) and Tern Properties Company Limited (resigned on 30th September 2004). He was also a non-executive director of Elec & Eltek International Holdings Limited which has withdrawn listing of its shares on the Stock Exchange with effect after the close of business on 18th March 2005. Save as aforesaid, Mr. LEE had not acted as director in any listed company in the last three years and he does not hold any other position with the Company and other members of the Group.

Mr. LEE does not have any other relationship with any director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, he has personal interest for and the beneficial owner of 1,550,000 Shares in the Company within the meaning of Part XV of the SFO.

Mr. LEE is appointed for a term of 1 year and subject to retirement by rotation and re-election in accordance with the Articles of Association. His director's fees is discretionary to be proposed by the Board with reference to his duties and responsibilities in the Company, the Company's performance and the prevailing market situation and to be approved by shareholders of the Company at any annual general meeting. For the year ended 31st December, 2005, Mr. LEE is proposed to entitle to a director's fee amounting to HK\$20,000 subject to shareholders' approval at the Annual General Meeting.

In relation to the re-election of Mr. LEE as a non-executive director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51 (2)(h) to 13.51 (2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of shareholders of the Company.

APPENDIX I DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

- Ambrose SO Shu Fai, aged 55, joined the Group since its inception in 1990. He is an independent non-executive director of the Company. Dr. SO is a committee member of the 10th National Committee of the Chinese People's Political Consultative Conference, a member of the court of the University of Hong Kong and a director of the University of Hong Kong Foundation for Education Development and Research.

Dr. SO is an executive director of Shun Tak Holdings Limited, a company listed on the Stock Exchange. He was also a non-executive director of Emperor Entertainment Group Limited from 4th July, 2001 to 25th August, 2005, a company listed on the Stock Exchange. Save as aforesaid, Dr. SO had not acted as director in any listed company in the last three years and he does not hold any other position with the Company and other members of the Group.

Dr. SO does not have any other relationship with any director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, he has no interest in shares of the Company within the meaning of Part XV of the SFO.

Dr. SO is appointed for a term of 1 year and subject to retirement by rotation and re-election in accordance with the Articles of Association. His director's fees is discretionary to be proposed by the Board with reference to his duties and responsibilities in the Company, the Company's performance and the prevailing market situation and to be approved by shareholders of the Company at any annual general meeting. For the year ended 31st December, 2005, Dr. SO is proposed to entitle to a director's fee amounting to HK\$20,000 subject to shareholders' approval at the Annual General Meeting.

Dr. SO has been serving the Board for more than 9 years. Dr. SO is man of integrity. The Board appreciates his valuable advice given and contribution made in the past years and believes that he contributes to be independent in character and judgement as recommended by the Board. Dr. SO will be proposed for re-election at the Annual General Meeting.

In relation to the re-election of Dr. SO as an independent non-executive director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51 (2)(h) to 13.51 (2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of shareholders of the Company.

In the opinions of the Directors, other than the above said matters, there are no other matters need to be brought to the attention of the shareholders of the Company in relation to the re-election of the above retiring directors.

This appendix serves as an explanatory statement, as required by the Share Buy Back Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the Repurchase Resolution.

This appendix also constitutes the memorandum required under Section 49BA(3) of the Companies Ordinance.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,691,171,989 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Resolution to repurchase a maximum of 169,117,198 Shares representing not more than 10% of the issued share capital of the Company at the Latest Practicable Date.

2. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and the Companies Ordinance. The Companies Ordinance provides that the amount of capital repaid in connection with a share repurchase may only be paid from the distributable profit of the Company and/or the proceeds of a new issue of Shares, made for the purpose of the repurchase to such an extent allowable under the Companies Ordinance.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31st December, 2005 in the event that the general mandate pursuant to the Repurchase Proposal was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the general mandate pursuant to the Repurchase Proposal 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 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 have traded on the Stock Exchange during each of the previous twelve months before the printing of this circular were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April, 2005	0.320	0.250
May, 2005	0.290	0.275
June, 2005	0.300	0.270
July, 2005	0.310	0.280
August, 2005	0.315	0.285
September, 2005	0.315	0.290
October, 2005	0.305	0.280
November, 2005	0.350	0.285
December, 2005	0.410	0.330
January, 2006	0.440	0.370
February, 2006	0.385	0.360
March, 2006	0.435	0.350

5. UNDERTAKING

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

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Proposal if such is approved by the shareholders of the Company.

