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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** about this circular, you should consult your stockbroker, other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in CHINA RESOURCES PEOPLES TELEPHONE COMPANY LIMITED, you should at once hand this circular together with the accompanying 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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this circular.

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**CHINA RESOURCES PEOPLES TELEPHONE COMPANY LIMITED****華潤萬眾電話有限公司***(Incorporated in Hong Kong with limited liability under the Companies Ordinance)***(Stock Code: 331)**

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

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A notice convening the 2005 Annual General Meeting of China Resources Peoples Telephone Company Limited is set out on pages 10 to 14 of this circular. Whether or not you are able to attend the meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Registrar, Tricor Investor Services Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible but in any event not later than 10:00 a.m. on Tuesday, 26th April, 2005. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting and any adjourned meeting if you so wish.

31st March, 2005

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## DEFINITIONS

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

“AGM”	the 2005 Annual General Meeting of the Company to be held at 10:00 a.m. on 28th April, 2005 at 50th Floor, China Resources Building, 16 Harbour Road, Wanchai, Hong Kong
“Articles”	the existing articles of association of the Company
“Board”	the board of Directors
“Company”	China Resources Peoples Telephone Company Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance
“Companies Ordinance”	Companies Ordinance (Chapter 32 of Laws of Hong Kong)
“connected person(s)”	shall have the meaning as defined in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Issue Mandate”	a general and unconditional mandate to allot, issue, and deal with Shares up to a maximum of 20 per cent of the issued share capital of the Company as at the date of passing of the relevant resolution
“Latest Practicable Date”	24th March, 2005, being the latest practicable date prior to the printing of this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general and unconditional mandate to be granted to the Directors to exercise all powers of the Company to repurchase on the Stock Exchange, or any other stock exchange on which the Shares of the Company may be listed, Shares up to a maximum of 10 per cent of the issued share capital of the Company as at the date of passing of the relevant resolution

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## DEFINITIONS

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“SFO”	Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	the ordinary share(s), with voting rights, of HK\$0.48 each in the capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases issued by the Hong Kong Securities and Futures Commission
“HK\$”	Hong Kong dollar(s)

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## LETTER FROM THE BOARD

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### CHINA RESOURCES PEOPLES TELEPHONE COMPANY LIMITED

### 華潤萬眾電話有限公司

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 331)

*Chairman & Non-Executive Director:*

Mr. JIANG Wei

*Executive Vice Chairman & Executive Director:*

Mr. LEUNG Kai Hung, Michael

*Executive Directors:*

Mr. HENSHAW Charles Guy, *Chief Executive Officer*

Mr. WONG Man Kwan, Willie

Ms. WONG LEUNG Ka On, Charlotte

*Non-Executive Directors:*

Dr. HUANG Zhi Jian

Mr. LI Fu Zuo

Mr. SINN Chung Ming, Anthony

Mr. WU Jun

Mr. YAN Biao

*Independent Non-Executive Directors:*

Professor CHEN Kwan Yiu, Edward

Mr. LAM Kwong Yu

Mr. MA Chiu Cheung, Andrew

Mr. TAN Henry

*Registered Office:*

8th Floor

Manhattan Centre

8 Kwai Cheong Road

Kwai Chung

Kowloon

Hong Kong

31st March, 2005

*To the Shareholders*

Dear Sir or Madam,

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

#### INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM to be held on Thursday, 28th April, 2005. These include (i) ordinary resolutions relating to the granting to the Directors general mandates for the issue of the

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## LETTER FROM THE BOARD

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Company's Shares of HK\$0.48 each and the repurchase of its Shares; (ii) special resolution relating to the amendments to the Articles; and (iii) ordinary resolutions relating to the re-election of the retiring Directors.

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

At the AGM, an ordinary resolution will be proposed that the Directors be granted a general and unconditional mandate to exercise all powers of the Company to repurchase on the Stock Exchange, or on any other stock exchange on which the Shares of the Company may be listed, Shares up to a maximum of 10 per cent of the issued share capital of the Company as at the date of passing of the relevant resolution.

