
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 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 securities in **Regal Hotels International Holdings Limited**, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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RE-ELECTION OF DIRECTORS,

**GENERAL MANDATE TO REPURCHASE ORDINARY SHARES,
5¼% CONVERTIBLE CUMULATIVE REDEEMABLE PREFERENCE SHARES
AND 2007 WARRANTS**

AND

NOTICE OF ANNUAL GENERAL MEETING

A notice convening the 2005 Annual General Meeting of Regal Hotels International Holdings Limited (the "Company") to be held at the Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Thursday, 16th June, 2005 at 11:00 a.m. is appended to this circular. If you do not 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 Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Meeting or at any adjourned meeting should you so wish.

26th April, 2005

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Directors:

LO Yuk Sui (*Chairman and Managing Director*)
Francis CHOI Chee Ming (*Vice Chairman*)[#]
Donald FAN Tung
Alice KAN Lai Kuen*
Tommy LAM Chi Chung
Jimmy LO Chun To
LO Po Man
Kenneth NG Kwai Kai
NG Siu Chan*
Kai Ole RINGENSON[#]
WONG Chi Keung*
Belinda YEUNG Bik Yiu

* *Independent Non-Executive Directors*

[#] *Non-Executive Directors*

*Head office and principal place
of business:*

18th Floor, Paliburg Plaza
68 Yee Wo Street
Causeway Bay
Hong Kong

26th April, 2005

*To the Shareholders and, for information only,
to the Warrantholders*

Dear Sir or Madam,

RE-ELECTION OF DIRECTORS,

**GENERAL MANDATE TO REPURCHASE ORDINARY SHARES,
5¼% CONVERTIBLE CUMULATIVE REDEEMABLE PREFERENCE SHARES
AND 2007 WARRANTS**

AND

NOTICE OF ANNUAL GENERAL MEETING

The purpose of this circular is to provide the Shareholders of the Company with further information on the resolutions to be proposed at the forthcoming annual general meeting of the Company to be held on 16th June, 2005 (the “2005 Annual General Meeting”) relating to (1) the re-election of the Directors of the Company who will retire and, being eligible, have offered themselves for re-election at the 2005 Annual General Meeting, and (2) the grant of a general mandate (the “Repurchase Mandate”) to the Directors of the Company for the repurchase of its ordinary shares

LETTER FROM THE CHAIRMAN

of HK\$0.01 each (“Ordinary Shares”), 5¼% convertible cumulative redeemable preference shares of US\$10.00 each (“Convertible Preference Shares”) and registered warrants attaching rights to subscribe for new Ordinary Shares at a subscription price of HK\$0.25 per share (subject to adjustment) on or before 26th July, 2007 (“2007 Warrants”) on the terms set out in the Ordinary Resolution 5(A) (the “Repurchase Proposal”) as contained in the Notice of the 2005 Annual General Meeting.

Re-election of Directors

In accordance with Bye-law 109(A) of the Bye-laws of the Company and for compliance with the Code on Corporate Governance Practices (the “Code”) set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”), Mr. Lo Yuk Sui, the Chairman and Managing Director, Mr. Kenneth Ng Kwai Kai, an Executive Director, will retire from office by rotation at the 2005 Annual General Meeting.

In accordance with Bye-law 100 of the Bye-laws of the Company, Dr. Francis Choi Chee Ming (Vice Chairman and Non-Executive Director), Ms. Alice Kan Lai Kuen (Independent Non-Executive Director), Miss Lo Po Man (Executive Director), Mr. Ng Siu Chan (Independent Non-Executive Director) and Mr. Wong Chi Keung (Independent Non-Executive Director), who were all appointed as Directors of the Company subsequent to the last annual general meeting of the Company held on 18th June, 2004, shall hold office until the 2005 Annual General Meeting.

Mr. Lo Yuk Sui, Dr. Francis Choi Chee Ming, Ms. Alice Kan Lai Kuen, Miss Lo Po Man, Mr. Kenneth Ng Kwai Kai, Mr. Ng Siu Chan and Mr. Wong Chi Keung (collectively, the “Retiring Directors”), being eligible, have offered themselves for re-election at the 2005 Annual General Meeting.

