
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in APT Satellite Holdings Limited (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, 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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APT SATELLITE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1045)

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

A notice convening an annual general meeting of APT SATELLITE HOLDINGS LIMITED to be held at the Satellite Control Centre of the Company, 22 Dai Kwai Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on Thursday, 25 May 2006 at 11:00 a.m. (the “Annual General Meeting”) is set out on pages 12 to 14 of this circular. Whether or not you are able to attend the Annual General Meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrars in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the Annual General Meeting. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

25 April 2006

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LETTER FROM THE CHAIRMAN



APT SATELLITE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1045)

Executive Directors:

Ni Yifeng (*President*)

Tong Xudong (*Vice President*)

Non-executive Directors:

Liu Ji Yuan (*Chairman*)

Zhang Hainan (*Deputy Chairman*)

Lim Toon

Wu Zhen Mu

Yin Yen-liang

Ho Siaw Hong

Tseng Ta-mon (*Alternate director to Yin Yen-liang*)

Registered office:

Clarendon House

2 Church Street

Hamilton, HM 11

Bermuda

Head office and principal

place of business:

22 Dai Kwai Street

Tai Po Industrial Estate

Tai Po, New Territories

Hong Kong

Independent Non-executive Directors:

Yuen Pak Yiu, Philip

Huan Guocang

Lui King Man

25 April 2006

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting relating to the grant of general mandates to repurchase shares and to issue new shares, and the proposed re-election of the retiring directors.

LETTER FROM THE CHAIRMAN

GENERAL MANDATE TO REPURCHASE SHARES

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”) contain provisions to regulate the repurchase by companies with primary listings on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) of their own securities on the Stock Exchange (“the Share Buy Back Rules”).

An ordinary resolution will be proposed at the Annual General Meeting to grant the Directors of the Company (“the Directors”) a general mandate to exercise the powers to repurchase the Company’s shares up to 10% of the issued and fully paid-up share capital of the Company as at the date of passing of such resolution. An explanatory statement as required under the Share Buy Back Rules to provide the requisite information of the general mandate to repurchase shares is set out in Appendix I hereto.

GENERAL MANDATE TO ISSUE NEW SHARES

Two ordinary resolutions will also be proposed at the Annual General Meeting respectively granting to the Directors a general mandate to allot, issue and deal with the Company’s shares not exceeding 20% of the issued share capital of the Company as at the date of passing 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 passing of the resolutions.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with the Company’s bye-laws, directors who were appointed during the year, as well as one-third of the directors for the time being shall retire at the Annual General Meeting, and, being eligible, will offer themselves for re-election. Details of the directors proposed to be re-elected as required under the Listing Rules are set out in Appendix II to this Circular.

ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 12 to 14 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed with this Circular. Such form is also published on the website of the Stock Exchange (www.hkex.com.hk). If you intend to appoint a proxy to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to the Company’s branch share registrars in Hong Kong, Tengis Limited, at 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 or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or adjourned meeting if you so wish.

LETTER FROM THE CHAIRMAN

RECOMMENDATIONS

The Directors consider that the proposed granting of general mandate on repurchase of shares; proposed granting of general mandate for Directors to issue new shares; and proposed re-election of retiring Directors are all in the interests of the Company and its shareholders as a whole. Accordingly, the Directors recommend all shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Your attention is also drawn to the additional information set out in Appendix I (Explanatory Statement on share buy back), Appendix II (Details of Directors proposed to be re-elected at the Annual General Meeting) and Appendix III (Procedures by which Shareholders may demand a poll at general meeting pursuant to the Bye-Laws) to this circular.

Yours faithfully,

Liu Ji Yuan

Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information for your consideration of the proposed mandate on repurchase of shares.

1. REASONS FOR SHARE BUY BACK

Although the Directors have no present intention of repurchasing any shares, they believe that the flexibility afforded by the proposal for repurchase of shares would be in the best interest of the Company and its shareholders. Such purchase may, depending on market conditions and funding arrangement at the time, lead to an enhancement of value of the Company and its assets and/or its earnings per share and will only be made when the Directors believe that such a purchase will benefit the Company. Trading conditions on the Stock Exchange have sometimes been volatile in recent years. At any time in the future when shares are trading at a discount to their underlying value, the ability of the Company to repurchase shares will be beneficial to those shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of shares repurchased by the Company.