As at the Latest Practicable Date, there was a total of 743,641,019 Shares in issue. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 74,364,101 Shares.

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

An ordinary resolution will also be proposed that the Directors be granted a general and unconditional mandate to allot, issue, and deal with Shares up to a maximum of 20 per cent of the issued share capital of the Company as at the date of passing of the relevant resolution.

As at the Latest Practicable Date, there was a total of 743,641,019 Shares in issue. Subject to the passing of the resolution granting the Issue Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to issue a maximum of 148,728,203 Shares.

In addition, an ordinary resolution will be proposed at the AGM adding any Shares repurchased under the Repurchase Mandate to the Issue Mandate. The Repurchase Mandate and the Issue Mandate would continue in force until the conclusion of the next annual general meeting of the Company unless it is renewed at such meeting or until revoked or varied by ordinary resolutions of the Shareholders in a general meeting held prior to the next AGM of the Company.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed general mandate to repurchase Shares is set out in Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions at the AGM.

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## LETTER FROM THE BOARD

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### AMENDMENTS TO ARTICLES OF ASSOCIATION

To bring the constitution of the Company up to date with the implementation of the Code on Corporate Governance Practices of the Listing Rules, the Directors propose to amend the Articles to incorporate, inter alia, the following:

- (a) adding definition of “remuneration committee” and the role of the remuneration committee; and
- (b) requiring every director to retire by rotation at least once every three years.

The proposed amendments to the Articles are subject to the approval of the Shareholders by way of a special resolution to be proposed at the AGM. Shareholders should refer to the special resolution as set out in the notice of the AGM as Appendix II to this circular for details of the proposed amendments to the Articles.

### NOTICE OF ANNUAL GENERAL MEETING

Notice of the AGM is set out in Appendix II to this circular. A proxy form for appointing proxy is despatched with this circular and published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). Whether or not you intend to attend the AGM, you are requested to complete the proxy form and return it to the Company’s Registrar, Tricor Investor Services Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM or the adjourned meeting. Completion and return of a proxy form will not preclude you from attending and voting at the meeting and at any adjournment thereof if you so wish.

### RE-ELECTION OF RETIRING DIRECTORS

In relation to Resolution 3 as set out in the notice of the AGM, Mr. Henshaw Charles Guy, Mr. Wong Man Kwan, Willie, Ms. Wong Leung Ka On, Charlotte, Mr. Yan Biao, Mr. Li Fu Zuo, Dr. Huang Zhi Jian, Mr. Ma Chiu Cheung, Andrew, Professor Chen Kwan Yiu, Edward, Mr. Tan Henry and Mr. Lam Kwong Yu will retire from their respective offices as Executive Directors, Non-Executive Directors and Independent Non-Executive Directors at the AGM and being eligible, will offer themselves for re-election pursuant to the Articles.

Details of the above Directors, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix III to this circular.

### PROCEDURE FOR DEMANDING A POLL

Pursuant to Article 110 of the Articles, 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) demanded by:

- (a) the chairman; or

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## LETTER FROM THE BOARD

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- (b) at least five 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 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.

The demand for a poll may, with the consent of the chairman, be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is earlier.

### RECOMMENDATION

The Directors consider that the proposed granting of the general mandates to the Directors to issue Shares and to repurchase Shares, the amendments to the Articles and the re-election of the retiring Directors are in the best interests of the Company and the Shareholders. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the notice of the AGM.

Yours faithfully,

For and on behalf of the Board

**Leung Kai Hung, Michael**

*Executive Vice Chairman and Executive Director*



*This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide certain information to you for your consideration of the Repurchase Mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, there was a total of 743,641,019 Shares in issue.

Subject to the passing of the resolutions granting the Issue Mandate and the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to issue a maximum of 148,728,203 Shares and to repurchase a maximum of 74,364,101 Shares, being 20 per cent and 10 per cent respectively of the issued capital of the Company as at the date of passing of the relevant resolutions.

## **2. REASONS FOR REPURCHASES**

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

## **3. FUNDING OF REPURCHASES**

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's Memorandum and Articles of Association and the Companies Ordinance. Such funds include distributable profits of the Company and/or the proceeds of a new issue of Shares made for the purposes of the repurchase.