The re-election of the Retiring Directors at the 2005 Annual General Meeting will not be for any specific term of office, but they will be subject to retirement by rotation and re-election at annual general meetings in accordance with the Bye-laws of the Company and the retirement requirement under the Code. The particulars of the Retiring Directors offering for re-election, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix I to this circular.

General Mandate to Repurchase Shares and Warrants

The Directors wish to seek the approval of Shareholders of the Company to the Repurchase Mandate for the Repurchase Proposal. The explanatory statement regarding the Repurchase Proposal required to be sent to Shareholders in accordance with the Listing Rules is set out in Appendix II to this circular.

LETTER FROM THE CHAIRMAN

Notice of Annual General Meeting

The Notice of the 2005 Annual General Meeting is contained in pages 13 to 15 of this circular and details relating to the procedures of voting by poll at general meetings of the Company are set out in Appendix III to this circular.

Yours faithfully,

LO YUK SUI
Chairman

(I) Mr. Lo Yuk Sui (*Chairman and Managing Director*)

Mr. Lo, aged 60, was appointed as Chairman and Managing Director of the Company since 1989 when the Company was established in Bermuda as the holding company of the Group (comprising the Company and its subsidiary companies). Mr. Lo has been the Managing Director and the Chairman of the predecessor listed company of the Group since 1984 and 1987, respectively. He is also the chairman and managing director of Century City International Holdings Limited (“CCIHL”) and Paliburg Holdings Limited (“PHL”), of both of which the Company is the listed associate. Mr. Lo is a qualified architect. In his capacity as the chief executive officer, Mr. Lo oversees the overall policy and decision making of the Group. Save as disclosed herein, Mr. Lo has not held any directorships in other listed public companies during the last three years.

Details of interests of Mr. Lo in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) are disclosed under the sections headed “Directors’ Interests in Share Capital” and “Substantial Shareholders’ Interests in Share Capital” in the Report of the Directors which is contained in the Company’s 2004 Annual Report accompanying this circular. As at 21st April, 2005, being the latest practicable date before the printing of this circular (the “Latest Practicable Date”), there had been no changes in such interests held by Mr. Lo. Mr. Lo is the father of Mr. Jimmy Lo Chun To and Miss Lo Po Man, both Executive Directors of the Company. Save as disclosed herein, Mr. Lo does not have any other relationships with any Directors, senior management, substantial or controlling shareholders of the Company.

Mr. Lo does not have a service contract with the Group, which is not determinable by the Group within one year without payment of compensation (other than statutory compensation). Mr. Lo is entitled to normal Director’s fee in the amount of HK\$100,000 per annum in acting as a Director of the Company. The emoluments of Mr. Lo as an Executive Director of the Company are determined by reference to industry norm and market conditions, with discretionary bonus based on performance.

(II) Dr. Francis Choi Chee Ming (*Vice Chairman and Non-Executive Director*)

Dr. Francis Choi, aged 59, was invited to the Board as the Vice Chairman and a Non-Executive Director of the Company in August 2004. Dr. Choi holds a master degree in business administration from the Newport University in the United States of America and a bachelor degree in business administration from the Sussex College of Technology in the United Kingdom. He also holds a Ph. D in Business Management from Harbin Institute of Technology, the People’s Republic of China. Dr. Choi is the chairman of Early Light International (Holdings) Ltd. and has extensive business interests in the manufacturing industry and the property sector. He is the Honorary President of the Toys Manufacturer’s Association of Hong Kong, Honorary President of the Hong Kong Young Industrialists Council and the Council Member of the Hong Kong Polytechnic University. He is also a Member of National Committee of the Chinese People’s Political Consultative Conference. Dr. Choi has not held any directorships in other listed public companies during the last three years.

At as the Latest Practicable Date, Dr. Choi directly holds interests in 115,274,000 issued ordinary shares of the Company and also indirectly holds, through his controlled corporation, derivative interests in 800,000,000 new ordinary shares of the Company within the meaning of Part XV of the SFO. Dr. Choi does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Dr. Choi does not have a service contract with the Group, which is not determinable by the Group within one year without payment of compensation (other than statutory compensation). Dr. Choi is entitled to normal Director's fee in the amount of HK\$100,000 per annum in acting as a Director of the Company. As Dr. Choi is also a member of the Audit Committee of the Company, he is entitled to normal fee in the amount of HK\$50,000 per annum in acting as a member of the Audit Committee

