
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 2006 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 Friday, 16th June, 2006 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.

29th April, 2006

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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*
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:*

11th Floor, 68 Yee Wo Street
Causeway Bay
Hong Kong

29th April, 2006

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

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 requisite information with respect to the resolutions to be proposed at the forthcoming annual general meeting of the Company to be held on 16th June, 2006 (the “2006 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 2006 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 of HK\$0.01 each (“Ordinary Shares”), 5¼% convertible cumulative redeemable preference shares of

LETTER FROM THE CHAIRMAN

US\$10.00 each (“Convertible Preference Shares”) and warrants carrying rights to subscribe for new Ordinary Shares at a subscription price of HK\$0.25 per share (subject to adjustments) on or before 26th July, 2007 (Stock Code: 1011) (“2007 Warrants”) on the terms set out in the Ordinary Resolution 5(A) (the “Repurchase Proposal”) as contained in the Notice of the 2006 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. Donald FAN Tung, Mr. Jimmy LO Chun To and Ms. Belinda YEUNG Bik Yiu, three of the Executive Directors, and Mr. Kai Ole RINGENSON, a Non-Executive Director, will retire from office by rotation at the 2006 Annual General Meeting.

Mr. Donald FAN Tung, Mr. Jimmy LO Chun To, Mr. Kai Ole RINGENSON and Ms. Belinda YEUNG Bik Yiu (collectively, the “Retiring Directors”), being eligible, have offered themselves for re-election at the 2006 Annual General Meeting.

The re-election of the Retiring Directors at the 2006 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.

Notice of Annual General Meeting

The Notice of the 2006 Annual General Meeting is contained in pages 11 to 13 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. Donald FAN Tung (*Executive Director*)

Mr. Donald Fan, aged 49, was appointed to the Board in 2002 and is an Executive Director of the Company. Mr. Fan is a qualified architect and has been with the Group since 1987. He is in charge of all the hotel project works of the Group. Mr. Fan is also an executive director of Paliburg Holdings Limited (“Paliburg”), of which the Company is the listed associate, and is involved in the property development, architectural design and project management functions as well as overseeing the building construction business of the Paliburg Group. Save as disclosed herein, Mr. Fan has not held any directorships in other listed public companies during the last three years.

As at 25th April, 2006 (the “Latest Practicable Date”), Mr. Fan directly held derivative interests in 20,000,000 new ordinary shares of the Company through certain share options granted to him in July 2005 under “The Regal Hotels International Holdings Limited Share Option Scheme” of the Company adopted in June 2005 (the “Regal Scheme”), representing approximately 0.24% of the issued ordinary share capital of the Company as at the Latest Practicable Date, within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”). He also directly held interests in 2,718 issued ordinary shares of HK\$0.01 each in Paliburg and derivative interests in 20,000,000 new ordinary shares through certain share options granted to him in July 2005 under “The Paliburg Holdings Limited Share Option Scheme” of Paliburg adopted in June 2005 (the “Paliburg Scheme”), in aggregate representing approximately 0.28% of the issued ordinary share capital of Paliburg as at the Latest Practicable Date, within the meaning of Part XV of the SFO as at the Latest Practicable Date. Details of the directorships of Mr. Fan in the substantial and controlling shareholders (as defined in the Listing Rules) of the Company are disclosed in the section headed “Substantial Shareholders’ Interests in Share Capital” in the Directors’ Report contained in the 2005 Annual Report of the Company. Save as disclosed herein, he does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Fan’s directorship with the Company is subject to retirement by rotation pursuant to the relevant provisions under the Bye-laws of the Company. He does not have a service contract with the Group. Mr. Fan is entitled to normal Director’s fee in the amount of HK\$100,000 per annum in acting as a Director of the Company. In addition, Mr. Fan received from the Group total emoluments (including performance based discretionary bonus payment and other related employee benefits) of HK\$914,000 for the financial year of 2005, which were determined by reference to industry norm and market conditions and allocated on the basis of the services rendered to the Group.

There is no information that is required to be disclosed by Mr. Fan pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders of the Company in relation to the re-election of Mr. Fan.

(II) Mr. Jimmy LO Chun To (*Executive Director*)

Mr. Jimmy Lo, aged 32, was appointed to the Board in 1999 and is an Executive Director of the Company. Mr. Lo graduated from Cornell University, New York, U.S.A. with a degree in architecture. Apart from his involvement in the design of the Group’s property and hotel projects, he undertakes responsibilities in the business development function of the Century City Group. Mr. Lo is also an executive director of Century City International Holdings Limited (“Century”), the ultimate listed holding company of Paliburg, and Paliburg. Save as disclosed herein, Mr. Lo has not held any directorships in other listed public companies during the last three years.