2. SHARE CAPITAL

As at 18 April 2006 (the “Latest Practicable Date” prior to the printing of this circular), the issued share capital of the Company comprised 413,265,000 shares of HK\$0.10 each.

Subject to the passing of Ordinary Resolution Number 4 at the Annual General Meeting, the Company would be allowed under the buy back mandate to repurchase a maximum of 41,326,500 shares on the basis that no further shares will be issued or repurchased from the Latest Practicable Date up to the date of the Annual General Meeting.

3. FUNDING OF REPURCHASES

The Directors propose that in repurchasing shares under the buy back mandate, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association and the bye-laws of the Company and 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 accounts contained in the annual report for the year ended 31 December 2005) in the event that the buy back mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the buy back mandate to such extent as would, in the circumstances, have a material adverse impact 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. MARKET PRICES

The highest and lowest prices for shares of the Company traded on the Stock Exchange during each of the previous twelve months were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2005		
April	1.600	1.290
May	1.450	1.310
June	1.370	1.260
July	1.330	1.210
August	1.290	1.220
September	1.370	1.130
October	1.420	1.100
November	1.500	1.150
December	1.540	1.330
2006		
January	1.900	1.360
February	2.100	1.550
March	1.840	1.650

5. DISCLOSURE OF INTERESTS

The Directors have undertaken to the Stock Exchange that they will exercise the buy back mandate in accordance with the Listing Rules and the laws of Bermuda and in accordance with the memorandum of association and the bye-laws of the Company.

If as a result of share repurchase by the Company, a substantial 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 Hong Kong Code on Takeovers and Mergers ("Takeovers Code"). Accordingly, a shareholder, or group of shareholders acting in concert, could obtain or consolidate control of the Company or become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, APT Satellite International Company Limited is deemed to be interested in 214,200,000 shares, which represents 51.83% of the issued share capital of the Company.

In the event that the Directors should exercise in full the buy back mandate to be granted pursuant to the ordinary resolution to be proposed at the forthcoming Annual General Meeting, the shareholding of APT Satellite International Company Limited would be increased to approximately 57.59% of the issued share capital of the Company. The Directors consider that such repurchase would not give rise to an obligation for APT Satellite International Company Limited to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no intention to exercise the buy back mandate to such extent that the public shareholding in the Company would reduce below 25% of the issued share capital of the Company.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) presently intend to sell shares to the Company under the buy back mandate in the event that the buy back mandate is approved by the shareholders.

The Company has not been notified by any connected persons of the Company that they have a present intention to sell any shares, or that they have undertaken not to sell any shares held by them to the Company in the event that the buy back mandate is approved by its shareholders.

6. SHARE PURCHASES MADE BY THE COMPANY

No purchase of the Company's shares has been made by the Company nor any of its subsidiaries (whether on the Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

Stated below are the details of the directors who will retire and be eligible for re-election at the Annual General Meeting according to the Bye-Laws:

Mr. NI Yifeng, aged 58, was appointed as the Executive Director and President of the Company in July 2005. He is responsible for the overall management of the Company. He is also the Director of APT Satellite Company Limited, APT Satellite Investment Company Limited, Acme Star Investment Limited, APT Satellite Telewell Limited, APT Satellite Vision Limited, APT Satellite TV Development Limited, Skywork Corporation, APT Telecom Services Limited, Ying Fai Realty (China) Limited, APT Satellite Global Company Limited, APT Satellite Enterprise Limited and APT Satellite Link Limited, subsidiaries of the Company. He is also the Chairman of the board of directors of APT Satellite Telecommunications Limited, a jointly controlled entity between a wholly-owned subsidiary of the Company and one of the shareholders of APT Satellite International Company Limited, the substantial shareholder of the Company. Mr. Ni is also the Director of APT Satellite International Company Limited. Mr. Ni graduated from the Research Institute of Chinese Academy of Social Science and obtained a MBA degree from the Chinese University of Hong Kong and accredited as Senior Accountant in China. He is currently Vice President of China Satellite Communications Corporation, which is the holding company of one of the shareholders of APT Satellite International Company Limited, the substantial shareholder of the Company. He also is the Chairman of a listed company in Shanghai, China, namely Chinasatcom Guomai Communications Co. Ltd.. He held the posts of Deputy Director of Planning Department, Deputy Director of Finance Department, and Deputy Director General of Directorate-General of Telecommunications of Ministry of Post and Telecommunications (presently known as Ministry of Information Industry). He was also President and Vice Chairman of Guoxin Paging Company Limited and Deputy General Manager of China Telecommunications Broadcast Satellite Corporation, which is one of the shareholders of APT Satellite International Company Limited. Mr. Ni has over 30 years' experience in post and telecommunication fields and abundant experience in corporate management.