(III) Ms. Alice Kan Lai Kuen (*Independent Non-Executive Director*)

Ms. Alice Kan, aged 50, was appointed as an Independent Non-Executive Director of the Company in September 2004. She is also a shareholder and director of the Asia Investment Group of companies comprising Asia Investment Management Limited involving in corporate advisory and investment management services and Asia Investment Research Limited involving in research work in Hong Kong and China based companies. She is a registered investment adviser under the SFO. She has over 15 years of experience in corporate finance and is well experienced in both the equity and debt markets. She held various senior positions in international and local banks and financial institutions. Ms. Kan is a fellow member of The Association of Chartered Certified Accountants, a fellow member of CPA Australia and an associate member of the Hong Kong Institute of Certified Public Accountants. She is a fellow member of the Hong Kong Institute of Directors. Ms. Kan is an independent non-executive director of Shougang Concord International Enterprises Company Limited, Shougang Concord Technology Holdings Limited, G-Vision International (Holdings) Limited and SNP Leefung Holdings Limited, all of which are companies listed on the Stock Exchange. Save as disclosed herein, Ms. Kan has not held any directorships in other listed public companies during the last three years.

Ms. Kan does not hold any interests in the securities of the Company within the meaning of Part XV of the SFO. She does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Ms. Kan does not have a service contract with the Group, which is not determinable by the Group within one year without payment of compensation (other than statutory compensation). Ms. Kan is entitled to normal Director's fee in the amount of HK\$100,000 per annum in acting as a Director of the Company. As Ms. Kan is also a member of the Audit Committee of the Company, she is entitled to normal fee in the amount of HK\$50,000 per annum in acting as a member of the Audit Committee.

(IV) Miss Lo Po Man (*Executive Director*)

Miss Lo, aged 25, was appointed as an Executive Director of the Company in August 2004. She graduated from Duke University, North Carolina, U.S.A. with a bachelor degree in psychology. She joined the Group in 2000 and has been involved in the marketing and sales functions of the Group. Miss Lo is an executive director of the estate agency business of the Group and has been undertaking an active role in directing the marketing campaign of the Group's luxury residential development, Regalia Bay in Stanley, Hong Kong. She also undertakes responsibilities in the business development function of the Group. Miss Lo has not held any directorships in other listed public companies during the last three years.

As at the Latest Practicable Date, Miss Lo directly holds interests in 3,000,000 issued ordinary shares of the Company and also indirectly holds, as the beneficiary of a trust, interests in 2,503,898 issued ordinary shares and derivative interests in 187,792 new ordinary shares of the Company within the meaning of Part XV of the SFO. She is the daughter of Mr. Lo Yuk Sui, the Chairman and Managing Director of the Company, and the sister of Mr. Jimmy Lo Chun To, an Executive Director of the Company. Save as disclosed herein, Miss Lo does not have any other relationships with any Directors, senior management, substantial or controlling shareholders of the Company.

Miss Lo does not have a service contract with the Group, which is not determinable by the Group within one year without payment of compensation (other than statutory compensation). Miss Lo is entitled to normal Director's fee in the amount of HK\$100,000 per annum in acting as a Director of the Company. The emoluments of Miss Lo as an Executive Director of the Company are determined by reference to industry norm and market conditions, with discretionary bonus based on performance.

(V) Mr. Kenneth Ng Kwai Kai (*Executive Director*)

Mr. Kenneth Ng, aged 50, joined the Group in 1985 and was appointed as an Executive Director of the Company in 1998. Mr. Ng is a Chartered Secretary and is in charge of the company secretarial and corporate finance functions of the Group. He is also an executive director of CCIHL and PHL. Save as disclosed herein, Mr. Ng has not held any directorships in other listed public companies during the last three years.

Mr. Ng does not hold any interests in the securities of the Company within the meaning of Part XV of the SFO. Save as disclosed herein, he does not have any other relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Ng does not have a service contract with the Group, which is not determinable by the Group within one year without payment of compensation (other than statutory compensation). Mr. Ng is entitled to normal Director's fee in the amount of HK\$100,000 per annum in acting as a Director of the Company. The emoluments of Mr. Ng as an Executive Director of the Company are determined by reference to industry norm and market conditions, with discretionary bonus based on performance.