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

6. TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Proposal, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a shareholder or group of shareholders of the Company acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. The Directors are not aware of any shareholder or group of shareholders acting in concert, who/which may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Megaland Development Limited, Sun Hung Kai & Co. Limited and Poly (Hong Kong) Investments Limited, substantial shareholders of the Company, were respectively interested in 724,926,258 Shares, 379,291,800 Shares and 119,380,000 Shares, representing approximately 42.86%, 22.42% and 7.05% of the issued share capital of the Company. Based on such shareholding, and in the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Proposal, the interest of Megaland Development Limited, Sun Hung Kai & Co. Limited and Poly (Hong Kong) Investments Limited in the issued share capital of the Company would be respectively increased to approximately 47.62%, 24.91% and 7.84%. The Directors consider that such an increase may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Proposal. The Directors have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Proposal to such extent as would result in such takeover obligation. In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Proposal, the number of Shares held by the public would not fall below 25%.

7. SHARE REPURCHASE MADE BY THE COMPANY

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

NOTICE OF ANNUAL GENERAL MEETING



YU MING INVESTMENTS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 666)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Yu Ming Investments Limited (“the Company”) will be held at 1001, 10th Floor, AON China Building, 29 Queen’s Road Central, Hong Kong on Wednesday, 24th May, 2006 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31st December, 2005.
2. To declare a final dividend for the year ended 31st December, 2005.
3. To re-elect directors and authorise the board to fix the remuneration of directors.
4. To re-appoint auditors and authorise the board to fix their remuneration and in this connection, to consider and if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:-

“**THAT** Messrs. Grant Thornton, who were appointed as auditors of the Company by the directors of the Company to fill the casual vacancy caused by the resignation of Messrs. PricewaterhouseCoopers, be and are hereby re-appointed auditors of the Company to hold office until the next annual general meeting of the Company at a fee to be agreed with the directors of the Company.”.

5. As special business, to consider and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

(I) “THAT:

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution, and the said approval 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;
 - (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 of the Company in general meeting.”

(II) “THAT:

- (a) subject to paragraph (c) below and pursuant to Section 57B of the Companies Ordinance, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures 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 bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power 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) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue, (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iii) an issue of shares as scrip dividends pursuant to the Articles of Association of the Company (“Articles”) from time to time, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law 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 of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

(III) “**THAT** subject to the passing of the Ordinary Resolutions referred to in items 5(I) and 5(II) of the notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to Ordinary Resolution referred to in item 5(II) of the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to the Ordinary Resolution referred to in item 5(I) of the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the said Ordinary Resolution referred to in item 5(I).”

NOTICE OF ANNUAL GENERAL MEETING

6. As special business, to consider and, if thought fit, passing following resolution which will be proposed as a Special Resolution of the Company:

SPECIAL RESOLUTION

“**THAT** the existing Articles of Association be and is hereby amended by deleting the last sentence of Article 92 and substituting therefor the following new sentence:

“Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until in the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at the meeting.”

By Order of the Board
Peter LEE Yip Wah
Company Secretary

Hong Kong, 28th April, 2006

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and on a poll, vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the share registrars of the Company, Secretaries Limited, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. The register of members will be closed from Thursday, 18th May, 2006 to Wednesday, 24th May, 2006, both days inclusive. In order to qualify for the final dividend and the attendance of the annual general meeting of the Company to be held on Wednesday, 24th May, 2006, all completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrars of the Company, Secretaries Limited, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m on Wednesday, 17th May, 2006.
4. With regard to item no. 3 in this notice, the board of directors of the Company proposes that the retiring directors, namely Messrs. Tony FUNG Wing Cheung, Peter LEE Yip Wah and Ambrose SO Shu Fai be re-elected as directors of the Company. Details of such retiring directors are set out in Appendix I to the circular to shareholders dated 28th April, 2006.