Save as disclosed above, Mr. Ni does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. In accordance with the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), as at the Latest Practicable Date, Mr. Ni had no interests in shares of the Company. Mr. Ni entered into a service contract with the Company for an initial term of three years, commencing on 16 July 2005 and continuing thereafter until terminated by either party giving to the other not less than six months' notice. According to the service contract, Mr. Ni is entitled to an annual salary of HK\$1,779,838, comprising a basic salary of HK\$1,683,838 per annum and a travel allowance of HK\$96,000 payable monthly in equal installments in arrears, and a monthly housing allowance of HK\$85,000, but not including director's fees. The emoluments of Mr. Ni was made and is to be reviewed annually according to the recommendation provided by the Company's Remuneration Committee in accordance with its Terms of Reference to the Board of Directors. In 2005, the total amount of emoluments paid to Mr. Ni was HK\$1,526,000, comprising a director's fee of HK\$23,000, salary, allowances and benefits in kind of HK\$1,427,000 and retirement scheme contributions of HK\$76,000.

Save as disclosed above, there is no other matter that needs to be brought to the attention of shareholders of the Company, nor there is any information as required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. TONG Xudong, aged 42, was appointed as the Executive Director and Vice President of the Company in March and April 2004, respectively. Mr. Tong is also the member of the Nomination Committee and the Remuneration Committee of the Company. Mr. Tong is also the Director of APT Satellite Company Limited, APT Satellite Investment Company Limited, APT Satellite Vision Limited, APT Satellite TV Development Limited, APT Satellite Global Company Limited, APT Satellite Enterprise Limited, APT Satellite Link Limited, APT Communication Technology Development (Shenzhen) Company Limited, CTIA Vsat Network Limited and Beijing Asia Pacific East Communication Network Limited ("BAPECN

Limited”), subsidiaries of the Company. He is also the chairman of BAPECN Limited. He is also the Director of APT Satellite International Company Limited, the substantial shareholder of the Company. Mr. Tong graduated from Nanjing Aeronautic Institute in 1985 and obtained a master degree from Beijing Institute of Space Mechanics and Electricity, Chinese Academy of Space Technology in 1988. Immediately after his graduation, he served for the Beijing Institute of Space Mechanics and Electricity. In 1993, he further pursued his studies in Samara University of Aeronautics and Astronautics, Russia. From May 1995 to June 2000, he served as the Vice-Director of Beijing Institute of Space Mechanics and Electricity and was appointed as professor in 1998. From June 2000 to December 2003, he was the Director of the same Institute. In 2003, he was appointed as the Vice-President of Chinese Academy of Space Technology. Mr. Tong is a standing committee member of Chinese Society of Space Research and Chairman of the Committee of Recovery and Reentry, Chinese Society of Astronautics.

Save as disclosed above, Mr. Tong does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Mr. Tong had no interests in shares of the Company. Mr. Tong entered into a service contract with the Company for an initial term of three years, commencing on 20 April 2004 and continuing thereafter until terminated by either party giving to the other not less than six months’ notice. According to the service contract, Mr. Tong is entitled to an annual salary of HK\$1,542,528 and a monthly housing allowance of HK\$60,000 other than director’s fees. The emoluments of Mr. Tong was made and is to be reviewed annually according to the recommendation provided by the Company’s Remuneration Committee in accordance with its Terms of Reference to the Board of Directors. In 2005, the total amount of emoluments paid to Mr. Tong was HK\$2,508,000, comprising a director’s fee of HK\$50,000, salary, allowances and benefits in kind of HK\$2,316,000 and retirement scheme contributions of HK\$142,000.