(VI) Mr. Ng Siu Chan (*Independent Non-Executive Director*)

Mr. Ng Siu Chan, aged 74, was invited to the Board as an Independent Non-Executive Director in March 2005. Mr. Ng is also an independent non-executive director of CCIHL and PHL. He is a director of The Kowloon Motor Bus Holdings Limited and an independent non-executive director of Wing Lung Bank Limited, both of which are publicly listed in Hong Kong. Save as disclosed herein, Mr. Ng has not held any directorships in other listed public companies during the last three years.

Mr. Ng does not hold any securities of the Company within the meaning of Part XV of the SFO. Save as disclosed herein, he does not have any other relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Ng does not have a service contract with the Group, which is not determinable by the Group within one year without payment of compensation (other than statutory compensation). Mr. Ng is entitled to normal Director's fee in the amount of HK\$100,000 per annum in acting as a Director of the Company. As Mr. Ng is also as a member of the Audit Committee of the Company, he is entitled to normal fee in the amount of HK\$50,000 per annum in acting as a member of the Audit Committee.

(VII) Mr. Wong Chi Keung (*Independent Non-Executive Director*)

Mr. Wong Chi Keung, aged 50, was invited to the Board as an Independent Non-Executive Director in September 2004. Mr. Wong is also an Independent Non-Executive Director of CCIHL and PHL. Mr. Wong holds a master's degree in business administration from the University of Adelaide in Australia. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants and the CPA Australia and an associate member of The Institute of Chartered Secretaries and Administrators and The Chartered Institute of Management Accountants. Mr. Wong was also a Responsible Officer for advising on securities and corporate finance for Yue Xiu Securities Company Limited under the SFO. Mr. Wong was an executive director, the deputy general manager, group financial controller and company secretary of Guangzhou Investment Company Limited, which is a company listed on the Stock Exchange, for over ten years. He is also an independent non-executive director and a member of the audit committee of Asia Orient Holdings Limited, Asia Standard International Group Limited, China Treasure (Greater China) Investments Limited, International Entertainment Corporation, FU JI Food and Catering Services Holdings Limited, Great Wall Automobile Holding Company Limited, PacMOS Technologies Holdings Limited and TPV Technology Limited, all of which companies are listed on the Stock Exchange. Mr. Wong has over 28 years of experience in finance, accounting and management. Save as disclosed herein, Mr. Wong has not held any directorships in other listed public companies during the last three years.

Mr. Wong does not hold any interests in the securities of the Company within the meaning of Part XV of the SFO. Save as disclosed herein, he does not have any other relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Wong does not have a service contract with the Group, which is not determinable by the Group within one year without payment of compensation (other than statutory compensation). Mr. Wong is entitled to normal Director's fee in the amount of HK\$100,000 per annum in acting as a Director of the Company. As Mr. Wong is also the Chairman of the Audit Committee of the Company, he is entitled to normal fee in the amount of HK\$100,000 per annum in acting as Chairman of the Audit Committee.

Save as disclosed above, the Board of Directors of the Company is not aware of any matters relating to the proposed re-election of the Retiring Directors that need to be brought to the attentions of the Shareholders.

This is the explanatory statement to provide requisite information to you for your consideration of the Repurchase Proposal, as required by the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange or on another stock exchange recognised for this purpose by the Securities and Futures Commission and the Stock Exchange. The Ordinary Shares and the 2007 Warrants are listed on the Stock Exchange and the Convertible Preference Shares are listed on Société de la Bourse de Luxembourg (“Luxembourg Stock Exchange”).

1. SHARE CAPITAL

As at the Latest Practicable Date, there were 8,345,283,849 Ordinary Shares and 16,748 Convertible Preference Shares in issue and outstanding 2007 Warrants attaching subscription rights in an aggregate amount of HK\$207,299,807.25 to subscribe for a total number of 829,199,229 new Ordinary Shares at the subscription price of HK\$0.25 per share (subject to adjustment).

Subject to the passing of the Ordinary Resolution 5(A) referred to in the letter from the Chairman preceding this appendix, the Company would be allowed under the buy back mandate to repurchase a maximum of 834,528,384 Ordinary Shares, 1,674 Convertible Preference Shares and 2007 Warrants in an aggregate nominal value of HK\$20,729,980.00, on the assumption that there will be no variation in the issued Ordinary Shares and Convertible Preference Shares and the outstanding 2007 Warrants during the period up to 16th June, 2005.