There might be a 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 Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors will not propose to exercise the Repurchase 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 of the Company.

#### 4. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date from the commencement of the dealings of the Company's Shares on the Stock Exchange on 1st April, 2004:

Month	Share Prices Per Share	
	Highest HK\$	Lowest HK\$
<b>2004</b>		
April	4.575	4.150
May	4.600	4.200
June	4.375	3.800
July	3.900	3.600
August	3.700	3.125
September	3.400	3.100
October	3.200	2.900
November	3.000	2.800
December	2.900	2.675
<b>2005</b>		
January	2.825	2.525
February	2.650	2.550
March (up to and including the Latest Practicable Date)	3.075	2.525

#### 5. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules and the Companies Ordinance, and in accordance with the regulations set out in the Memorandum and Articles of Association of the Company.

The Company has not been notified by any connected person that such a person has a present intention to sell, or has undertaken not to sell, any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, China Resources (Holdings) Company Limited beneficially held 358,753,270 Shares and Mr. Leung Kai Hung, Michael, Director, beneficially held 137,882,831 Shares representing approximately 48.24 per cent and 18.54 per cent of the issued share capital of the Company respectively. In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate, the interests of China Resources (Holdings) Company Limited and Mr. Leung Kai Hung, Michael in the Company would respectively be increased to approximately 53.60 per cent and 20.60 per cent of the issued share capital of the Company. Such increases would not reduce the amount of Shares held by the public to less than 25 per cent. However, the increase in the interest of China Resources (Holdings) Company Limited would give rise to an obligation of China Resources (Holdings) Company Limited to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no intention to repurchase Shares to such an extent which will result in an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

Save as disclosed above, the Directors are currently not aware of any consequences which will arise under the Takeovers Code as a result of any purchase made under the Repurchase Mandate.

No Shares had been repurchased by the Company, whether on the Stock Exchange or otherwise, in the last six months preceding the Latest Practicable Date.

**CHINA RESOURCES PEOPLES TELEPHONE COMPANY LIMITED****華潤萬眾電話有限公司***(Incorporated in Hong Kong with limited liability under the Companies Ordinance)***(Stock Code: 331)**

**NOTICE IS HEREBY GIVEN** that the 2005 Annual General Meeting (the “Meeting”) of China Resources Peoples Telephone Company Limited (the “Company”) will be held at 50th Floor, China Resources Building, 16 Harbour Road, Wanchai, Hong Kong on Thursday, 28th April, 2005 at 10:00 a.m. for the following purposes:

1. To adopt the Audited Financial Statements and the Reports of the Directors and of the Auditors for the year ended 31st December, 2004.
2. To declare a Final Dividend for the year ended 31st December, 2004.
3. To re-elect the retiring directors (please refer to the circular to be despatched by the Company on 1st April, 2005 for the biographies of the directors proposed to be re-elected).
4. To authorize the Board of Directors to fix the remuneration of the directors.
5. To re-appoint auditors and to authorize the Board of Directors to fix their remuneration.

As special business to consider and, if thought fit, pass, with or without amendments, the following resolutions as Ordinary Resolutions:

**ORDINARY RESOLUTIONS**

6. **“THAT**
  - (a) subject to paragraph (c) of this resolution and pursuant to section 57B of the Companies Ordinance, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) 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 and options (including bonds, warrants and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which might require the exercise of such powers after the end of the Relevant Period;
- (c) 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 Rights Issue (as hereinafter defined); (ii) any Share Option Scheme (as hereinafter defined) of the Company; (iii) the exercise of rights of conversion under the terms of any securities which are convertible into shares of the Company or warrants to subscribe for shares of the Company; or (iv) any scrip dividend or other similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the articles of association of the Company, shall not exceed 20 per cent of the existing issued share capital of the Company as at the date of passing of this resolution and the approval in paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest 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; and
  - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company on the register of members on a fixed record date in proportion to their then holdings of such 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 applicable to the Company); and

“Share Option Scheme” means a share option scheme or similar arrangement for the time being, as varied from time to time, adopted for the grant or issue of shares or rights to acquire shares of the Company.”.