Save as disclosed above, there is no other matter that needs to be brought to the attention of shareholders of the Company, nor there is any information as required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. WU Zhen Mu, aged 60, was appointed as the Non-Executive Director of the Company in June 1998. Mr. Wu is also the Director of APT Satellite Company Limited and APT Satellite Investment Company Limited, subsidiaries of the Company. Mr. Wu is also the Director of APT Satellite International Company Limited, the substantial shareholder of the Company. Mr. Wu graduated in Manufacturing Engineering of the Beijing Institute of Aeronautics in 1969 and obtained a Master’s degree in Electro-Mechanical Automation in the same institute in 1981. He was a lecturer in Zhengzhou Institute of Aeronautics from 1970 and 1979 and had been a lecturer, associate Professor and Professor in Beijing University of Aeronautics and Aerospace from 1982 to 1993. Since then, he has been appointed as a Professor of the Commission of Science and Technology of China Aerospace Corporation.

Save as disclosed above, Mr. Wu does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Mr. Wu had no interests in shares of the Company. The Company does not have service contract with Mr. Wu. The only emolument of Mr. Wu in 2005 was a director’s fee of HK\$50,000. Mr. Wu’s only emolument in 2006 will be a director’s fee of HK\$50,000.

Save as disclosed above, there is no other matter that needs to be brought to the attention of shareholders of the Company, nor there is any information as required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. HO Siaw Hong, aged 57, was appointed as the Non-Executive Director of the Company on 27 March 2006. He had been an Alternate Director to Mr. Wong Hung Khim and Mr. Lim Toon, the non-executive director of the Company, from October 1996 to July 1999. Mr. Ho is also the Director of APT Satellite Company Limited and APT Satellite Investment Company Limited, subsidiaries of the Company. He is also the Director of APT Satellite Telecommunications Limited, a jointly controlled entity between a wholly owned subsidiary of the Company and a shareholder of APT Satellite International Company Limited, the substantial shareholder of the Company. Mr. Ho is also the Director of APT Satellite International Company Limited. Mr. Ho joined Singapore Telecommunications Limited (“SingTel”), the holding company of one of the shareholders of APT Satellite International Company Limited, the substantial shareholder of the Company, in August 1972 after graduating from the then University of Singapore, now known as the National University of Singapore, with a Bachelor of Engineering (Electrical) degree. He has held managerial positions in areas including planning and operations of transmission network, radio network, mobile network, telephone exchange equipment, switch software management, etc. Mr. Ho is currently the Vice President for Fixed Networks Engineering of SingTel and SingTel Optus Pty Limited (“Optus”) responsible for the engineering and planning of the fixed core networks for both SingTel and Optus. Before this appointment, he was seconded to SingTel’s Joint Venture company in Indonesia, PT Bukaka SingTel International (“BSI”) as its President Director from February 1999 to January 2001. He continued to oversee the operations of BSI upon his return from Indonesia while concurrently holding the post of Vice President for Network Support in the Networks directorate. He was also Assistant Vice President for Satellite Services of SingTel between 1997 and 1999. Mr. Ho is also a board member of the BSI’s Board of Commissioner.

Save as disclosed above, Mr. Ho does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Mr. Ho had no interests in shares of the Company. The Company does not have service contract with Mr. Ho. Mr. Ho’s only emolument in 2006 will be a director’s fee of HK\$50,000 payable on a pro-rata basis since the date of his appointment.