As at the Latest Practicable Date, Mr. Lo directly held derivative interests in 15,000,000 new ordinary shares of the Company through certain share options granted to him in July 2005 under the Regal Scheme, representing approximately 0.18% of the issued ordinary share capital of the Company as at the Latest Practicable Date, within the meaning of Part XV of the SFO. He also directly held (i) interests in 1,659,800 issued ordinary shares of HK\$0.01 each of Century and derivative interests in 331,960 new ordinary shares through interests in 2011 Warrants of Century carrying subscription rights in the aggregate amount of HK\$33,196.00, in aggregate representing approximately 0.012% of the issued ordinary share capital of Century as at the Latest Practicable Date, and (ii) interests in 284,000 issued ordinary shares of HK\$0.01 each of Paliburg and derivative interests in 20,000,000 new ordinary shares through certain share options granted to him in July 2005 under the Paliburg Scheme, in aggregate representing approximately 0.28% of the issued ordinary share capital of Paliburg as at the Latest Practicable Date, within the meaning of Part XV of the SFO as at the Latest Practicable Date. Details of the directorships of Mr. Lo in the substantial and controlling shareholders (as defined in the Listing Rules) of the Company are disclosed in the section headed “Substantial Shareholders’ Interests in Share Capital” in the Directors’ Report contained in the 2005 Annual Report of the Company. He is the son of Mr. LO Yuk Sui, the Chairman and Managing Director of the Company, and the brother of Miss LO Po Man, an Executive Director of the Company. Save as disclosed herein, Mr. Lo does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Lo’s directorship with the Company is subject to retirement by rotation pursuant to the relevant provisions under the Bye-laws of the Company. He does not have a service contract with the Group. 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. In addition, Mr. Lo received from the Group total emoluments (including performance based discretionary bonus payment and other related employee benefits) of HK\$377,000 for the financial year of 2005, which were determined by reference to industry norm and market conditions and allocated on the basis of the services rendered to the Group.

There is no information that is required to be disclosed by Mr. Lo pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders of the Company in relation to the re-election of Mr. Lo.

(III) Mr. Kai Ole RINGENSON (*Non-Executive Director*)

Mr. Kai Ringenson, aged 56, was appointed to the Board in 2002 and is a Non-Executive Director of the Company. Mr. Ringenson joined the Group in 2001 and was an Executive Director of the Company until he resigned from his executive duties with the Group in December 2003. He graduated from Cornell University, New York, U.S.A. with a degree in hotel management. Mr. Ringenson has extensive experience in international hotel operations and asset management. Mr. Ringenson was a non-executive director of Pandox AB, a public listed company in Sweden, until it was privatised in February 2004. Save as disclosed herein, Mr. Ringenson has not held any directorships in other listed public companies during the last three years.

Mr. Ringenson does not hold any interests in the securities of the Company within the meaning of Part XV of the SFO. He does not have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

Mr. Ringenson's directorship with the Company is subject to retirement by rotation pursuant to the relevant provisions under the Bye-laws of the Company. He does not have a service contract with the Group. He is entitled to normal Director's fee in the amount of HK\$100,000 per annum in acting as a Director of the Company. A consultancy company beneficially owned by Mr. Ringenson is currently retained by the Group on an ad hoc basis for a term of 2 years (subject to early termination by either party on 3 to 6 months' notice) for the provision of consultancy services in relation to a business project being undertaken by the Group at a fee of HK\$200,000 per month.

There is no information that is required to be disclosed by Mr. Ringenson pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders of the Company in relation to the re-election of Mr. Ringenson.

(IV) Ms. Belinda YEUNG Bik Yiu (*Executive Director*)

Ms. Belinda Yeung, aged 47, was appointed to the Board in 2002 and is an Executive Director of the Company. Ms. Yeung joined the Group in 1987. Having obtained her hotel management university degree in U.S.A., Ms. Yeung has acquired extensive hotel management experience in U.S.A., The People's Republic of China as well as in Hong Kong - in both multi-unit corporate and single-unit hotel management levels. She is a director of the hotel management subsidiary company of the Group and is the general manager of one of the Group's hotels in Hong Kong. On top of her hotel management responsibilities, Ms. Yeung is also in charge of the human resources management of the Century City Group. Ms. Yeung has not held any directorships in other listed public companies during the last three years.