7. “**THAT**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by The Securities and Futures Commission of Hong Kong (“the Securities and Futures Commission”) and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the rules and regulations of the Securities and Futures Commission, the Stock Exchange or of other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the share capital of the Company to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest 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; and
  - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held.”.

8. “**THAT** conditional upon the passing of Ordinary Resolutions 6 and 7 as set out in the notice convening this Meeting, the general mandate granted to the Directors to allot, issue and deal with additional shares in the capital of the Company pursuant to Ordinary Resolution 6 set out in the notice convening this Meeting be and is hereby extended by the addition thereto the aggregate nominal amount of share capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution 7 set out in the notice convening this Meeting provided that such amount shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”.

As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as a Special Resolution:

### SPECIAL RESOLUTION

9. “**THAT** the Articles of Association of the Company be and are hereby amended in the following manner:

(a) by adding the following definition immediately after the definition of “Register” in Article 1:

“remuneration committee” means the committee known by that name established under Article 162’;

(b) by moving the words ‘remuneration for their services’ to the first line immediately after the words “The Directors shall be paid” in Article 134.(a);

(c) by deleting the existing Article 134.(b) in its entirety and substituting therefor the following new Article 134.(b):

‘134. (b) The remuneration committee shall determine and review the remuneration policy and packages for all Directors. No Director shall be involved in deciding his own remuneration.’;

(d) by deleting the existing Article 153 in its entirety and substituting therefor the following new Article 153:

‘153. At each annual general meeting of the Company, one-third of the Directors at the start of business on the date of the notice which convenes the annual general meeting shall retire but shall be eligible for re-election. Where the number of Directors is not three (3) or a number divisible by three (3), the number of Directors to retire will be the number which is nearest to and not less than one-third. If there are less than three (3) Directors, they shall all retire. The Directors to retire by rotation will be those Directors who have been Directors longest in office since they were last elected, or appointed by the Members (as the case may be). If there are Directors who were last elected, or appointed by the Members (as the case may be), on the same date, they can agree on who is to retire. If they do not agree, they must draw lots to decide. Every retiring Director shall be eligible for re-election.’;

(e) by deleting the comma and the words “by word of mouth” and adding the sentence ‘For the avoidance of doubt, a written notice of a Directors’ meeting can be sent via facsimile or email.’ after the second sentence in Article 156;

(f) by deleting the full stop in Article 162 and adding the words ‘and a remuneration committee comprised of independent Non-Executive Directors.’ to the end thereof;

- (g) by deleting the word “Board” in Article 169 and substituting therefor the words ‘remuneration committee’.

By Order of the Board  
**Kong Kin Sing, James**  
*Company Secretary*

Hong Kong, 31st March, 2005

*Notes:*

- (a) A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- (b) To be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof must be deposited at the office of the Company’s Registrar, Tricor Investor Services Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or adjournment thereof.
- (c) The Register of Members will be closed from Tuesday, 26th April, 2005 to Thursday, 28th April, 2005, both days inclusive, during which period no share transfer will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Registrar, Tricor Investor Services Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 25th April, 2005.
- (d) The directors of the Company as at the date of this notice are:

*Chairman & Non-Executive Director*

Mr. Jiang Wei

*Executive Vice Chairman & Executive Director*

Mr. Leung Kai Hung, Michael

*Executive Directors*

Mr. Henshaw Charles Guy (Chief Executive Officer), Mr. Wong Man Kwan, Willie and Ms. Wong Leung Ka On, Charlotte

*Non-Executive Directors*

Dr. Huang Zhi Jian, Mr. Li Fu Zuo, Mr. Sinn Chung Ming, Anthony, Mr. Wu Jun and Mr. Yan Biao

*Independent Non-Executive Directors*

Professor Chen Kwan Yiu, Edward, Mr. Lam Kwong Yu, Mr. Ma Chiu Cheung, Andrew and Mr. Tan Henry



*The following are the particulars of the Directors proposed to be re-elected at the AGM:*