Save as disclosed above, there is no other matter that needs to be brought to the attention of shareholders of the Company, nor there is any information as required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Dr. HUAN Guocang, aged 56, was appointed as an Independent Non-executive Director of the Company in August 2002. Dr. Huan is the member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company. He is the Managing Partner of Primus Pacific Partners Limited (“Primus”). Before joining Primus, he was the Head of Investment Banking, Asia Pacific of The Hongkong and Shanghai Banking Corporation Limited and was the Managing Director and Co-Head of Investment Banking, Asia Pacific of Salomon Smith Barney. Dr. Huan has been joining investment banking sector since 1987 and has held senior positions at the Brookings Institution, the Atlantic Council of the U.S., J.P. Morgan & Co., BZW Asia Limited, and Columbia University. Dr. Huan holds a Ph.D degree from Princeton University, Master of Arts from Columbia University and Master of Arts from the University of Denver.

Save as disclosed above, Dr. Huan does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Dr. Huan had no interests in shares of the Company. The Company does not have service contract with Dr. Huan. The only emolument paid to Dr. Huan in 2005 was a director's fee of HK\$100,000. Dr. Huan's only emolument in 2006 will be a director's fee of HK\$100,000.

Save as disclosed above, there is no other matter that needs to be brought to the attention of shareholders of the Company, nor there is any information as required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

The following sets out the procedures by which the Shareholders may demand a poll at the Annual General Meeting.

According to the Bye-Law 66 of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hand or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:

- (a) the chairman of such meeting; or
- (b) 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) 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) 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.

NOTICE OF ANNUAL GENERAL MEETING



APT SATELLITE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 1045)

NOTICE IS HEREBY GIVEN that an annual general meeting of APT Satellite Holdings Limited (“the Company”) will be held at the Satellite Control Centre of the Company, 22 Dai Kwai Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on Thursday, 25 May 2006 at 11:00 a.m. for the following purposes:

Ordinary Business

1. To receive and consider the audited consolidated financial statements and the reports of the Directors and of the auditors for the year ended 31 December 2005.
2. To re-elect Directors and to authorise the Board of Directors to fix the Directors’ remuneration.
3. To re-appoint the auditors of the Company and to authorise the Board of 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 (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) of this Resolution) of all the powers of the Company to purchase shares of HK\$0.10 each in the capital of the Company be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of the shares to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution, and the said approval shall be limited accordingly; and
- (c) 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;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; or
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or any applicable laws to be held.”
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) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (c) of this resolution) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements or options which may require the exercise of such powers either during or after the Relevant Period, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:
 - (i) a Right Issue (as defined in paragraph (d) of this resolution); or
 - (ii) any exercise of subscription or conversion rights under any warrants of the Company, or any securities which are convertible into shares of the Company, or any share option scheme or similar arrangement for the time being adopted by the Company for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or any eligible grantee pursuant to the scheme of shares or rights to acquire shares in the Company; or
 - (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-Laws of the Company,

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution and the said approval shall be limited accordingly;

- (c) for the purpose of this Resolution, “Relevant Period” means the period from the date of 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 revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; or

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the expiration of the period within which the next annual general meeting is required by the Bye-Laws of the Company or any other applicable laws to be held; and
 - (d) for the purpose of this Resolution, “Right Issue” means an offer of shares open for a period fixed by the Directors to shareholders on the register of members of the Company on a fixed record date in proportion to their then holding of shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”
6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** the general mandate granted to the Directors of the Company to exercise the powers of the Company to issue, allot and deal with additional shares pursuant to Resolution No. 5 above be and is hereby extended by the addition to the total nominal amount of share capital and any shares which may be issued, allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate an amount representing the total nominal amount of shares in the capital of the Company which has been purchased by the Company since the granting of such general mandate pursuant to Resolution No. 4 above, provided that such amount shall not exceed 10% of the total nominal amount of the share capital of the Company in issue at the date of this Resolution.”

By Order of the Board
Dr. Lo Kin Hang, Brian
Company Secretary

Hong Kong, 25 April 2006

Notes:

- (a) The Register of Members of the Company will be closed from 22 May 2006, Monday to 25 May 2006, Thursday, both days inclusive, during which period no transfers of shares can be registered.
- (b) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (c) In order to be valid, the form of proxy must be deposited with the Company’s branch share registrars in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or other authority, not less than 48 hours before the time appointed for the meeting or adjourned meeting (as the case may be).
- (d) The form of proxy for use in connection with the Annual General Meeting is enclosed and such form is also published on the website of the Stock Exchange (www.hkex.com.hk).