As at the Latest Practicable Date, Ms. Yeung directly held derivative interests in 30,000,000 new ordinary shares of the Company through certain share options granted to her in July 2005 under the Regal Scheme, representing approximately 0.36% of the issued ordinary share capital of the Company as at the Latest Practicable Date, within the meaning of Part XV of the SFO. She also directly held interests in 2,000 issued ordinary shares of Century, representing approximately 0.000012% of the issued ordinary share capital of Century as at the Latest Practicable Date, within the meaning of Part XV of the SFO as at the Latest Practicable Date. Save as disclosed herein, Ms. Yeung does not have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

Ms. Yeung's directorship with the Company is subject to retirement by rotation pursuant to the relevant provisions in the Bye-laws of the Company. She has a service contract with the Group, which is determinable by either party on 3 months' notice. Ms. Yeung is entitled to normal Director's fee in the amount of HK\$100,000 per annum in acting as a Director of the Company. In addition, Ms. Yeung received under her service contract with the Group total emoluments (including performance based discretionary bonus payment and other related employee benefits) of HK\$2,159,000 for the financial year of 2005, which were determined by reference to industry norm and market conditions.

There is no information that is required to be disclosed by Ms. Yeung pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders of the Company in relation to the re-election of Ms. Yeung.

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 8,383,168,556 Ordinary Shares and 16,748 Convertible Preference Shares in issue and outstanding 2007 Warrants carrying subscription rights in an aggregate amount of HK\$175,830,130.50 to subscribe for a total number of 703,320,522 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 838,316,855 Ordinary Shares, 1,674 Convertible Preference Shares and 2007 Warrants carrying aggregate subscription rights of HK\$17,583,013.00, 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, 2006.

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.

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, 2005) 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 2006 (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)	US\$ (Note)	HK\$	HK\$
April 2005	0.760	0.680	—	—	0.500	0.420
May 2005	0.730	0.630	—	—	0.465	0.400
June 2005	0.750	0.650	—	—	0.490	0.400
July 2005	0.790	0.700	—	—	0.530	0.450
August 2005	0.810	0.720	—	—	0.550	0.485
September 2005	0.780	0.540	—	—	0.520	0.300
October 2005	0.600	0.445	—	—	0.360	0.240
November 2005	0.580	0.490	—	—	0.330	0.255
December 2005	0.590	0.510	—	—	0.335	0.280
January 2006	0.630	0.540	—	—	0.380	0.305
February 2006	0.660	0.570	—	—	0.400	0.345
March 2006	0.650	0.580	—	—	0.390	0.345
From 1st April, 2006 to Latest Practicable Date	0.770	0.610	—	—	0.485	0.375

Note: There have been no Convertible Preference Shares traded on the Luxemburg Stock Exchange since September 2003. The highest and lowest prices of the Convertible Preference Shares last traded on the Luxemburg 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.

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, the listed subsidiary company of Century (of which Mr. Lo Yuk Sui is the Chairman and controlling shareholder), held approximately 45.96% 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 50.36% 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 51.07% 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 had repurchased a total of 87,994,000 ordinary shares of the Company on the Stock Exchange during the six months preceding the Latest Practicable Date, details of which are as follows:

Date of Repurchase	Number of Ordinary Shares repurchased	Price per Ordinary Share	
		Highest (HK\$)	Lowest (HK\$)
27/10/2005	28,058,000	0.500	0.475
28/10/2005	12,806,000	0.510	0.480
04/11/2005	2,000,000	0.560	0.560
07/11/2005	7,900,000	0.540	0.510
08/11/2005	1,000,000	0.510	0.500
10/11/2005	80,000	0.500	0.500
11/11/2005	2,500,000	0.530	0.520
15/11/2005	500,000	0.510	0.495
17/11/2005	9,650,000	0.500	0.495
18/11/2005	12,500,000	0.510	0.495
21/11/2005	5,000,000	0.500	0.495
24/11/2005	<u>6,000,000</u>	0.520	0.500
Total:	<u><u>87,994,000</u></u>		

APPENDIX III PROCEDURES OF VOTING BY POLL AT GENERAL MEETING

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 2006 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 2006 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 Friday, 16th June, 2006 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, 2005.
2. To declare a final dividend for the year ended 31st December, 2005 of HK0.55 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.”

By Order of the Board
Eliza Lam Sau Fun
Secretary

Hong Kong, 29th April, 2006

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 Tuesday, 13th June, 2006 to Friday, 16th June, 2006, both days inclusive, during which period no transfers of ordinary shares will be effected. In order to qualify for the proposed dividend, all transfers of ordinary shares and/or subscriptions of the outstanding 2007 Warrants, duly accompanied by the relevant certificates together with, where appropriate, the relevant subscription moneys, 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 Monday, 12th June, 2006.
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 2005 Annual Report of the Company.