## **EXECUTIVE DIRECTORS**

### **1. Mr. HENSHAW Charles Guy (Pursuant to Article 131)**

**Mr. HENSHAW Charles Guy**, aged 53, Chief Executive Officer, was appointed as Executive Director in 2004. Mr. Henshaw is a member of the Executive Committee. Mr. Henshaw has over 25 years of experience in all aspects of telecommunications, 21 years of which has been dedicated to mobile telephony covering all of the main technology standards. Mr. Henshaw first joined the Company as Chief Technology Officer in September 1998. He was responsible for the strategy and implementation of new technologies within the Company focusing on the enhancement of mobile services into messaging, transaction, and multimedia services. Prior to his present appointment, Mr. Henshaw worked at Ericsson for a period of over 20 years in a variety of management capacities in different countries including Malaysia, Oman and Saudi Arabia. He was the General Manager of the Fixed and Cellular Networks of Ericsson in Hong Kong before joining the Company. Mr. Henshaw is a member of the Hong Kong Wireless Development Centre Advisory Board and International Telecommunications Union Telecom 2006 Forum Advisory Committee.

Mr. Henshaw's service contract provides for a fixed term of 3 years from 1st April, 2004 but he is subject to retirement and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles. His annual emoluments were HK\$5,077,000 which was determined with reference to his level of experience, performance and business performance of the Company.

Mr. Henshaw does not have any relationships with any directors, senior management, substantial or controlling shareholders nor hold any other positions of the Company or its Group. As at the Latest Practicable Date, Mr. Henshaw holds 3,000,000 share options in the Company within the meaning of Part XV of the SFO. There is no other matters concerning Mr. Henshaw that need to be brought to the attention of the Shareholders.

### **2. Mr. WONG Man Kwan, Willie (Pursuant to Article 131)**

**Mr. WONG Man Kwan, Willie**, aged 50, was appointed Executive Director in 2004. Mr. Wong is a member of the Executive Committee. Mr. Wong has over 10 years of experience in the telecommunications industry. Mr. Wong was one of the founding members of the steering committee of the Company during the PRS license-bidding period and was heavily involved in the start-up and development of the Company. Mr. Wong was appointed Deputy Managing Director in 1997 and has been with the Company since inception in 1994. He was also the Deputy Managing Director of Telepaging Limited and the General Manager of Onwel Strategic Holdings Limited until he resigned from such companies on 23rd February, 2004 and 26th February, 2004, respectively. He has been with each company for 3 years and 9 years, respectively. Mr. Wong was educated in Canada and received his Bachelor's degree in Science from the University of Toronto in 1979.

Mr. Wong's service contract provides for a fixed term of 3 years from 1st April, 2004 but he is subject to retirement and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles. His annual emoluments were HK\$3,285,000 which was determined with reference to his level of experience, performance and business performance of the Company.

Mr. Wong does not have any relationships with any directors, senior management, substantial or controlling shareholders nor hold any other positions of the Company or its Group. As at the Latest Practicable Date, Mr. Wong holds 3,000,000 share options and 30,000 shares in the Company within the meaning of Part XV of the SFO. There is no other matters concerning Mr. Wong that need to be brought to the attention of the Shareholders.

### **3. Ms. WONG LEUNG Ka On, Charlotte (Pursuant to Article 153)**

**Ms. WONG LEUNG Ka On, Charlotte**, aged 31, was appointed Executive Director in 2004. Ms. Wong is a member of the Executive Committee. Ms. Wong has over 5 years of experience in the telecommunications industry. Before joining the Company, Ms. Wong was a Senior Relationship Manager at ABN AMRO Bank NV Hong Kong. Prior to that, she spent three years with Citibank N.A., Hong Kong as a Risk Manager. Ms. Wong was a Director of Onwel Investment Holdings Limited until her resignation on 25th February, 2004. Ms. Wong obtained both her Bachelor and Master of Arts degrees from the University of Cambridge, United Kingdom in 1994 and 1999, respectively. She is a Chartered Financial Analyst.