2. REASONS FOR REPURCHASES

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

3. FUNDING OF REPURCHASES

Pursuant to the buy back mandate, repurchases would be funded entirely from the Company’s funds legally available for the purpose in accordance with the Company’s Memorandum of Association and Bye-laws and the laws of Bermuda. Any shares repurchased under the buy back mandate must be funded out of the capital paid up on the repurchased shares or the funds of the Company which would otherwise be available for dividend or distribution, or out of the proceeds of a fresh issue of shares. Any premium payable on the repurchase must be provided for out of the funds of the Company otherwise available for dividend or distribution or out of the Company’s share premium account before the shares are repurchased.

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 31st December, 2004) in the event that the proposed repurchases 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 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 AND WARRANT PRICES

The highest and lowest prices at which the Ordinary Shares and the 2007 Warrants have traded on the Stock Exchange and the Convertible Preference Shares have traded on the Luxembourg Stock Exchange, respectively, in each of the previous twelve months and in April 2005 (up to the Latest Practicable Date) were as follows:

	Ordinary Shares		Convertible Preference Shares		2007 Warrants	
	Highest	Lowest	Highest	Lowest	Highest	Lowest
	HK\$	HK\$	US\$ (Note a)	US\$ (Note a)	HK\$ (Note b)	HK\$ (Note b)
April 2004	0.325	0.265	—	—	—	—
May 2004	0.280	0.165	—	—	—	—
June 2004	0.270	0.232	—	—	—	—
July 2004	0.285	0.250	—	—	—	—
August 2004	0.325	0.250	—	—	0.149	0.064
September 2004	0.390	0.310	—	—	0.183	0.136
October 2004	0.365	0.305	—	—	0.156	0.114
November 2004	0.500	0.325	—	—	0.226	0.133
December 2004	0.580	0.455	—	—	0.355	0.203
January 2005	0.720	0.490	—	—	0.480	0.280
February 2005	0.680	0.550	—	—	0.455	0.340
March 2005	0.730	0.610	—	—	0.460	0.400
From 1st April, 2005 to Latest Practicable Date	0.760	0.680	—	—	0.500	0.420

Notes:

- (a) There have been no Convertible Preference Shares traded on the Luxembourg Stock Exchange since September 2003. The highest and lowest prices of the Convertible Preference Shares last traded on the Luxembourg Stock Exchange in August 2003 were US\$325,000 and US\$215,000 respectively. The Convertible Preference Shares have a Reference Amount of US\$1,000 each for the purposes of redemption and conversion.
- (b) The 2007 Warrants commenced trading on the Stock Exchange in August 2004 and are traded in board lots of 20,000 units amounting to an aggregate subscription rights of HK\$5,000.

5. DISCLOSURE OF INTERESTS

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

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 pursuant to the Ordinary Resolution 5(A) in accordance with the Listing Rules and the laws of Bermuda.

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

As at the Latest Practicable Date, Paliburg Holdings Limited (“Paliburg”), the listed subsidiary company of Century City International Holdings Limited of which Mr. Lo Yuk Sui is the Chairman and controlling shareholder, held approximately 44.98% shareholding interests in the issued Ordinary Shares of the Company. Paliburg also held approximately 20.54% interests in the issued Convertible Preference Shares of the Company and approximately 43.32% interests in the outstanding 2007 Warrants of the Company as at the Latest Practicable Date.

In the event that the Repurchase Mandate in respect of the Ordinary Shares granted to the Directors pursuant to the Repurchase Proposal were to be carried out in full, the shareholding interests of Paliburg in the Company would increase to approximately 49.98% of issued ordinary share capital of the Company. Pursuant to Rule 32 of the Hong Kong Code on Takeovers and Mergers (the “Takeover Code”), such resultant increase in shareholding interests would be treated as an acquisition of the voting rights for the purpose of the Takeover Code. Accordingly, Paliburg might become obliged to make a mandatory offer as and when the 2% creeper under Rule 26 of the Takeover Code is exceeded. Save as aforesaid, based on information known to date, the Directors are not aware of any consequences which may arise under the Takeover Code even if the Repurchase Mandate were exercised in full. Nevertheless, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, trigger any potential consequences under the Takeover Code.