Ms. Wong's service contract provides for a fixed term of 3 years from 1st April, 2004 but she is subject to retirement and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles. Her annual emoluments were HK\$2,736,000 which was determined with reference to her level of experience, performance and business performance of the Company.

As at the Latest Practicable Date, Ms. Wong holds 3,000,000 share options in the Company within the meaning of Part XV of the SFO. Ms. Wong is the daughter of Mr. Leung Kai Hung, Michael, who is an Executive Director and a substantial shareholder of the Company. Other than that, Ms. Wong does not have any relationships with any other directors, senior management, substantial or controlling shareholders nor hold any other positions of the Company or its Group. There is no other matters concerning Ms. Wong that need to be brought to the attention of the Shareholders.

**NON-EXECUTIVE DIRECTORS****4. Mr. Yan Biao (Pursuant to Article 131)**

**Mr. Yan Biao**, aged 43, was appointed Non-Executive Director in 2005. Mr. Yan is an Executive Director and Deputy Managing Director of China Resources Enterprise, Limited, a company listed on the Stock Exchange since 13 December 1994 and 26 November 2001 respectively; and an Executive Director of China Resources Land Limited, a company listed on the Stock Exchange since 12 August 1996, a Director of China Resources (Holdings) Company Limited since 28 April 2000 and a Director of China Resources National Corporation since 10 July 2001. Mr. YAN received his Bachelor of Laws degree from the Peking University in China and a Master of Business Administration degree from the University of San Francisco in the United States, in 1985 and 1993, respectively.

Mr. Yan will receive director's fee as approved from time to time by Shareholders at the annual general meeting of the Company. There is no service contract between the Company and Mr. Yan. The director's fee to Mr. Yan is determined by reference to his duties and responsibilities with the Company, the Company's performance and profitability, the Company's remuneration policy and the market benchmark.

As at the Latest Practicable Date, Mr. Yan does not have any relationships with any directors, senior management, substantial or controlling shareholders of the Company and does not have any interests in the shares of the Company within the meaning of Part XV of the SFO. There is no other matters concerning Mr. Yan that need to be brought to the attention of the Shareholders.

**5. Mr. LI Fu Zuo (Pursuant to Article 153)**

**Mr. LI Fu Zuo**, aged 40, was appointed Non-Executive Director in 2001. Mr. Li has extensive experience in project investment and management. Mr. Li has over three years of experience in the telecommunications industry. Mr. Li joined the China Resources National Corporation in 1990 and joined the Enterprise Development Department of China Resources (Holdings) Company Limited in 1992. Mr. Li has been the General Manager of the Enterprise Development Department of China Resources (Holdings) Company Limited since 2001. Mr. Li obtained both his Bachelor's and Master's degrees in Mechanical Manufacturing Engineering and Engineering from the Beijing University of Aeronautics and Astronautics, now known as the Beihang University, in 1987 and 1990 respectively.

Mr. Li will receive director's fee as approved from time to time by Shareholders at the annual general meeting of the Company, currently being HK\$80,000 per annum. There is no service contract between the Company and Mr. Li. Mr. Li is not appointed for a specific term. The director's fee to Mr. Li is determined by reference to his duties and responsibilities with the Company, the Company's performance and profitability, the Company's remuneration policy and the market benchmark.

Mr. Li does not have any relationships with any directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Li holds 600,000 share options in the Company within the meaning of Part XV of the SFO. There is no other matters concerning Mr. Li that need to be brought to the attention of the Shareholders.

**6.    Dr. HUANG Zhi Jian (Pursuant to Article 153)**

**Dr. HUANG Zhi Jian**, aged 59, was appointed Non-Executive Director in 1999. Dr. Huang has 6 years of experience in the telecommunications industry. Dr. Huang joined China Resources (Holdings) Company Limited in 1986 and has served as a Director and Deputy General Manager of various China Resources (Holdings) Company Limited's subsidiaries. Dr. Huang joined China Resources Development and Investment Company Limited in December 1998 and was appointed a Director and investment consultant in 2001. He was responsible for managing telecommunications investment projects since 1999. Dr. Huang graduated from Tsinghua University, Beijing in 1968. He subsequently obtained a Master's degree in 1982 and a Doctoral degree in 1984 from the University of Manchester, United Kingdom and has been registered as a professional engineer in Hong Kong since 1991.

Dr. Huang will receive director's fee as approved from time to time by Shareholders at the annual general meeting of the Company, currently being HK\$80,000 per annum. There is no service contract between the Company and Dr. Huang. Dr. Huang is not appointed for a specific term. The director's fee to Dr. Huang is determined by reference to his duties and responsibilities with the Company, the Company's performance and profitability, the Company's remuneration policy and the market benchmark.

Dr. Huang does not have any relationships with any directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Dr. Huang holds 400,000 share options in the Company within the meaning of Part XV of the SFO. There is no other matters concerning Dr. Huang that need to be brought to the attention of the Shareholders.

**INDEPENDENT NON-EXECUTIVE DIRECTORS****7.    Mr. MA Chiu Cheung, Andrew (Pursuant to Article 131)**

**Mr. MA Chiu Cheung, Andrew**, aged 63, was appointed Independent Non-Executive Director in 2004. Mr. Ma is currently a Director of Andrew Ma DFK (CPA) Limited and has over 30 years of experience in accounting and finance. Mr. Ma is a Fellow of the Institute of Chartered Accountants in England and Wales and a Fellow of the Hong Kong Institute of Certified Public Accountants. He was the past President of the Rotary Club of Hong Kong Island West. Currently, he is the President of The Hong Kong Federation of Youth Groups, Vice President of Chiu Yang Residents Association Limited and Vice President of Hong Kong Chiu Chow Chamber of Commerce Limited. He is currently also an Independent Non-Executive Director of Asia Financial Holdings Limited, Peaktop International Holdings Limited and Magician Industries (Holdings) Limited, all of which are listed on the Stock Exchange. He received his Bachelor's degree, majoring in Economics from the London School of Economics and Political Science (University of London) in England.

Mr. Ma will receive director's fee as approved from time to time by Shareholders at the annual general meeting of the Company, currently being HK\$120,000 per annum. There is no service contract between the Company and Mr. Ma. Mr. Ma is not appointed for a specific term. The director's fee to Mr. Ma is determined by reference to his duties and responsibilities with the Company, the Company's performance and profitability, the Company's remuneration policy and the market benchmark.

Mr. Ma does not have any relationships with any directors, senior management, substantial or controlling shareholders nor hold any other positions of the Company or its Group. As at the Latest Practicable Date, Mr. Ma does not have any interest in the shares of the Company within the meaning of Part XV of the SFO. There is no other matters concerning Mr. Ma that need to be brought to the attention of the Shareholders.

#### **8. Professor CHEN Kwan Yiu, Edward (Pursuant to Article 131)**

**Professor CHEN Kwan Yiu, Edward**, aged 60, was appointed Independent Non-Executive Director in 2004. Professor Chen is currently President of Lingnan University of Hong Kong. He also serves as an Independent Non-Executive Director of First Pacific Company Limited ("First Pacific"), Asia Satellite Telecommunications Holdings Limited and Wharf (Holdings) Limited. First Pacific is an investment and holding company listed on the Stock Exchange with interests in telecommunications and consumer food products. Asia Satellite Telecommunications Holdings Limited, which is listed in both Hong Kong and New York, is a provider of satellite services in Asia. The Wharf (Holdings) Limited is a property investment company listed on the Stock Exchange. Professor Chen is also a trustee of various Eaton Vance Funds. He was a Non-Executive Director of the Securities and Futures Commission from 1991 to 1995, a board member of the Mass Transit Railway Corporation from 1992 to 1999 and a board member of the Applied Science and Technology Research Institute. He holds a Bachelor of Arts and Master of Social Science degrees from the University of Hong Kong and a Doctor of Philosophy degree in Economics from the Oxford University.

Professor Chen will receive director's fee as approved from time to time by Shareholders at the annual general meeting of the Company, currently being HK\$120,000 per annum. There is no service contract between the Company and Professor Chen. Professor Chen is not appointed for a specific term. The director's fee to Professor Chen is determined by reference to his duties and responsibilities with the Company, the Company's performance and profitability, the Company's remuneration policy and the market benchmark.