6. SECURITIES PURCHASES MADE BY THE COMPANY

The Company has not purchased any of its shares and warrants (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.

Pursuant to the Bye-laws of the Company, the procedures of voting by poll on the resolutions to be put forth for Shareholders' approval at the 2005 Annual General Meeting of the Company are as follows:

- (1) According to Bye-law 78, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:
 - (a) by the Chairman of the meeting; or
 - (b) by at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
 - (c) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder 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 the Shareholders having the right to vote at the meeting; or
 - (d) by a Shareholder or Shareholders present in person (or, in the case of a Shareholder 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 the shares conferring that right.
- (2) According to Bye-law 79, if a poll is demanded as aforesaid under Bye-law 78, it shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded, as the Chairman directs. No notice need to be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

In accordance with the requirements under Chapter 13 of the Listing Rules, the Company will publish an announcement in newspapers the results of any voting by poll at the 2005 Annual General Meeting on the business day following the Meeting.

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Thursday, 16th June, 2005 at 11:00 a.m. for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and the Auditors for the year ended 31st December, 2004.
2. To declare a final dividend for the year ended 31st December, 2004 of HK0.5 cent per ordinary share.
3. To elect Directors.
4. To appoint Auditors and authorise the Board of Directors to fix their remuneration.
5. To consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

(A) “**THAT:**

- (a) subject to paragraphs (b) to (d) below, the exercise by the Directors during the Relevant Period of all the powers of the Company to purchase shares and warrants in the capital of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of ordinary shares of HK\$0.01 each in the capital of the Company (“Ordinary Shares”) which may be purchased by the Company pursuant to paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the Ordinary Shares in issue at the date of this Resolution, and the said approval shall be limited accordingly;
- (c) the aggregate nominal amount of 5¼ per cent. Convertible Cumulative Redeemable Preference Shares of US\$10.00 each in the capital of the Company (“Convertible Preference Shares”) which may be purchased by the Company pursuant to paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the Convertible Preference Shares in issue at the date of this Resolution, and the said approval shall be limited accordingly;

NOTICE OF ANNUAL GENERAL MEETING

- (d) the aggregate amount of subscription rights attached to the 2007 Warrants which may be purchased by the Company pursuant to paragraph (a) above shall not exceed 10% of the total amount of subscription rights attached to the 2007 Warrants outstanding at the date of this Resolution, and the said approval shall be limited accordingly; and
- (e) 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 is required by the Bye-laws of the Company or The Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; and
 - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders in general meeting.”

(B) “**THAT** the exercise by the Directors during the Relevant Period (as defined in Resolution 5(A) set out in the Notice of this Meeting) of all the powers of the Company to issue, allot and dispose of additional Ordinary Shares of the Company (including making and granting offers, agreements and options which would or might require Ordinary Shares to be issued, allotted or disposed of, whether during or after the end of the Relevant Period) be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to a rights issue where Ordinary Shares are offered to shareholders on a fixed record date in proportion to their then holdings of Ordinary 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, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong), the additional Ordinary Shares issued, allotted or disposed of (including Ordinary Shares agreed conditionally or unconditionally to be issued, allotted or disposed of, whether pursuant to an option or otherwise) shall not in aggregate exceed 20% of the aggregate nominal amount of the Ordinary Shares in issue at the date of this Resolution, and the said approval shall be limited accordingly.”

(C) “**THAT** the general mandate granted to the Directors under Resolution 5(B) above be and is hereby extended by the addition of an amount representing the aggregate nominal amount of Ordinary Shares purchased by the Company pursuant to the general mandate approved in Resolution 5(A) above.”

6. To transact any other business.

By Order of the Board
Eliza Lam Sau Fun
Secretary

Hong Kong, 26th April, 2005

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
2. The form of proxy must be deposited with the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the Meeting.
3. The Register of Ordinary Shareholders will be closed from Monday, 13th June, 2005 to Thursday, 16th June, 2005, both days inclusive, during which period no transfers of shares will be effected. In order to qualify for the proposed dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at the address set out above not later than 4:00 p.m. on Friday, 10th June, 2005.
4. A circular of the Company containing further details relating to the re-election of Directors and an explanatory statement regarding Resolution 5(A) above will be sent to the Company's shareholders together with the 2004 Annual Report of the Company.