Professor Chen does not have any relationships with any directors, senior management, substantial or controlling shareholders nor hold any other positions of the Company or its Group. As at the Latest Practicable Date, Professor Chen does not have any interest in the shares of the Company within the meaning of Part XV of the SFO. There is no other matters concerning Professor Chen that need to be brought to the attention of the Shareholders.

**9. Mr. TAN Henry (Pursuant to Article 131)**

**Mr. TAN Henry**, aged 51, was appointed Independent Non-Executive Director in 2004. Mr. Tan is the Managing Director and President of Luen Thai International Group Limited (“Luen Thai”), an apparel supply chain company. Mr. Tan has over 30 years of executive management experience in apparel, footwear, logistics industries and services. At Luen Thai, Mr. Tan is involved in the strategic planning and customer relationship management (CRM) of sales and merchandising functions with world-renowned brands such as Polo Ralph Lauren, Liz Claiborne and The Limited Companies. Luen Thai currently provides and will continue to provide certain services including insurance, travel, hotel, freight and fabric sourcing to certain companies controlled by Mr. Leung Kai Hung, Michael, a director of the Company, the value of which is immaterial when compared to the turnover of either party. Mr. Tan also currently holds the position of Vice Chairman of Po Leung Kuk in Hong Kong. Mr. Tan holds a Master of Business Administration degree and a Bachelor of Business Administration degree, both from the University of Guam, USA.

Mr. Tan will receive director’s fee as approved from time to time by Shareholders at the annual general meeting of the Company, currently being HK\$120,000 per annum. There is no service contract between the Company and Mr. Tan. Mr. Tan is not appointed for a specific term. The director’s fee to Mr. Tan is determined by reference to his duties and responsibilities with the Company, the Company’s performance and profitability, the Company’s remuneration policy and the market benchmark.

Mr. Tan does not have any relationships with any directors, senior management, substantial or controlling shareholders nor hold any other positions of the Company and its Group. As at the Latest Practicable Date, Mr. Tan does not have any interest in the shares of the Company within the meaning of Part XV of the SFO. There is no other matters concerning Mr. Tan that need to be brought to the attention of the Shareholders.

**10. Mr. LAM Kwong Yu (Pursuant to Article 131)**

**Mr. LAM Kwong Yu**, aged 61, was appointed Independent Non-Executive Director in 2004. Mr. Lam specializes in air transportation and civil aviation management. Mr. Lam has extensive experience in policy formulation, project implementation, resources management, business strategy development, liaison and co-ordination. Before joining the Board of the Company and until his retirement from the Hong Kong Special Administrative Region Government in April 2004, Mr. Lam was the Director – General of Civil Aviation. He had served as a member of Hong Kong Basic Law Consultative Committee, Chairman of Hong Kong Aviation Advisory Board and member of the Hong Kong Airport Authority Board. He is currently a Court Member of the Hong Kong University of Science and Technology. Mr. Lam is a recipient of Silver Bauhinia Star Award as announced in the Hong Kong Special Administrative Region Honour list on 1st July, 2004. Mr. Lam has been an Executive Director of Lei Shing Hong Limited, a company listed on the Stock Exchange since 4th August, 2004.

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**APPENDIX III      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED**

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Mr. Lam will receive director's fee as approved from time to time by Shareholders at the annual general meeting of the Company, currently being HK\$120,000 per annum. There is no service contract between the Company and Mr. Lam. Mr. Lam is not appointed for a specific term. The director's fee to Mr. Lam is determined by reference to his duties and responsibilities with the Company, the Company's performance and profitability, the Company's remuneration policy and the market benchmark.

Mr. Lam does not have any relationships with any directors, senior management, substantial or controlling shareholders nor hold any other positions of the Company and its Group. As at the Latest Practicable Date, Mr. Lam holds 12,000 shares in the Company within the meaning of Part XV of the SFO. There is no other matters concerning Mr. Lam that need to be brought to the attention of the Shareholders.